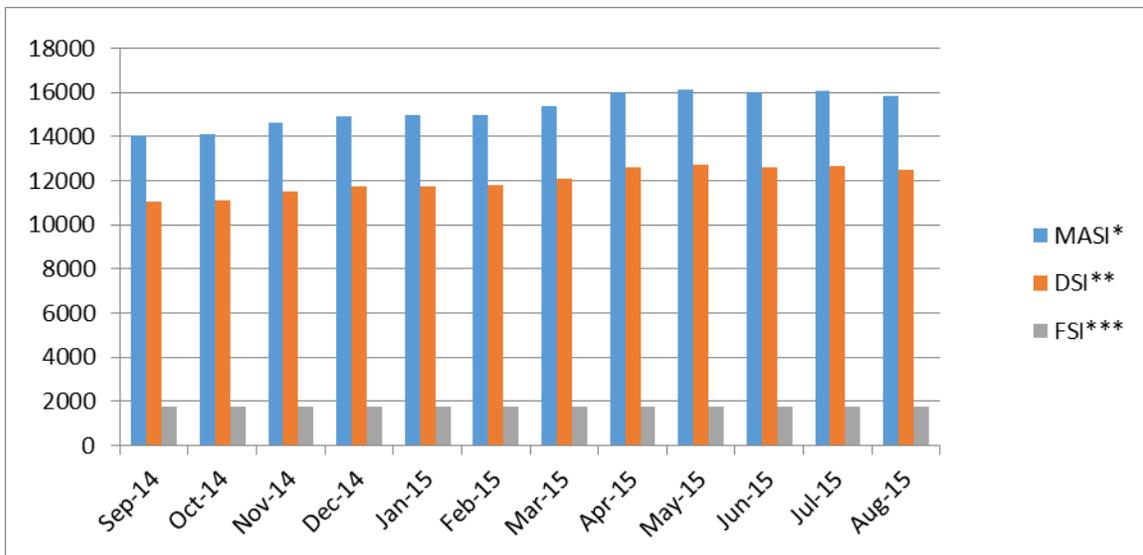




MALAWI STOCK EXCHANGE

## MONTHLY MARKET REPORT

### AUGUST 2015



**MALAWI STOCK EXCHANGE**

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# MALAWI STOCK EXCHANGE LIMITED

## MONTHLY MARKET PERFORMANCE REPORT FOR AUGUST 2015

### 1.0 TRADING SUMMARY

The Market recorded a negative monthly return on index of **1.30%** (6.47% YTD) to close the month of August at 15848.78 points compared to 16056.99 points in July.

There were no trades on the three government bonds whilst Equity trading increased in both traded value and volume compared to July 2015.

#### Index Levels and Return – AUGUST 2015

INDEX	Aug. 2014	July 2015	Aug. 2015	Monthly % Δ	YTD % Δ
<b>MASI</b>	13737.30	16056.99	15848.78	<b>1.30 ▼</b>	<b>6.47 ▲</b>
<b>DSI</b>	10807.86	12651.59	12485.98	<b>1.31 ▼</b>	<b>6.53 ▲</b>
<b>FSI</b>	1742.21	1762.13	1762.13	<b>0.00 ■</b>	<b>0.14 ▲</b>

#### Trading Statistics – AUGUST 2015

	AUGUST 2015	JULY 2015	% Δ
Traded Value (MK)	1,704,768,088.43	202,182,349.16	<b>743.18▲</b>
Traded Value (US\$)	3,198,234.94	428,747.79	<b>645.95▲</b>
Traded Vol. Shares	144,070,611	14,086,929	<b>922.73▲</b>
No. of Transactions	106	91	<b>16.48 ▲</b>
Index Close (MASI)	15848.78	16056.99	<b>1.30 ▼</b>
Index Close (DSI)	12485.98	12651.59	<b>1.31 ▼</b>
Listed companies	14	14	
Traded Companies	12	14	
Not Traded Companies	02	00	
<b>Gainers</b>	<b>04</b>	<b>04</b>	
<b>Decliners</b>	<b>03</b>	<b>01</b>	
Unchanged	05	09	

### 2.0 MARKET PERFORMANCE

#### 2.1 Trade Performance Analysis

From 1<sup>st</sup> August to 31<sup>st</sup> August, 2015 a total of 144,070,611 [13,518,150 in August 2014] shares were transacted at a total consideration of MK1,704,768,088.43(US\$3,198,234.94)[MK334,294,068.98 (US\$890,477.72) in August 2014] in 106 trades. In the previous month, July 2015, the market

transacted a total of 14,086,929 shares at a total consideration of MK202,182,349.16 (US\$428,747.79) in 91 trades. This reflects a 922.73% increase in terms of share volume and 743.18% (645.95% in US Dollar terms) increase in share value.

The market registered an average daily volume of 6,860,505 shares in August 2015 compared to 670,806 shares in July 2015.

The average daily turnover for August 2015 was MK81,179,432.78 (US\$152,296.90) compared to MK9,627,730.91 (US\$20,416.56) for the previous month, reflecting an increase of 743.18% (645.95% in US Dollar terms).

**TABLE 1: TRADING SUMMARY FOR JULY 2015 – AUGUST 2015**

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
July	14,086,929	202,182,349.16	428,747.79
August	144,070,611	1,704,768,088.43	3,198,234.94
<b>% CHANGE</b>	<b>922.73 ▲</b>	<b>743.18 ▲</b>	<b>645.95 ▲</b>

## 2.2 Market Capitalisation and Index

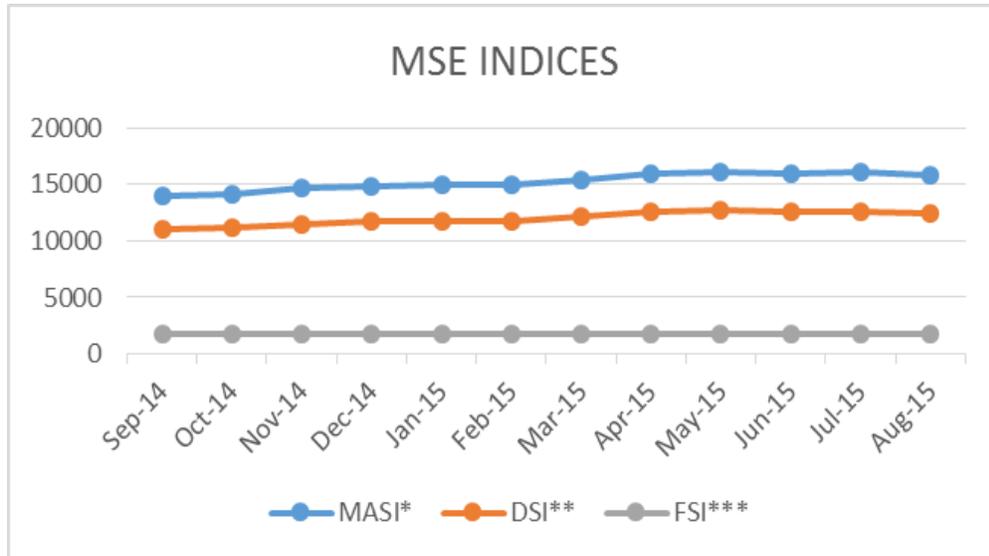
The market registered a negative monthly return on index as reflected in the downward movement of the Malawi All Share Index (MASI) from 16056.99 points registered on 31<sup>st</sup> July 2015 to 15848.78 points registered on 31<sup>st</sup> August 2015, giving a monthly return on index of **-1.30%**, (**-9.23%** in US\$ terms). The price gains registered by four counters, MPICO, NBM, PCL and STANDARD BANK were not enough to offset share price losses registered by three counters, FMB, ILLOVO and REAL resulting into a decrease in the Domestic Share Index by **-1.31%** (**-9.24%** in US\$ terms) from 12651.59 points to 12485.98 points. The Foreign Share Index was steady at 1762.13 points.

**Table 2: Market Capitalization and Index – August 2015**

Month Ending	Mkt. Cap. MKm.	Mkt. Cap. US\$m	Mkt. Cap. MKm*	Mkt. Cap. US\$m*	MASI
July	7,585,960.96	14,806.7779	685,959.28	1,338.9005	16056.99
August	7,577,066.34	13,600.3718	677,064.66	1,215.2898	15848.78

\* Excludes non-Malawi register Old Mutual plc shares

**FIG 1: MSE INDICES – August 2015**



### 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 0.25% compared to 0.03% registered in the previous month. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.06% compared to 0.01% recorded in the previous month.

**Table 3: Market Liquidity – August 2015**

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
July	244.85	22.141	0.00653	0.0295	0.079984
August	244.56	21.853	0.05502	0.2518	0.818021

\* Excludes non-Malawi register Old Mutual plc shares

## 2.4 Company Trading Performance

### Top Gainers

MSE CODE	COUNTER NAME	% GAIN
NBM	National Bank of Malawi	1.59
STANDARD BANK	Standard bank Malawi	1.15
MPICO	MPICO Limited	0.37
PCL	Press Corporation Limited	0.02

Four counters registered a capital gain in August 2015.

### Top Decliners

MSE CODE	COUNTER NAME	% LOSS
FMB	FMB Bank	26.32
REAL	REAL Insurance	13.04
ILLOVO	Illovo Sugar Malawi	0.17

Three counters registered a capital loss in the review period.

### Top Four Traded Stocks by Volume- August 2015

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
TNM	TNM	132,701,909	92.11
FMB	FMB Bank	4,553,055	3.16
MPICO	MPICO Limited	3,548,604	2.46
NBM	National Bank of Malawi	1,459,353	1.01

### Top Four Traded Stocks by Value- August 2015

MSE CODE	COUNTER NAME	MK	% OF TOTAL
TNM	TNM	915,635,499.10	53.71
NBM	National Bank of Malawi	366,472,191.00	21.50
ILLOVO	Illovo Sugar Malawi	301,935,445.00	17.71
FMB	FMB Bank	65,999,660.00	3.87

## Company Trading Statistics- August 2015

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	Value Traded MK
BHL	960	960	0.00%	-	-
FMB	1900	1400	-26.32%	4,553,055	65,999,660.00
ILLOVO	28900	28850	-0.17%	1,046,570	301,935,445.00
MPICO	820	823	0.37%	3,548,604	31,201,026.33
NBM	25100	25500	1.59%	1,459,353	366,472,191.00
NBS	3100	3100	0.00%	-	-
NICO	3000	3000	0.00%	650	19,500.00
NITL	6000	6000	0.00%	14,200	852,000.00
PCL	51615	51625	0.02%	2,960	1,528,100.00
REAL	230	200	-13.04%	674,840	1,353,982.00
STANDARDBANK	43500	44000	1.15%	28,875	12,628,495.00
SUNBIRD	2000	2000	0.00%	35,000	700,000.00
TNM	690	690	0.00%	132,701,909	915,635,499.10
OML	140200	140200	0.00%	4,595	6,442,190.00
				<b>144,070,611</b>	<b>1,704,768,088.43</b>

### 3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha depreciated against all major trading currencies between 31<sup>st</sup> July and 31<sup>st</sup> August, 2015 as shown in Table 4 below;

**TABLE 4: MONTHLY EXCHANGE RATES: JULY 2015-AUGUST 2015**

CURRENCY	END JUL' 2015	END AUG' 2015	% CHANGE
MK/US Dollar	512.3303	557.1220	8.04 ▼
MK/GBP	806.8248	856.0412	5.75 ▼
MK/ZAR	41.2620	41.9627	1.67 ▼
MK/EUR	569.6798	628.8745	9.41 ▼

Source: National Bank of Malawi

- 3.2 The year on year headline inflation stood at 22.2% in July 2015 up by 0.9% from 21.3% in June 2015.

The urban and rural inflation rates for the month of July 2015 were 18.8% and 25.7% respectively.

- 3.3 Key economic indicators for August 2015

	August 2014	July 2015	August 2015
Inflation Rate	24.5	22.2	22.2(Jul 2015)
Policy Rate	22.5	25.0	25.0
Prime Rate	33.5	32.0	32.0
91 Days T-Bill	18.39		
182 Days T-Bill	20.18		
364 Days T-Bill	20.50	24.24	
Import Cover(Months)	2.58	3.53	3.27

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

Import cover dropped by 7.37% from 3.53 months in July to 3.27 months in August.