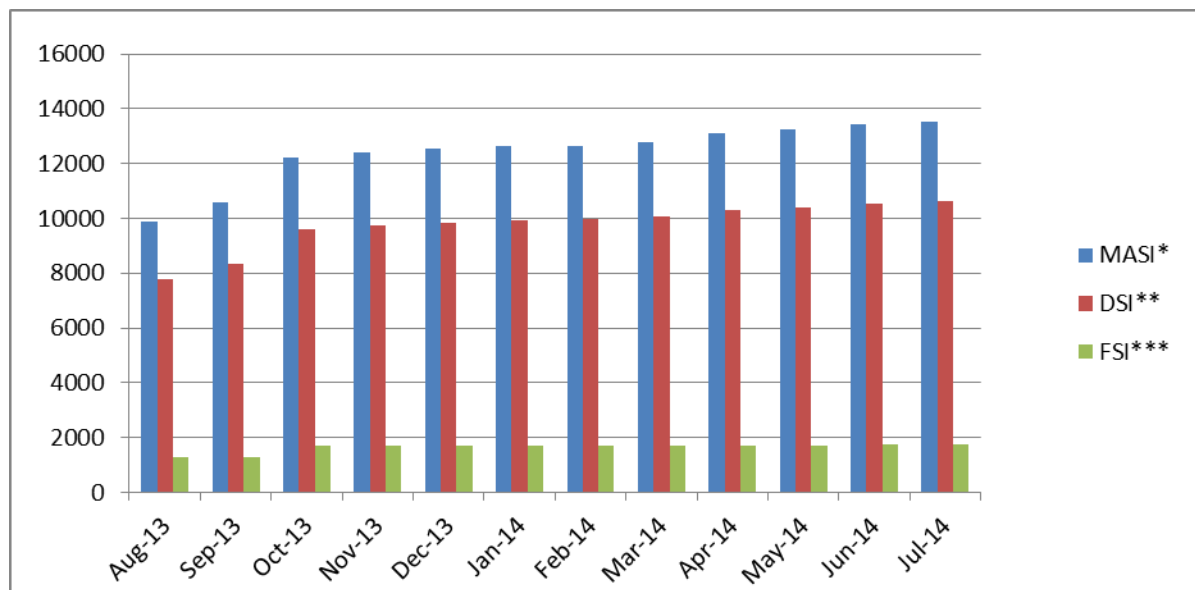




MALAWI STOCK EXCHANGE

MONTHLY MARKET REPORT

JULY 2014



MALAWI STOCK EXCHANGE

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MALAWI STOCK EXCHANGE LIMITED

MONTHLY MARKET PERFORMANCE REPORT FOR JULY 2014

1.0 TRADING SUMMARY

The Market recorded a monthly return on index of 0.91%(8.05% YTD) to close the month of July at 13539.39 points compared to 13417.47 points in June and an increase in both total value traded and volume compared to the previous month.

Index Levels and Return – JULY 2014

INDEX	July 2013	June 2014	July 2014	Monthly % Δ	YTD % Δ
MASI	7277.08	13417.47	13539.39	0.91 ▲	8.05 ▲
DSI	5696.53	10553.56	10650.54	0.92 ▲	8.13 ▲
FSI	1256.86	1740.76	1740.76	0.00 ■	1.84 ▲

Trading Statistics – JULY 2014

	JULY 2014		JUNE 2014	% Δ
Traded Value (MK)	1,095,881,895.05		622,643,409.90	76.00 ▲
Traded Value (US\$)	2,742,404.82		1,572,865.09	74.36 ▲
Traded Vol. Shares	22,543,583		17,010,762	33.53 ▲
No. of Transactions	134		143	6.29 ▼
Index Close (MASI)	13539.39		13417.47	0.91 ▲
Index Close (DSI)	10650.54		10553.56	0.92 ▲
Listed companies	14		14	
Traded Companies	13		13	
Not Traded Companies	01		01	
Gainers	05		07	
Decliners	01		00	
Unchanged	07		06	

2.0 MARKET PERFORMANCE

2.1 Trade Performance Analysis

From 1st July to 31st July, 2014 a total of 22,543,583 [415,482,537 in July 2013] shares were transacted at a total consideration of MK1,095,881,895.05(US\$2,742,404.82)[MK396,977,476.40(US\$1,429,585.97) in July 2013] in 134 trades. In the previous month, June 2014, the market

transacted a total of 17,010,762 shares at a total consideration of MK622,643,409.90 (US\$1,572,865.09) in 143 trades. This reflects a **32.53%** increase in terms of share volume and **76.00%** (**74.36%** in US Dollar terms) increase in share value.

The market registered an average daily volume of 1,073,504 shares in July 2014 compared to 810,036 shares in June 2014.

The average daily turnover for July 2014 was MK52,184,852.15 (US\$130,590.71) compared to MK29,649,686.19 (US\$74,898.34) for the previous month, reflecting an increase of **76.00%** (**74.36%** in US Dollar terms).

TABLE 1: TRADING SUMMARY FOR JUNE 2014 – JULY 2014

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
June	17,010,762	622,643,409.90	1,572,865.09
July	22,543,583	1,095,881,895.05	2,742,404.82
% CHANGE	32.53 ▲	76.00 ▲	74.36 ▲

2.2 Market Capitalisation and Index

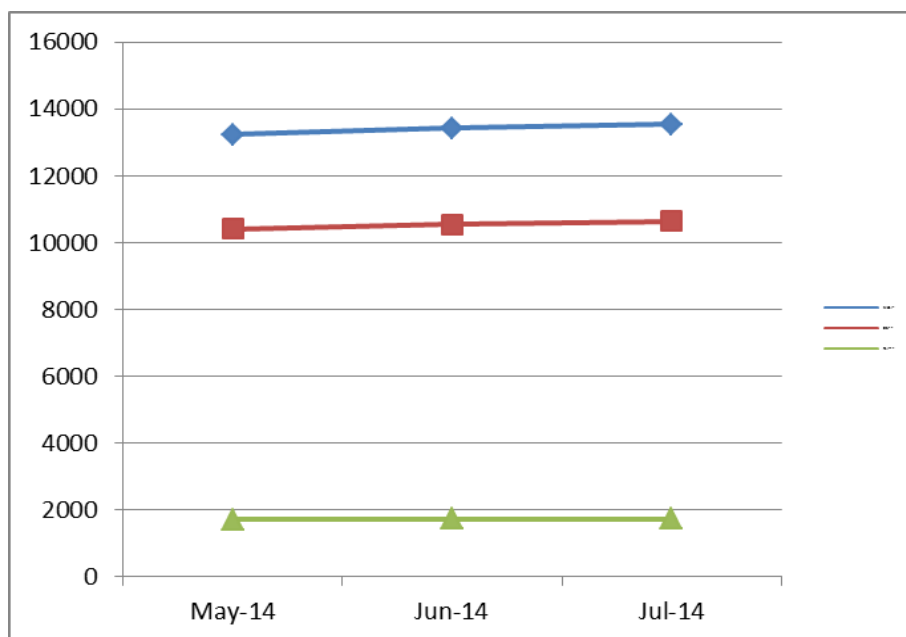
The market registered a positive return on index as reflected in the upward movement of the Malawi All Share Index (MASI) from 13417.47 points registered on 30th June 2014 to 13539.39 points registered on 31st July 2014, giving a monthly return on index of 0.91%, (0.79% in US\$ terms). The price gains registered by five counters, MPICO, NBS, NITL, PCL, and Real Insurance were the major drivers resulting into an increase in the Domestic Share Index by 0.92%(0.80% in US\$ terms) from 10553.56 points to 10650.54 points. The Foreign Share Index closed flat at 1740.76 points.

Table 2: Market Capitalization and Index – July 2014

Month Ending	Mkt. Cap. MKm.	Mkt. Cap US\$m	Mkt. Cap. MKm*	Mkt. Cap US\$m*	MASI
June	7,352,993.58	18,578.5903	575,236.84	1,453.4338	13417.47
July	7,358,220.72	18,569.2064	580,463.99	1,464.8590	13539.39

* Excludes non-Malawi register Old Mutual plc shares

FIG 1: MSE INDICES – July 2014



2.3 Market Liquidity

The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP***) in July was recorded at 0.19% compared to 0.11% registered in the previous month. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.04% compared to 0.03% recorded in the previous month.

Table 3: Market Liquidity – July 2014

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
June	301.20	23.564	0.02551	0.1082	0.096556
July	301.42	23.448	0.04489	0.1888	0.127962

* Excludes non-Malawi register Old Mutual plc shares

2.4 Company Trading Performance

Top Gainers

MSE CODE	COUNTER NAME	% GAIN
MPICO	MPICO Ltd	90.48
NBS	NBS Bank	10.26
REAL	Real Insurance	10.00
PCL	Press Corporation Ltd	7.87
NITL	National Investment Trust Ltd	0.15

Five counters registered a capital gain in July 2014.

Top Decliners

MSE CODE	COUNTER NAME	% LOSS
FMB	FMB Bank	-3.33

One counter registered a capital loss in July 2014.

Top Four Traded Stocks by Volume- July 2014

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
MPICO	MPICO Ltd	13,938,745	61.83
ILLOVO	Illovo Sugar Malawi	2,695,654	11.96
TNM	TNM	2,101,439	9.32
NBS	NBS Bank	2,006,385	8.90

Top Four Traded Stocks by Value- July 2014

MSE CODE	COUNTER NAME	MK	% OF TOTAL
ILLOVO	Illovo Sugar Malawi	792,522,276.00	72.32
NBM	National Bank of Malawi	112,779,208.00	10.29
MPICO	MPICO Ltd	55,471,774.70	5.06
STANDARD BANK	Standard Bank Malawi	44,913,822.03	4.10

Company Trading Statistics- July 2014

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	Value Traded MK
BHL	800	800	0.00%	-	-
FMB	1500	1450	-3.33%	86,500	1,261,720.00
ILLOVO	29400	29400	0.00%	2,695,654	792,522,276.00
MPICO	210	400	90.48%	13,938,745	55,471,774.70
NBM	23600	23600	0.00%	477,878	112,779,208.00
NBS	1550	1709	10.26%	2,006,385	33,393,844.12
NICO	2405	2405	0.00%	559,000	13,443,950.00
NITL	3310	3315	0.15%	412,000	23,934,300.00
PCL	31900	34410	7.87%	30,937	10,475,570.00
REAL	120	132	10.00%	118,080	155,017.60
STANDARD BANK	39501	39501	0.00%	113,703	44,913,822.03
SUNBIRD	755	755	0.00%	3,000	22,650.00
TNM	340	340	0.00%	2,101,439	7,144,892.60
OML	138500	138500	0.00%	262	362,870.00
				22,543,583	1,095,881,895.05

3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha appreciated against the British pound(GBP) and the Euro(EUR) but depreciated against the United states dollar(US\$) and the South African Rand(ZAR) between 30th June and 31st July, 2014 as shown in Table 4 below;

TABLE 4: MONTHLY EXCHANGE RATES: JUNE 2014-JULY 2014

CURRENCY	END JUN' 2014	END JUL' 2014	% CHANGE*
MK/US Dollar	395.7778	396.2593	-0.12
MK/GBP	670.8385	667.5517	0.49
MK/ZAR	37.0955	37.1352	-0.11
MK/EUR	532.9056	524.0301	1.69

Source: National Bank of Malawi

- 3.2 The year on year headline inflation stood at 22.5% in June 2014 down by 0.01%. The urban and rural inflation rates for the month of June 2014 were 29.9% and 18.5% respectively.
- 3.3 Key economic indicators for July 2014

	July 2013	June 2014	July 2014
Inflation Rate	27.9	22.6	22.5
RBM Bank Rate	25.0	25.0	22.5
Prime Rate	35.0	40.0	33.5
91 Days T-Bill	29.06	21.72	16.81
182 Days T-Bill	30.00	26.76	17.85
364 Days T-Bill	30.12	26.00	17.89
Import Cover(Months)	2.60	2.50	2.53

Source: Reserve Bank of Malawi, National Bank of Malawi and National Statistical Office

The 91 days, 182 days and 364 days treasury bills fell by 22.61%, 33.30% and 31.19% respectively.

Import cover slightly improved by 1.20% from 2.50 months in June to 2.53 months in July.