

ANNUAL MARKET PERFORMANCE REVIEW 2023



Old Reserve Bank Building, Victoria Avenue
P/Bag 270
Blantyre
Malawi

Telephone: (265) 0111 824 233/0884 824 233

E-mail: info@mse.co.mw

Website: www.mse.co.mw

Malawi's global portal

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INVESTING IN BONDS ON THE MALAWI STOCK EXCHANGE

What is a bond?

Bonds are essentially tradeable loans from an investor to a company, statutory corporation or government.

Who is a bondholder?

An individual who lends money to a company, statutory corporation or government.

Who is a bond issuer?

An entity such as corporate, statutory corporation or government who borrows money from the bondholder for the purpose of raising funds.

Did you know?

You can invest as little as MK1,000.00 and earn interest ranging from 10-17.84% by investing on any of the listed bonds on the Malawi Stock Exchange.

Benefits of investing in Bonds

Provides a predictable income stream in the form of cash interest payments which are based on the interest rate on the bond.

Bonds are considered less risky, especially when considering government bonds, thus, offer a good starting point to investing for beginners.

Bondholders get priority of payment in the event of liquidation or when the borrower goes bankrupt. They enjoy a measure of legal protection to get their money back.

Bondholders can benefit from capital gains.

For more information, contact the Malawi Stock Exchange

Email: info@mse-mw.com

Tel: 01 824 233

<https://www.mse.co.mw>



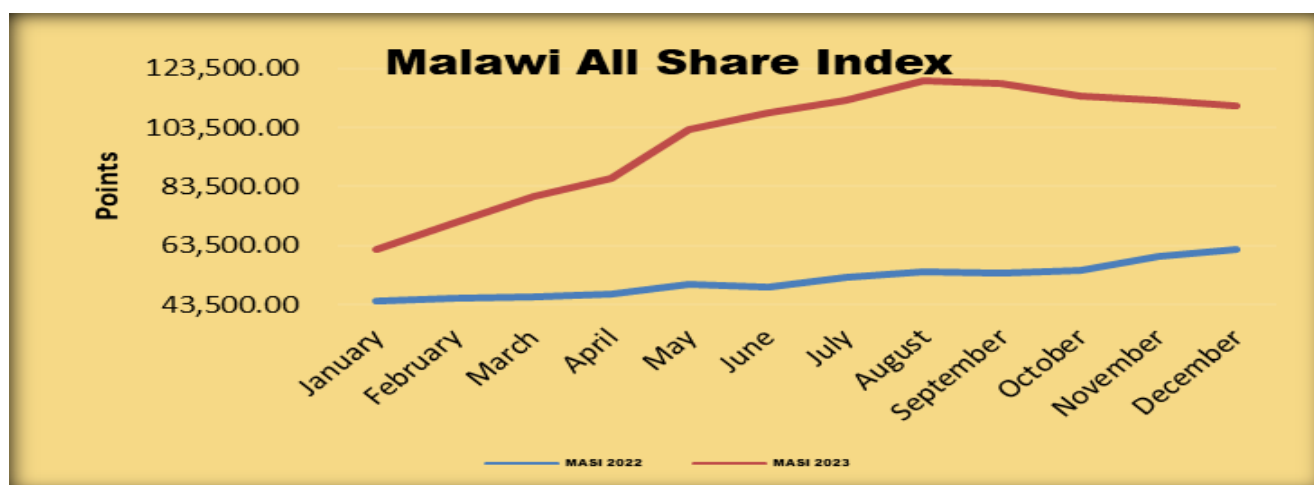
1. TRADING SUMMARY

The market registered a positive return on index of **78.85%** (9.05% in US\$ terms as a result of the 44% devaluation of the Malawi Kwacha in November 2023) compared to **36.74%** (8.76% in US\$ terms) in 2022. The market also registered an increase in total value traded despite registering a decrease in total volume of shares traded compared to the corresponding period 2022.

There were no trades on the 8 Development Bonds and 72 Treasury Notes listed on the Debt Market.

Year-To-Date Index Levels and Return

INDEX	JAN. 2023	DEC. 2023	% Δ 2023 (MK)	% Δ 2023 (US\$)	% Δ 2022 (MK)	% Δ 2022 (US\$)
MASI	62,036.05	110,951.21	78.85 ▲	9.05 ▲	36.74 ▲	8.76 ▲
DSI	50,804.03	86,359.68	69.99 ▲	3.65 ▲	37.08 ▲	9.03 ▲
FSI	5,614.30	15,792.06	181.28 ▲	71.50 ▲	32.94 ▲	5.74 ▲



	Year 2023	Year 2022	% Δ
Traded Value (MK)	77,207,908,713.89	51,719,845,760.25	49.28 ▲
Traded Value (US\$)	66,848,878.62	54,088,354.47	23.59 ▲
Traded Vol. Shares	612,184,956	1,402,901,021	-56.36
No. of Transactions	10,736	4,271	151.37 ▲
Index Close (MASI)	110,951.21	62,036.05	78.85 ▲
Listed Debt Securities	80	62	
Traded Debt Securities	00	01	
Listed Companies	16	16	
Traded Companies	16	16	
Not Traded Companies	00	00	
Gainers	15	11	
Decliners	01	05	
Unchanged	00	00	



2. MARKET PERFORMANCE

A. Trade Performance Analysis

In the year 2023, the market transacted a total of 612,184,956 shares at a total consideration of MK77,207,908,713.89 (US\$66,848,878.62) in 10,736 trades. In the corresponding period 2022, the market transacted a total of 1,402,901,021 shares at a total consideration of MK51,719,845,760.25 (US\$54,088,354.47) in 4,271 trades. This reflects a **-56.36%** decrease in share volume traded but a **49.28%** (**23.59%** in US\$ terms) increase in share value traded. Of the shares traded, 14.49 million AIRTEL, 9.38 million FDH, 24.55 million ICON, 12.74 million NBS, 3.80 million NICO, 3.04 million PCL and 13.99 million TNM shares traded as negotiated deals at a total consideration of MK11.35 billion.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 2,468,488 shares compared to 5,589,247 shares traded in the corresponding period 2022 reflecting a decrease of **-55.84%**.

The average daily turnover for the year 2023 was MK311,322,212.56 (US\$269,551.93) compared with MK206,055,162.39 (US\$215,491.45) for the corresponding period 2022, reflecting an increase of **51.09%** (**25.09%** in US Dollar terms).

B. Market Capitalization and Index

The market registered a positive return on index as reflected in the upward movement of the Malawi All Share Index (MASI) from 62,036.05 points registered on 3 January 2023 to 110,951.21 points registered on 29 December 2023, giving a return on index of **78.85%**, (**9.05%** in US\$ terms) compared to **36.74%**, (**8.76%** in US\$ terms) registered in 2022. The price gains registered by fifteen counters, FDHB(302.99%), NBS (237.94%), NITL(228.02%), FMBCH(184.14%), NICO(150.67%), ILLOVO(133.34%), SUNBIRD(107.55%), STANDARD(97.48%), OMU(52.28%), ICON(49.37%), NBM (36.26%), TNM(33.57%), BHL(18.51%), PCL(14.93%), AIRTEL(5.93%) were enough to offset a share price loss by MPICO(-27.33%) resulting into an upward movement of the Malawi All Share Index. The Domestic and Foreign Share indices inched upwards by 69.99% and 181.28% to close at 86,359.68 and 15,792.06 points respectively.

Market capitalization increased in Kwacha and marginally in United States Dollar terms as a result of the 44% devaluation of the Malawi Kwacha in November 2023 from MK3.35 trillion (US\$3.26 billion) on 03 January 2023 to MK5.99 trillion (US\$3.56 billion) on 31 December 2023.

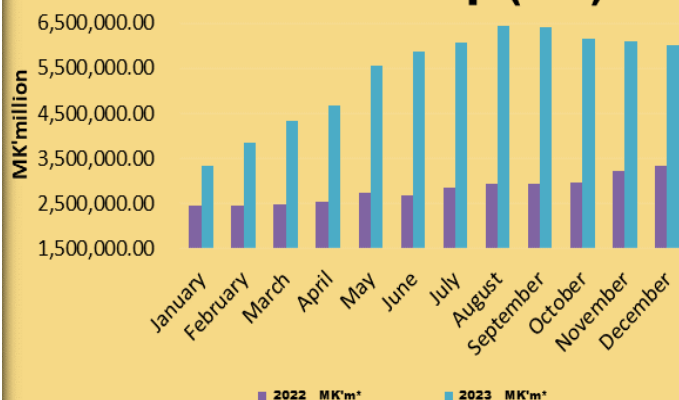
C. Market Liquidity

The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP***), an indicator of the liquidity of assets traded on the market, in 2023 was recorded at 1.29%, lower than 1.54% registered in 2022. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.53% in the review period while during the corresponding period of 2022 liquidity was at 0.35%. Market capitalization as a percentage of GDP was at 41.14% in 2023 whilst in 2022 it was at 22.98%.



2. MARKET PERFORMANCE

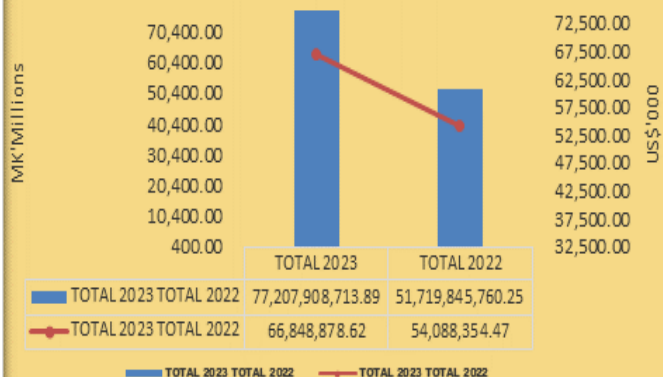
Market Cap (MK)



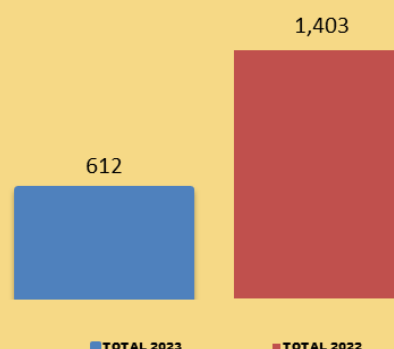
Market Cap (US\$)



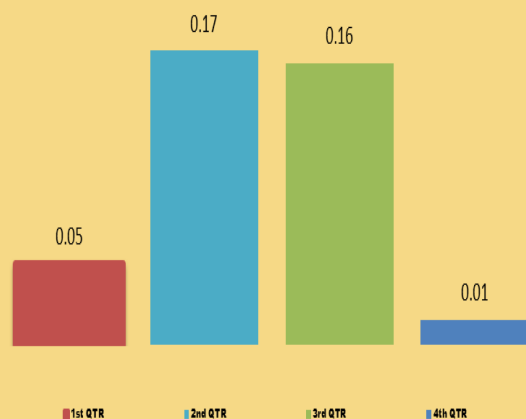
Total Traded Value



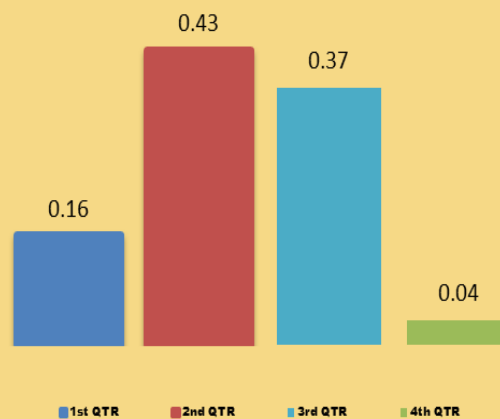
Total Traded Volume(mn)



TVT/GDP (%)



TVT/MCAP* (%)





3. COMPANY TRADING PERFORMANCE

A. Top 5 gainers:
Fifteen counters
registered capital
gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
FDHB	MWFDHB001166	FDH Bank plc	302.99 ▲
NBS	MWNBS0010101	NBS Bank plc	237.94 ▲
NITL	MWNITL010091	National Investment Trust plc	228.02 ▲
FMBCH	MWFMB0010138	FMB Capital Holdings plc	184.14 ▲
NICO	MWNICO010014	NICO Holdings plc	150.67 ▲

B. Top 5 Losers: One
counter
registered
capital losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
MPICO	MWMP0010116	MPICO plc	-27.33

C. Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
FDHB	MWFDHB001166	FDH Bank plc	160,374,215	26.20
TNM	MWTNM0010126	Telekom Networks Malawi plc	111,137,021	18.15
NBS	MWNBS0010101	NBS Bank plc	97,293,217	15.89
ICON	MWICON001146	ICON Properties plc	80,361,900	13.13
AIRTEL	MWAIRT001156	Airtel Malawi plc	57,588,412	9.41

D. Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
NBM	MWNB0010074	National Bank of Malawi plc	17,702,083,702.87	22.93
FDHB	MWFDHB001166	FDH Bank plc	9,305,438,691.20	12.05
NBS	MWNBS0010101	NBS Bank plc	9,046,441,292.15	11.72
PCL	MWPCL0010053	Press Corporation plc	8,506,445,533.59	11.02
AIRTEL	MWAIRT001156	Airtel Malawi plc	5,305,830,192.24	6.87

3. COMPANY TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades Count	Market Capitalization
AIRTEL	56.64	101.00	55.00	60.00	5.93%	57,588,412	5,305,830,192.24	1,275	660,000,000,000.00
BHL	10.97	13.01	10.00	13.00	18.51%	12,071,312	122,007,539.73	54	10,916,759,165.00
FDHB	17.37	76.01	17.37	70.00	302.99%	160,374,215	9,305,438,691.20	2,394	483,072,187,500.00
FMBCH	110.86	415.03	110.86	315.00	184.14%	16,680,739	4,963,186,636.77	643	774,348,750,000.00
ICON	11.95	19.00	11.25	17.85	49.37%	80,361,900	934,370,342.86	234	119,238,000,000.00
ILLOVO	540.00	1,260.03	540.00	1,260.03	133.34%	3,826,611	4,211,285,666.05	600	898,961,335,991.73
MPICO	20.64	20.64	15.00	15.00	-27.33%	17,891,850	301,607,449.79	200	34,470,711,900.00
NBM	1,542.05	2,102.00	1,542.07	2,101.25	36.26%	8,682,441	17,702,083,702.87	915	981,140,314,472.50
NBS	34.00	132.01	34.00	114.90	237.94%	97,293,217	9,046,441,292.15	1,383	334,424,878,604.40
NICO	60.00	165.00	60.00	150.40	150.67%	24,346,336	3,548,041,150.34	645	156,873,380,838.40
NITL	124.99	412.00	124.99	409.99	228.02%	13,274,062	4,590,522,737.94	390	55,348,650,000.00
OMU	985.00	1,500.00	800.00	1,500.00	52.28%	3,210,725	3,239,171,764.09	166	20,245,039,500.00
PCL	2,181.37	2,508.00	2,180.00	2,506.99	14.93%	3,656,560	8,506,445,533.59	159	301,480,138,181.80
STANDARD	2,000.16	3,950.00	2,000.16	3,950.00	97.48%	951,427	2,439,512,647.85	312	926,939,239,900.00
SUNBIRD	92.06	191.07	92.06	191.07	107.55%	838,128	119,178,875.00	87	49,980,583,560.60
TNM	14.00	30.00	13.98	18.70	33.57%	111,137,021	2,872,784,491.42	1,279	187,756,415,000.00
Total						612,184,956	77,207,908,713.89	10,736	5,995,196,384,614.43



4. DEBT SECURITIES TRADING PERFORMANCE

In the primary market, 30 Government securities comprising 5 Development Bonds and 25 Treasury notes with a total nominal value of MK1.69 trillion were listed through an introduction on 25 September 2023. There were 8 Development Bonds and 72 Treasury Notes issued by Malawi Government as at 29 December 2023

Symbol	Nominal Value Issued (MKmn)	Maturity Date	Coupon Rate	BID	OFFER	LAST	Face Value traded (K'000)
03TNY	112,687.71	21-Apr-25	11.00	0.0000	0.0000	80.7182	0.00
10TN8	11,758.90	29-Dec-32	15.00	0.0000	0.0000	55.9618	0.00
10TNY	47,342.28	1-Jun-33	15.00	0.0000	0.0000	52.0498	0.00
23TN5	46,276.04	26-Jan-28	12.50	0.0000	0.0000	64.6972	0.00
25TN7	26,899.40	17-Oct-29	13.50	0.0000	0.0000	59.7366	0.00
2DB07	28,180.80	24-Nov-29	14.50	0.0000	0.0000	60.6393	0.00
3TNRY	10,431.35	28-Jun-25	11.00	0.0000	0.0000	76.8326	0.00
3TNYR	31,446.03	15-Dec-25	11.00	0.0000	0.0000	74.9507	0.00
9DB05	16,069.96	29-Jun-28	13.50	0.0000	0.0000	41.6165	0.00
BD05Y	8,079.69	1-Dec-27	13.50	0.0000	0.0000	66.1055	0.00
CTN05	37,830.00	23-Mar-28	12.50	0.0000	0.0000	63.2752	0.00
DB07I	11,896.60	10-Mar-29	14.50	0.0000	0.0000	72.5761	0.00
DB10Y	692.90	28-Apr-32	16.00	0.0000	0.0000	72.0496	0.00
DB7FF	18,097.80	1-Sep-29	14.50	0.0000	0.0000	62.1614	0.00
DB7GF	29,584.65	2-Mar-30	14.50	0.0000	0.0000	60.5778	0.00
DB820	18,463.10	19-Aug-31	16.00	0.0000	0.0000	72.3338	0.00
GTN05	52,582.70	4-May-28	12.50	0.0000	0.0000	61.4978	0.00
M02TN	57,982.00	16-Mar-25	10.00	0.0000	0.0000	81.3651	0.00
N02T	118,048.83	19-May-24	10.00	0.0000	0.0000	87.5763	0.00
NDT07	53,119.22	20-Apr-30	13.50	0.0000	0.0000	55.7311	0.00
R10TN	115,106.42	29-Sep-32	15.00	0.0000	0.0000	59.3652	0.00
RTN05	144,429.20	11-Aug-27	12.50	0.0000	0.0000	68.0190	0.00
T0119	8,431.00	20-Jan-32	15.00	0.0000	0.0000	69.2256	0.00
T012	125,981.19	7-May-25	12.50	0.0000	0.0000	81.0399	0.00
T0127	30,905.64	27-Jan-27	12.50	0.0000	0.0000	74.9917	0.00
T02DX	40,613.10	3-Nov-24	10.00	0.0000	0.0000	82.9730	0.00
T02JH	93,374.13	16-Feb-26	11.00	0.0000	0.0000	75.2701	0.00
T02KK	125,488.13	15-Sep-24	10.00	0.0000	0.0000	83.2350	0.00
T02NA	56,543.77	4-Mar-24	10.00	0.0000	0.0000	88.7905	0.00
T02QL	71,904.17	19-Jan-25	10.00	0.0000	0.0000	82.9472	0.00
T03BN	94,914.26	10-Feb-25	11.00	0.0000	0.0000	81.6864	0.00
T03SD	92,902.52	11-Nov-24	11.00	0.0000	0.0000	87.3825	0.00
T03TX	22,755.93	8-Apr-24	11.00	0.0000	0.0000	82.3607	0.00
T03VV	113,695.00	25-Aug-25	11.00	0.0000	0.0000	76.2257	0.00
T05NT	19,624.02	2-Sep-26	12.50	0.0000	0.0000	84.3890	0.00
T05QZ	129,295.73	21-Oct-26	12.50	0.0000	0.0000	78.6668	0.00

4. DEBT SECURITIES TRADING PERFORMANCE



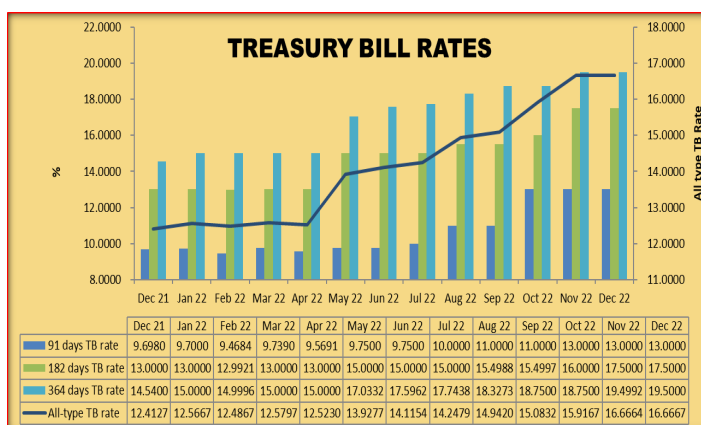
MALAWI STOCK EXCHANGE

T05RR	26,849.45	17-Nov-27	12.50	0.0000	0.0000	66.1551	0.00
T0731	6,846.50	29-Jul-28	13.50	0.0000	0.0000	72.1403	0.00
T07GK	77,232.20	14-Jul-29	13.50	0.0000	0.0000	62.1619	0.00
T07JK	25,857.00	2-Feb-30	13.50	0.0000	0.0000	59.8482	0.00
T07YR	109,005.96	15-Jun-30	13.50	0.0000	0.0000	54.6082	0.00
T103	36,495.00	23-Jul-25	12.50	0.0000	0.0000	77.4237	0.00
T10BZ	5,000.00	28-Oct-31	15.00	0.0000	0.0000	70.6450	0.00
T10LK	93,435.23	23-Feb-33	15.00	0.0000	0.0000	57.4336	0.00
T10NX	5,463.50	30-Sep-31	15.00	0.0000	0.0000	68.4575	0.00
T10YR	15,975.00	17-Sep-30	15.00	0.0000	0.0000	71.7006	0.00
T2511	7,458.60	25-Nov-28	13.50	0.0000	0.0000	73.3232	0.00
T2MM	69,162.20	28-Jul-24	10.00	0.0000	0.0000	84.6553	0.00
T3YRX	27,158.69	5-Aug-24	11.00	0.0000	0.0000	82.3667	0.00
TN02F	14,972.88	20-Oct-24	10.00	0.0000	0.0000	82.4461	0.00
TN03L	55,692.05	23-Dec-24	11.00	0.0000	0.0000	82.2589	0.00
TN03N	15,571.80	30-Jun-24	11.00	0.0000	0.0000	82.3849	0.00
TN03X	89,955.80	13-Oct-25	11.00	0.0000	0.0000	74.9966	0.00
TN05	63,097.33	5-Dec-24	10.50	0.0000	0.0000	86.2716	0.00
TN05Y	92,884.10	24-Dec-25	12.50	0.0000	0.0000	77.3103	0.00
TN07	78,959.70	4-Jun-27	13.50	0.0000	0.0000	76.3317	0.00
TN102	18,811.41	15-Aug-26	14.00	0.0000	0.0000	87.9849	0.00
TN10F	15,498.70	16-Jun-32	15.00	0.0000	0.0000	61.5493	0.00
TN12H	82,963.91	6-Jan-24	10.00	0.0000	0.0000	91.9173	0.00
TN2	19,701.90	4-Feb-24	11.00	0.0000	0.0000	82.9777	0.00
TN201	14,326.37	24-Feb-29	13.50	0.0000	0.0000	71.7603	0.00
TN3	27,253.49	25-Mar-26	12.50	0.0000	0.0000	77.0438	0.00
TN5	70,925.00	6-May-31	15.00	0.0000	0.0000	70.6523	0.00
TN50	13,211.00	22-Oct-25	12.50	0.0000	0.0000	77.1437	0.00
TN5YC	83,981.04	24-Mar-27	12.50	0.0000	0.0000	74.7614	0.00
TN7AF	33,927.07	20-Aug-27	13.50	0.0000	0.0000	73.8329	0.00
TN7YR	16,239.70	9-Jan-27	11.50	0.0000	0.0000	76.7700	0.00
TN888	5,960.00	23-Apr-30	15.00	0.0000	0.0000	73.0590	0.00
TN90	19,447.36	12-Sep-29	15.50	0.0000	0.0000	88.4233	0.00
TN92	48,087.04	27-Dec-25	15.50	0.0000	0.0000	100.0000	0.00
TNX07	20,450.00	12-Nov-27	13.50	0.0000	0.0000	76.0578	0.00
TNX10	11,786.00	10-Dec-30	15.00	0.0000	0.0000	70.6384	0.00
TNX7	39,100.20	17-Jun-28	13.50	0.0000	0.0000	74.3855	0.00
TNY07	29,960.42	14-Jan-28	13.50	0.0000	0.0000	75.3418	0.00
TNYR2	49,368.07	8-Jun-25	10.00	0.0000	0.0000	78.1983	0.00
TT05	37,750.90	3-Jun-26	12.50	0.0000	0.0000	76.9113	0.00
TX07Y	13,021.00	22-Apr-28	13.50	0.0000	0.0000	74.6008	0.00
TX10Z	10,740.00	18-Feb-31	15.00	0.0000	0.0000	70.6213	0.00
Y05TN	65,390.73	2-Jun-27	12.50	0.0000	0.0000	68.6804	0.00
YR07T	28,722.04	5-May-29	13.50	0.0000	0.0000	66.3666	0.00
Total	3,717,130.49						0.00

5. ECONOMIC REVIEW

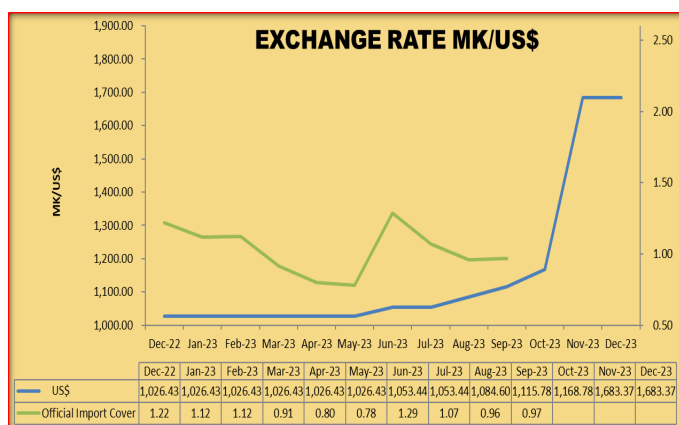
Interest Rates

During the period under review, the yields on the 182 days Tbill and the 364 days Tbill inched upwards by 0.5000% from 17.5000% to 18.0000% and by 4.5000% from 19.5000% to 24.0000% respectively. There were no applications for the 91 days Tbill during the auction held on 27 December 2023.



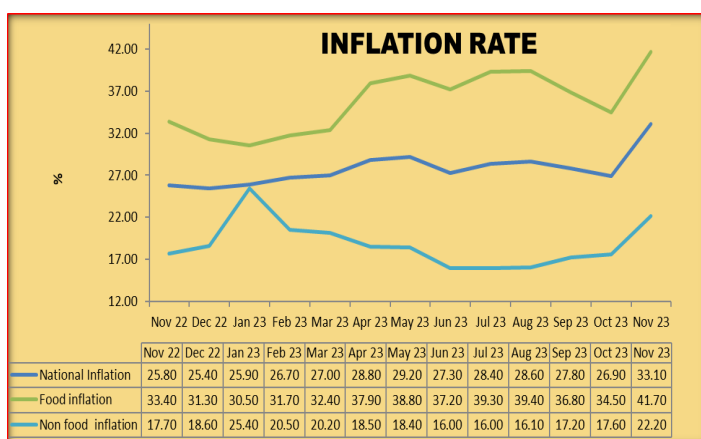
Exchange Rates

The Kwacha depreciated against the United States Dollar by 39.02% in 2023. Gross official reserves fell from 1.22 months of import cover in January 2023 to 0.97 months of import cover in September 2023.



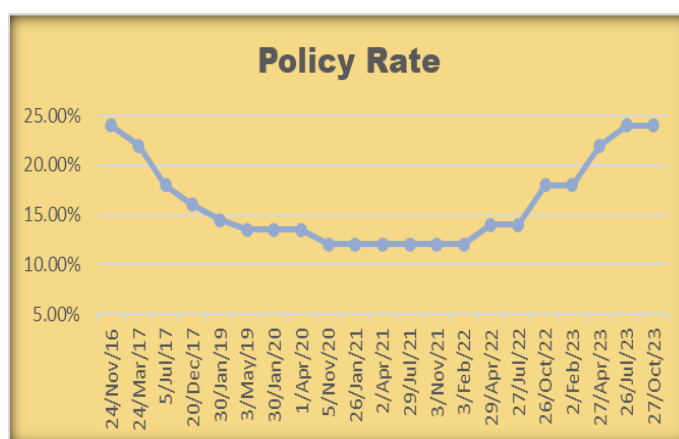
Inflation Rates

Headline inflation inched upwards by 7.70 percentage points from 25.40% on 1 January 2023 to 33.10% in November 2023.



Monetary Policy Rate

In the period under review, the Monetary Policy Committee increased the policy rate by 6 percentage points from 18% to 24%.



CONTACTS AND ADDRESSES OF MSE STOCK BROKERS

Stockbrokers Malawi Limited
NBM Business Complex
P.O Box 31180
Blantyre
Tel: +265 111 836 213
Fax: +265 111 824 353
Email: sml@smlmw.com

Continental Capital Limited
1st Floor, Ulimi House
P.O Box 1444
Blantyre
Tel: +265 111 830 638
Email: capital@continental.mw
capital@cdh-malawi.com

Cedar Capital Ltd
4th Floor, Livingstone Towers
P.O Box 3340
Blantyre
Tel: +265 111 831 995
Fax: +265 111 831 859
Email: kamphonia@cedarcapital.mw