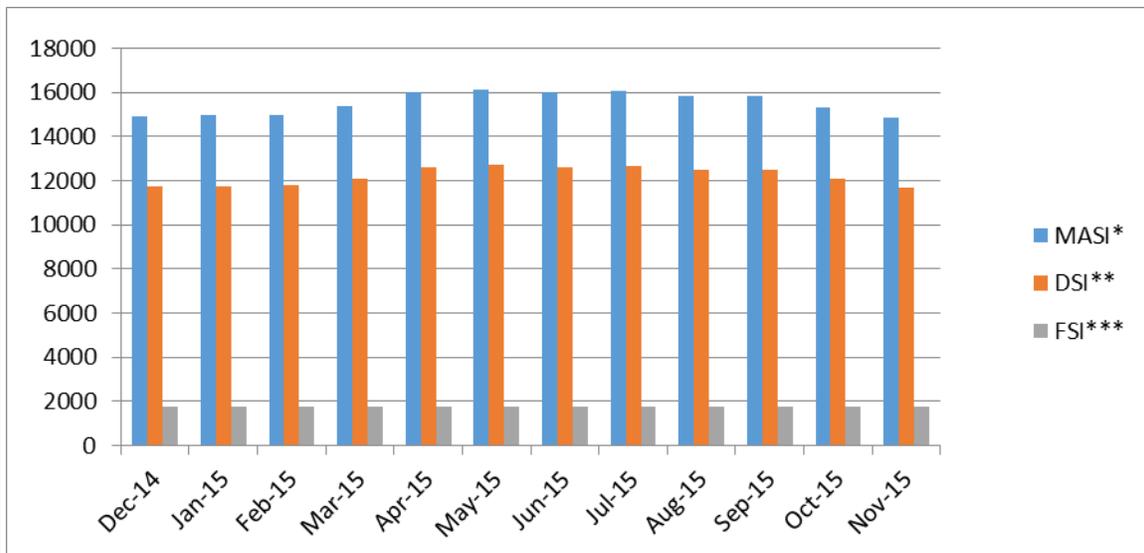




MALAWI STOCK EXCHANGE

MONTHLY MARKET REPORT

NOVEMBER 2015



MALAWI STOCK EXCHANGE

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MALAWI STOCK EXCHANGE LIMITED

MONTHLY MARKET PERFORMANCE REPORT FOR NOVEMBER 2015

1.0 TRADING SUMMARY

The Market registered a monthly return on index of **-3.01%**(-10.24% in US Dollar terms) to close the month of November at 14871.56 points compared to 15332.70 points registered in October 2015.

There were no trades on government bonds whilst equity trading registered an increase and a decrease in traded volume and value respectively, compared to the previous month of October 2015.

Index Levels and Return – NOVEMBER 2015

| INDEX | Nov. 2014 | Oct. 2015 | Nov. 2015 | Monthly % Δ | YTD % Δ |
|-------------|-----------|-----------|-----------|---------------|---------------|
| MASI | 14626.91 | 15332.70 | 14871.56 | 3.01 ▼ | 0.10 ▼ |
| DSI | 11514.25 | 12075.48 | 11708.68 | 3.04 ▼ | 0.10 ▼ |
| FSI | 1759.61 | 1762.13 | 1762.13 | 0.00 ■ | 0.14 ▲ |

Trading Statistics – NOVEMBER 2015

| | NOVEMBER 2015 | OCTOBER 2015 | % Δ |
|----------------------|----------------|----------------|----------------|
| Traded Value (MK) | 195,400,081.04 | 308,215,195.79 | 36.60 ▼ |
| Traded Value (US\$) | 333,184.30 | 556,886.07 | 40.17 ▼ |
| Traded Vol. Shares | 14,731,935 | 14,725,375 | 0.04 ▲ |
| No. of Transactions | 102 | 90 | 13.33 ▲ |
| Index Close (MASI) | 14871.56 | 15332.70 | 3.01 ▼ |
| Index Close (DSI) | 11708.68 | 12075.48 | 3.04 ▼ |
| Index Close (FSI) | 1762.13 | 1762.13 | 0.00 ■ |
| Listed companies | 14 | 14 | |
| Traded Companies | 13 | 13 | |
| Not Traded Companies | 01 | 01 | |
| Gainers | 00 | 01 | |
| Decliners | 03 | 04 | |
| Unchanged | 10 | 08 | |

2.0 MARKET PERFORMANCE

2.1 Trade Performance Analysis

In the month of November, 2015 a total of 14,731,935 [12,014,533 in November 2014] shares were transacted at a total consideration of MK195,400,081.04(US\$333,184.30) [MK397,617,507.64(US\$818,426.68) in November 2014] in 102 trades. In the previous month of October 2015, the market transacted a total of 14,725,375 shares at a total consideration of MK308,215,195.79(US\$556,886.07) in 90 trades. This reflects a 0.04% increase in terms of share volume and -36.60% (-40.17% in US Dollar terms) decrease in share value.

The market registered an average daily volume of 701,521 shares in November 2015 compared to 701,208 shares in October 2015.

The average daily turnover for November 2015 was MK9,304,765.76 (US\$15,865.92) compared to MK14,676,914.09 (US\$26,518.38) for the previous month, reflecting a decrease of -36.60% (-40.17% in US Dollar terms).

TABLE 1: TRADING SUMMARY FOR OCTOBER 2015 – NOVEMBER 2015

| DATE | VOLUME | VALUE (MWK) | VALUE (US\$) |
|-----------------|---------------|----------------|----------------|
| October | 14,725,375 | 308,215,195.79 | 556,886.07 |
| November | 14,731,935 | 195,400,081.04 | 333,184.30 |
| % CHANGE | 0.04 ▲ | 36.60 ▼ | 40.17 ▼ |

2.2 Market Capitalisation and Index

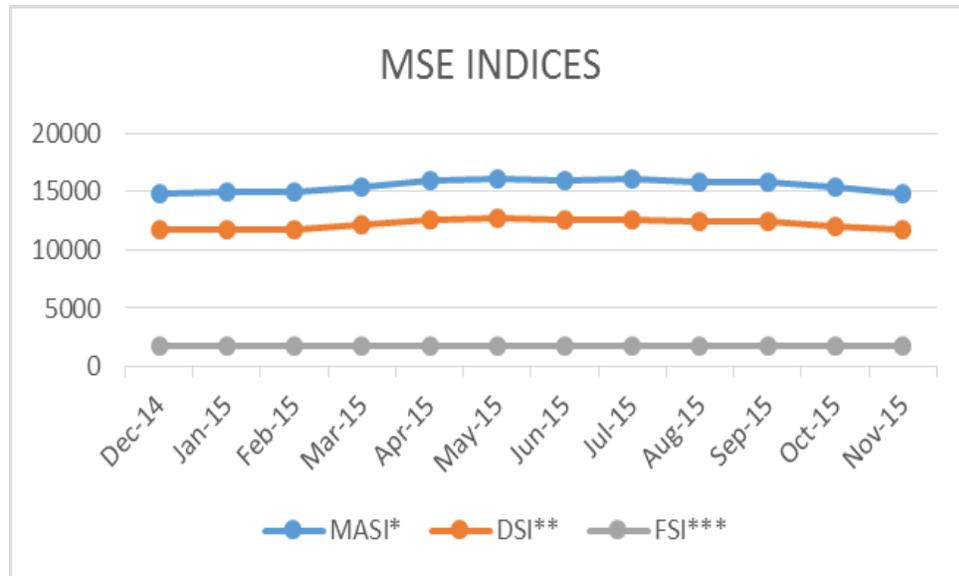
The market registered a negative return on index as reflected in the downward movement of the Malawi All Share Index (MASI) from 15332.70 points registered on 31st October 2015 to 14871.56 points registered on 30th November 2015, giving a monthly return on index of -3.01%, (-10.24% in US\$ terms). The price losses registered by three counters, ILLOVO, NBS, and TNM were the major drivers resulting into a decrease in the Domestic Share Index from 12075.48 points to 11708.68 points. The Foreign Share index was steady at 1762.13 points.

Table 2: Market Capitalization and Index – November 2015

| Month Ending | Mkt. Cap. MKm. | Mkt. Cap. US\$m | Mkt. Cap. MKm* | Mkt. Cap. US\$m* | MASI |
|--------------|----------------|-----------------|----------------|------------------|----------|
| October | 7,555,019.31 | 13,496.1477 | 655,017.63 | 1,170.1115 | 15332.70 |
| November | 7,535,319.04 | 12,456.8003 | 635,317.35 | 1,050.2570 | 14871.56 |

* Excludes non-Malawi register Old Mutual plc shares

FIG 1: MSE INDICES – November 2015



2.3 Market Liquidity

The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP***) in November 2015 was recorded at 0.03% whilst 0.05% was registered in the previous month of October, 2015. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a same liquidity level of 0.01% recorded in the previous month.

Table 3: Market Liquidity – November 2015

| MONTH Ended | Mkt. Cap/GDP % | Mkt. Cap/GDP* % | TVT/GDP % | TVT/Mkt. Cap* % | Shares Traded/Shares In Issue* % |
|-------------|----------------|-----------------|-----------|-----------------|----------------------------------|
| October | 236.06 | 20.467 | 0.00963 | 0.0471 | 0.083609 |
| November | 235.45 | 19.851 | 0.00611 | 0.0308 | 0.083647 |

* Excludes non-Malawi register Old Mutual plc shares

2.4 Company Trading Performance

Top Losers

| MSE CODE | COUNTER NAME | % LOSS |
|----------|---------------------|---------|
| TNM | TNM | 12.54 ▼ |
| ILLOVO | Illovo Sugar Malawi | 5.77 ▼ |
| NBS | NBS Bank | 1.92 ▼ |

Three counters registered capital losses in November 2015.

Top Four Traded Stocks by Volume- November 2015

| MSE CODE | COUNTER NAME | SHARES | % OF TOTAL |
|----------|----------------|------------|------------|
| TNM | TNM | 12,724,339 | 86.37 |
| MPICO | MPICO Limited | 1,048,768 | 7.12 |
| REAL | Real Insurance | 407,599 | 2.77 |
| FMB | FMB Bank | 144,638 | 0.98 |

Top Four Traded Stocks by Value- November 2015

| MSE CODE | COUNTER NAME | MK | % OF TOTAL |
|---------------|-------------------------|---------------|------------|
| TNM | TNM | 76,352,152.04 | 39.07 |
| STANDARD BANK | Standard Bank Malawi | 54,276,640.00 | 27.78 |
| NBM | National Bank of Malawi | 33,873,078.00 | 17.34 |
| OML | Old Mutual plc | 11,835,684.00 | 6.06 |

Company Trading Statistics- November 2015

| Company | Opening Price | Closing Price | % Price Change | Share Vol. Traded | Value Traded MK |
|---------------|---------------|---------------|----------------|-------------------|-----------------------|
| BHL | 960 | 960 | 0.00% | - | - |
| FMB | 1400 | 1400 | 0.00% | 144,638 | 2,024,932.00 |
| ILLOVO | 26000 | 24500 | -5.77% | 7,453 | 1,834,355.00 |
| MPICO | 900 | 900 | 0.00% | 1,048,768 | 9,438,912.00 |
| NBM | 25800 | 25800 | 0.00% | 131,291 | 33,873,078.00 |
| NBS | 2600 | 2550 | -1.92% | 17,738 | 452,319.00 |
| NICO | 2800 | 2800 | 0.00% | 2,605 | 72,940.00 |
| NITL | 5500 | 5500 | 0.00% | 1,244 | 68,420.00 |
| PCL | 53500 | 53500 | 0.00% | 3,562 | 1,905,670.00 |
| REAL | 200 | 200 | 0.00% | 407,599 | 815,198.00 |
| STANDARD BANK | 44000 | 44000 | 0.00% | 123,356 | 54,276,640.00 |
| SUNBIRD | 2209 | 2209 | 0.00% | 110,900 | 2,449,781.00 |
| TNM | 686 | 600 | -12.54% | 12,724,339 | 76,352,152.04 |
| OML | 140200 | 140200 | 0.00% | 8,442 | 11,835,684.00 |
| | | | | 14,731,935 | 195,400,081.04 |

3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha depreciated against all major trading currencies between 31st October, 2015 and 30th November, 2015 as shown in Table 4 below;

TABLE 4: MONTHLY EXCHANGE RATES: OCT. 2015-NOV. 2015

| CURRENCY | END OCT' 2015 | END NOV' 2015 | % CHANGE |
|--------------|---------------|---------------|----------|
| MK/US Dollar | 559.7908 | 604.9161 | -7.46% |
| MK/GBP | 857.0826 | 909.1508 | -5.73% |
| MK/ZAR | 40.5471 | 42.0456 | -3.56% |
| MK/EUR | 615.6282 | 640.4678 | -3.88% |

Source: National Bank of Malawi

- 3.2 The year on year headline inflation stood at 24.7% in October 2015 up by 0.6% on account of an increase in both food and non-food inflation from 27.2% to 28.3% and 21.3% to 21.4% respectively, between September 2015 and October 2015.

The urban and rural inflation rates for the month of October 2015 were 20.0% and 28.2% respectively.

- 3.3 Key economic indicators for November 2015

| | Nov. 2014 | Oct. 2015 | Nov. 2015 |
|----------------------|-----------|-----------|-----------|
| Inflation Rate | 23.7 | 24.7 | 24.7(Oct) |
| Policy Rate | 25.0 | 25.0 | 27.0 |
| Prime Rate | 35.0 | 32.0 | 24.0 |
| 91 Days T-Bill | 24.98 | | |
| 182 Days T-Bill | 24.92 | | |
| 364 Days T-Bill | 25.12 | | |
| Import Cover(Months) | 1.91 | 3.09 | 2.96 |

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

Import cover fell by 4.21% from 3.09 months on 31st October, 2015 to 2.96 months on 30th November, 2015.