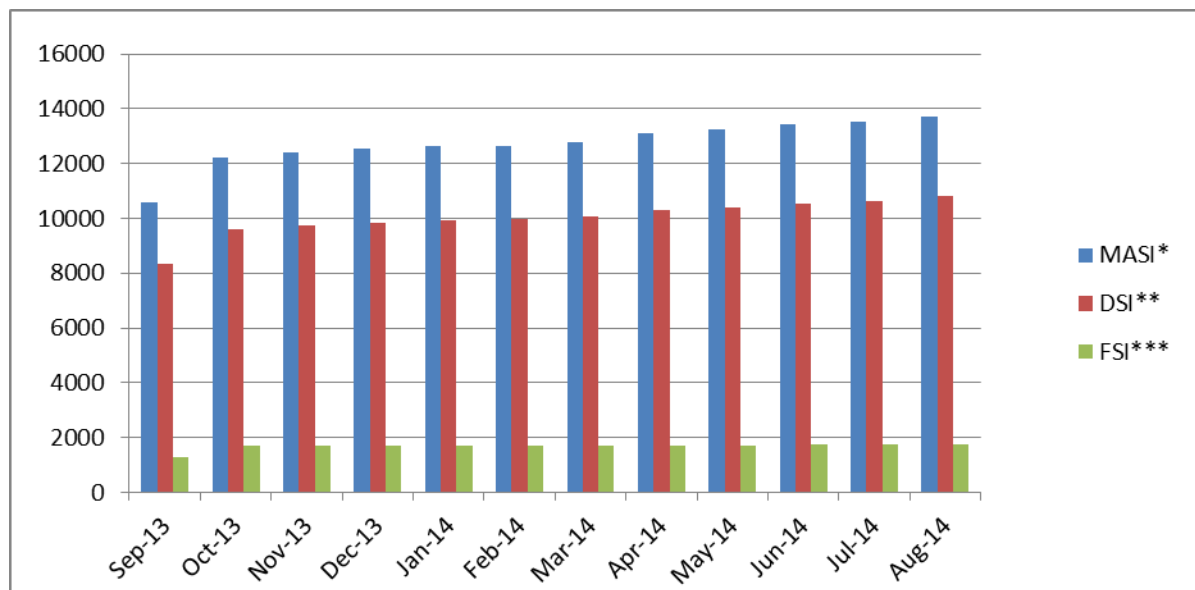




MALAWI STOCK EXCHANGE

MONTHLY MARKET REPORT

AUGUST 2014



MALAWI STOCK EXCHANGE

OLD RESERVE BANK BUILDING, VICTORIA AVENUE
PRIVATE BAG 270
BLANTYRE

TEL. (265) 01 824 233

FAX. (265) 01 823 636

E-mail. mse@mse-mw.com

WEBSITE. www.mse.co.mw

MALAWI STOCK EXCHANGE LIMITED

MONTHLY MARKET PERFORMANCE REPORT FOR AUGUST 2014

1.0 TRADING SUMMARY

The Market recorded a monthly return on index of 1.46% (9.63% YTD) to close the month of August at 13737.30 points compared to 13539.39 points in July.

It however, recorded a decrease in both total volume and value traded compared to the previous month.

Index Levels and Return – AUGUST 2014

INDEX	Aug. 2013	July 2014	Aug. 2014	Monthly % Δ	YTD % Δ
MASI	9884.95	13539.39	13737.30	1.46 ▲	9.63 ▲
DSI	7774.86	10650.54	10807.86	1.48 ▲	9.72 ▲
FSI	1296.46	1740.76	1742.21	0.08 ▲	1.92 ▲

Trading Statistics – AUGUST 2014

	AUGUST 2014		JULY 2014	% Δ
Traded Value (MK)	334,294,068.98		1,095,881,895.05	69.50 ▼
Traded Value (US\$)	890,477.72		2,742,404.82	67.53 ▼
Traded Vol. Shares	13,518,150		22,543,583	40.04 ▼
No. of Transactions	159		134	18.66 ▲
Index Close (MASI)	13737.30		13539.39	1.46 ▲
Index Close (DSI)	10807.86		10650.54	1.48 ▲
Listed companies	14		14	
Traded Companies	13		13	
Not Traded Companies	01		01	
Gainers	07		05	
Decliners	00		01	
Unchanged	06		07	

2.0 MARKET PERFORMANCE

2.1 Trade Performance Analysis

From 1st August to 31st August, 2014 a total of 13,518,150 [412,336,193 in August 2013] shares were transacted at a total consideration of

MK334,294,068.98(US\$890,477.72)[MK303,829,286.80(US\$1,090,432.64) in August 2013] in 159 trades. In the previous month, July 2014, the market transacted a total of 22,543,583 shares at a total consideration of MK1,095,881,895.05 (US\$2,742,404.82) in 134 trades. This reflects a 40.04% decrease in terms of share volume and 69.50% (67.53% in US Dollar terms) decrease in share value.

The market registered an average daily volume of 643,721 shares in August 2014 compared to 1,073,504 shares in July 2014.

The average daily turnover for August 2014 was MK15,918,765.19 (US\$42,403.70) compared to MK52,184,852.15 (US\$130,590.71) for the previous month, reflecting a decrease of 69.50% (67.53% in US Dollar terms).

TABLE 1: TRADING SUMMARY FOR JULY 2014 – AUGUST 2014

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
July	22,543,583	1,095,881,895.05	2,742,404.82
August	13,518,150	334,294,068.98	890,477.72
% CHANGE	40.04 ▼	69.50 ▼	67.53 ▼

2.2 Market Capitalisation and Index

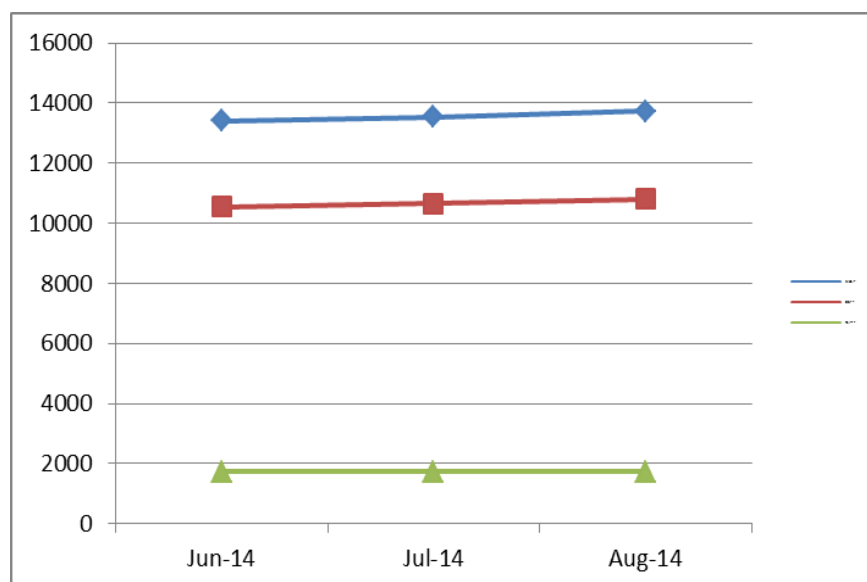
The market registered a positive return on index as reflected in the upward movement of the Malawi All Share Index (MASI) from 13539.39 points registered on 31st July 2014 to 13737.30 points registered on 31st August 2014, giving a monthly return on index of 1.46%, (1.34% in US\$ terms). The price gains registered by seven counters, FMB, NICO, NITL, REAL, SUNBIRD, TNM and OML were the major drivers resulting into an increase in both the Domestic Share Index by 1.48%(1.35% in US\$ terms) from 10650.54 points to 10807.86 points and the Foreign Share Index by 0.08%(-0.04% in US\$ terms) from 1740.76 points to 1742.21 points.

Table 2: Market Capitalization and Index – August 2014

Month Ending	Mkt. Cap. MKm.	Mkt. Cap US\$m	Mkt. Cap. MKm*	Mkt. Cap US\$m*	MASI
July	7,358,220.72	18,569.2064	580,463.99	1,464.8590	13539.39
August	7,372,333.19	18,582.2458	588,948.72	1,484.4676	13737.30

* Excludes non-Malawi register Old Mutual plc shares

FIG 1: MSE INDICES – August 2014



2.3 Market Liquidity

The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP***) in August was recorded at 0.06% compared to 0.19% registered in the previous month. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.01% compared to 0.04% recorded in the previous month.

Table 3: Market Liquidity – August 2014

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
July	301.42	23.448	0.04489	0.1888	0.127962
August	302.00	24.125	0.01369	0.0568	0.076732

* Excludes non-Malawi register Old Mutual plc shares

2.4 Company Trading Performance

Top Gainers

MSE CODE	COUNTER NAME	% GAIN
REAL	Real Insurance	59.09
NICO	NICO Holdings Limited	14.35
TNM	TNM	9.12
NITL	National Investment Trust Limited	6.43
SUNBIRD	Sunbird Tourism Limited	5.96
FMB	FMB Bank	3.45
OML	Old Mutual plc	0.08

Seven counters registered a capital gain in August 2014.

Top Decliners

MSE CODE	COUNTER NAME	% LOSS

None of the traded counters registered a capital loss in the review period.

Top Four Traded Stocks by Volume- August 2014

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
TNM	TNM	5,090,484	37.66
FMB	FMB Bank	2,442,398	18.07
MPICO	MPICO Limited	2,271,822	16.81
REAL	Real Insurance	1,097,604	8.12

Top Four Traded Stocks by Value- August 2014

MSE CODE	COUNTER NAME	MK	% OF TOTAL
ILLOVO	Illovo Sugar Malawi	147,392,490.00	44.09
NBM	National Bank of Malawi	74,804,212.00	22.38
FMB	FMB Bank	36,492,516.50	10.92
NICO	NICO Holdings Limited	17,578,500.00	5.26

Company Trading Statistics- August 2014

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	Value Traded MK
BHL	800	800	0.00%	-	-
FMB	1450	1500	3.45%	2,442,398	36,492,516.50
ILLOVO	29400	29400	0.00%	501,335	147,392,490.00
MPICO	400	400	0.00%	2,271,822	9,087,288.00
NBM	23600	23600	0.00%	316,967	74,804,212.00
NBS	1709	1709	0.00%	866,492	14,808,348.28
NICO	2405	2750	14.35%	646,000	17,578,500.00
NITL	3315	3528	6.43%	268,700	9,347,660.00
PCL	34410	34410	0.00%	1,100	378,510.00
REAL	132	210	59.09%	1,097,604	2,148,633.28
STANDARD BANK	39501	39501	0.00%	2,457	970,539.57
SUNBIRD	755	800	5.96%	10,000	80,000.00
TNM	340	371	9.12%	5,090,484	17,337,645.60
OML	138500	138615	0.08%	2,791	3,867,725.75
				13,518,150	334,294,068.98

3.0 ECONOMIC POSITION

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

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

CURRENCY	END JUL' 2014	END AUG' 2014	% CHANGE
MK/US Dollar	396.2593	396.7407	0.12 ▼
MK/GBP	667.5517	657.8340	1.48 ▲
MK/ZAR	37.1352	36.6665	1.28 ▲
MK/EUR	524.0301	519.3992	0.89 ▲

Source: National Bank of Malawi

- 3.2 The year on year headline inflation stood at 22.3% in July 2014 down by 0.2%. The urban and rural inflation rates for the month of July 2014 were 29.7% and 18.1% respectively.

- 3.3 Key economic indicators for August 2014

	August 2013	July 2014	August 2014
Inflation Rate	23.3	22.3	22.3(Jul 2014)
Policy Rate	25.0	22.5	22.5
Prime Rate	35.0	33.5	33.5
91 Days T-Bill	17.96	16.81	18.39
182 Days T-Bill	18.04	17.85	20.18
364 Days T-Bill	22.12	17.89	20.50
Import Cover(Months)	2.36	2.53	2.58

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

The 91 days, 182 days and 364 days treasury bills increased by 9.40%, 13.05% and 14.59% respectively.

Import cover slightly improved by 1.98% from 2.53 months in July to 2.58 months in August.