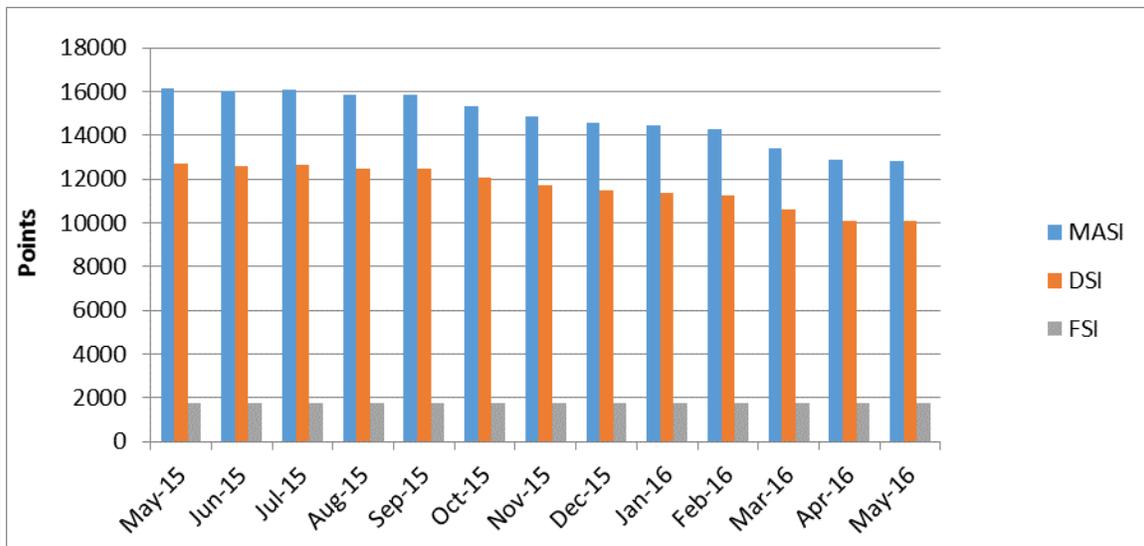




MALAWI STOCK EXCHANGE

MONTHLY MARKET REPORT

MAY 2016



MALAWI STOCK EXCHANGE

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MALAWI STOCK EXCHANGE LIMITED

MONTHLY MARKET PERFORMANCE REPORT FOR MAY 2016

1.0 TRADING SUMMARY

The market was marginally bearish in May 2016 as it registered a negative return on investment of **-0.36%** (**-3.36%** in US\$ terms) compared to **0.76%** (**1.28%** in US\$ terms) in May 2015. It also registered a decrease in both traded value and volume.

There were no trades on the two government bonds.

Index Levels and Return – MAY 2016

INDEX	Jan. 2016	Apr. 2016	May. 2016	Monthly % Δ	YTD % Δ
MASI	14562.53	12861.07	12814.18	0.36 ▼	12.01 ▼
DSI	11462.87	10109.50	10072.19	0.37 ▼	12.13 ▼
FSI	1762.13	1762.13	1762.13	0.00 ■	0.00 ■

Trading Statistics – MAY 2016

	MAY 2015	MAY 2016	APRIL 2016	% Δ
Traded Value (MK)	906,650,079.35	302,536,644.07	528,512,298.00	42.76 ▼
Traded Value (US\$)	2,064,734.43	428,709.35	774,054.23	44.62 ▼
Traded shares	79,174,433	30,578,347	54,962,804	44.37 ▼
No. of deals	121	82	74	10.81 ▲
MASI Close	16141.51	12814.18	12861.07	0.36 ▼
Listed companies	14	13	13	
Traded Companies	13	12	13	
Not Traded Companies	01	01	00	
Gainers	04	02	03	
Decliners	01	04	05	
Unchanged	08	06	05	

2.0 MARKET PERFORMANCE

2.1 Trade Performance Analysis

The market transacted a total of 30,578,347 [May 2015: 79,174,433] shares in the month of May 2016 at a total consideration of MK302,536,644.07 (US\$428,709.35)[May 2015:MK906,650,079.35(US\$2,064,734.43)] in 82

trades. In the previous month, April 2016, the market transacted a total of 54,962,804 shares at a total consideration of MK528,512,298.00 (US\$774,054.23) in 74 trades. This reflects a **-44.37%** decrease in terms of share volume and **-42.76%** decrease (**-44.62%** in US Dollar terms) in share value.

The market registered an average daily traded volume of 1,456,112 shares in May 2016 compared to 2,617,276 shares in April 2016.

The average daily turnover for May 2016 was MK14,406,506.86 (US\$20,414.73) compared to MK25,167,252.29 (US\$36,859.73) for the previous month, reflecting a decrease of **-42.76%** (**-44.62%** in US Dollar terms).

TABLE 1: TRADING SUMMARY FOR MAY 2016

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
April 2016	54,962,804	528,512,298.00	774,054.23
MAY 2016	30,578,347	302,536,644.07	428,709.35
% CHANGE	44.37 ▼	42.76 ▼	44.62 ▼

2.2 Market Capitalisation and Index

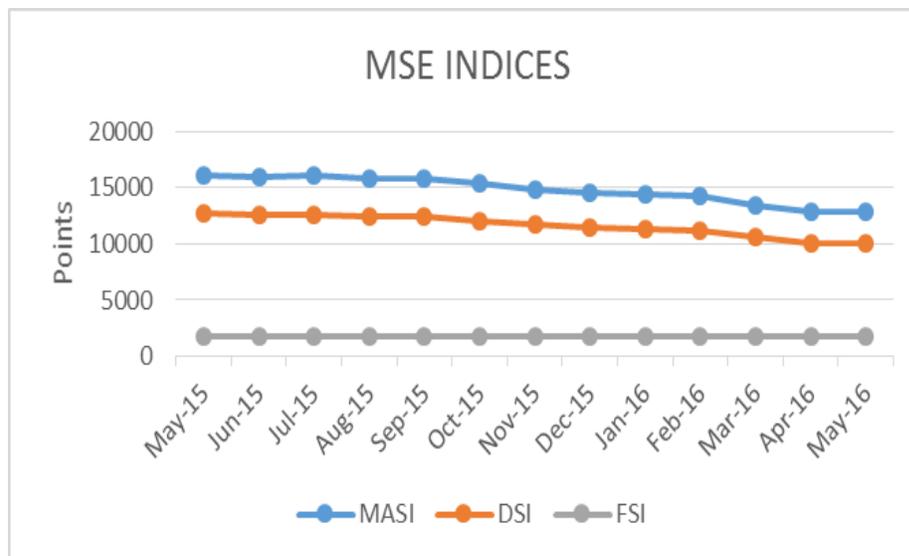
The market registered a negative return on index as reflected in the downward movement of the Malawi All Share Index (MASI) from 12861.07 points registered on 30th April 2016 to 12814.18 points registered on 31st May 2016, giving a monthly return on index of **-0.36%**, (**-3.36%** in US\$ terms). The price gains registered by two counters, FMB and TNM were not enough to offset share price losses registered by four counters, ILOVO, NBS, NICO and NITL resulting into a decrease in the Domestic Share Index by **-0.37%** from 10109.50 points to 10072.19 points (**-3.37%** in US\$ terms). The Foreign Share Index was steady at 1762.13 points.

Table 2: Market Capitalization and Index – May 2016

Month Ending	Mkt. Cap. MKm.	Mkt. Cap. US\$m	Mkt. Cap. MKm*	Mkt. Cap. US\$m*	MASI
April 2016	7,448,932.42	10,847.42	548,930.74	799.37	12861.07
May 2016	7,446,930.72	10,518.41	546,929.04	772.51	12814.18

* Excludes non-Malawi register Old Mutual plc shares

FIG 1: MSE INDICES – May 2016



2.3 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 May 2016 was recorded at 0.06% compared to 0.10% registered in the previous month. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.008% for May 2016 compared to 0.01% in April 2016.

Table 3: Market Liquidity – May 2016

MONTH	Mkt. Cap/GDP	Mkt. Cap/GDP*	TVT/GDP	TVT/Mkt. Cap*	Shares Traded/Shares In Issue* %
Ended	%	%	%	%	
April 2016	190.45	14.035	0.01351	0.0963	0.316664
May 2016	190.40	13.984	0.00774	0.0553	0.176121

* Excludes non-Malawi register Old Mutual plc shares

2.4 Company Trading Performance

Top Gainers

MSE CODE	COUNTER NAME	% GAIN
TNM	Telekom Networks Malawi	6.20 ▲
FMB	FMB Bank	5.20 ▲

Two counters registered capital gains in May 2016.

Top Losers

MSE CODE	COUNTER NAME	% Loss
NBS	NBS Bank	33.33 ▼
NICO	NICO Holdings Limited	6.38 ▼
NITL	National Investment Trust Limited	2.28 ▼
ILLOVO	Illovo Sugar Malawi	0.81 ▼

Four counters registered capital losses in May 2016.

Top Five Traded Stocks by Volume- May 2016

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
FMB	FMB Bank	16,962,076	55.47
TNM	Telekom Networks Malawi	12,833,393	41.97
NBS	NBS Bank	360,000	1.18
MPICO	MPICO Limited	204,286	0.67
NICO	NICO Holdings Limited	105,000	0.34

Top Five Traded Stocks by Value- May 2016

MSE CODE	COUNTER NAME	MK	% OF TOTAL
FMB	FMB Bank	177,949,622.08	58.82
TNM	Telekom Networks Malawi	63,060,311.38	20.84
PCL	Press Corporation Limited	49,755,000.00	16.45
NBS	NBS Bank	3,735,000.00	1.23
NICO	NICO Holdings Limited	2,310,000.00	0.76

Company Trading Statistics- May 2016

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	Value Traded MK
BHL	1290	1290	0.00%	-	-
FMB	1000	1052	5.20%	16,962,076	177,949,622.08
ILLOVO	17138	17000	-0.81%	5,378	914,260.00
MPICO	600	600	0.00%	204,286	1,134,590.36
NBM	25800	25800	0.00%	987	254,646.00
NBS	1500	1000	-33.33%	360,000	3,735,000.00
NICO	2350	2200	-6.38%	105,000	2,310,000.00
NITL	4600	4495	-2.28%	8,575	385,446.25
PCL	53500	53500	0.00%	93,000	49,755,000.00
STANDARD	44000	44000	0.00%	3,228	1,420,320.00
SUNBIRD	3200	3200	0.00%	1,300	41,600.00
TNM	500	531	6.20%	12,833,393	63,060,311.38
OML	140200	140200	0.00%	1,124	1,575,848.00
				30,578,347	302,536,644.07

3.0 ECONOMIC POSITION

3.1 Foreign Exchange Market

The Malawi Kwacha appreciated against the South African Rand (ZAR) but marginally depreciated against the other major trading currencies between 31st April 2016 and 31st May, 2016 as shown below;

CURRENCY	END APR' 2016	END MAY' 2016	% CHANGE
MK/US Dollar	686.7010	707.9902	3.01 ▼
MK/GBP	1006.2010	1038.3600	3.10 ▼
MK/ZAR	48.2116	44.9692	7.21 ▲
MK/EUR	782.3869	788.2329	0.74 ▼
Forex Reserves			
Gross Reserves(US\$m)	621.73	595.95	4.15 ▼
Import Cover(Months)	2.97	2.85	4.04 ▼

Source: National Bank of Malawi and Reserve Bank of Malawi.

3.2 Inflation

The inflation for April 2016 stood at 20.9% down by 1.2 percentage points from the March 2016 figure of 22.1% on account of a decrease in food inflation from 26.5% to 24.3%. Non-food inflation was steady at 17.7%.

The urban and rural inflation rates for the month of April 2016 were 17.9% and 23.1%, down from 17.8% and 24.9% in March 2016.

	May 2015	March 2016	April 2016
Headline (%)	19.5	22.1	20.9
Food (%)	21.4	26.5	24.3
Non-food (%)	21.4	17.7	17.7
Urban (%)	21.7	17.8	17.9
Rural (%)	19.5	24.9	23.1

Source: National Statistical Office

3.3 Interest Rates

The 91 days treasury bill increased by 1.65% from 28.5% to 28.97% whilst the 182 days treasury bill was steady at 29%. There were no applications for the 364 days treasury bill during the auction held on 31st May 2016.

	May 2015	Apr. 2016	May 2016
Policy Rate (%)	25.0	27.0	27.0
Prime Rate (%)	37.0	34.0	34.0
91 Days T-Bill (%)	25.33	28.50	28.97
182 Days T-Bill (%)	25.18	29.00	29.00
364 Days T-Bill (%)	25.41	28.99	

Source: Reserve Bank of Malawi and National Bank of Malawi.