

MONTHLY MARKET REPORT

NOVEMBER 2016



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MALAWI STOCK EXCHANGE

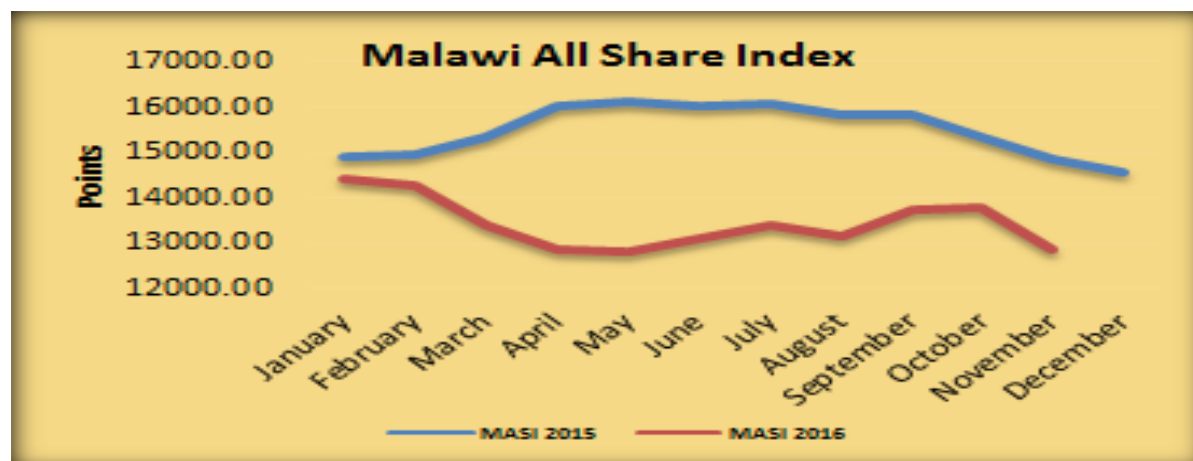
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1. EQUITY TRADING SUMMARY

The market was bearish in the month of November 2016 as it registered a negative return on investment of **6.58%** (-6.74% in US\$ terms). It however, registered an increase in both total traded volume and total traded value.

Index Levels and Return – November 2016

INDEX	NOVEMBER 2016	OCTOBER 2016	Monthly % Δ 2016	Monthly % Δ 2015	% Δ YTD. 2016
MASI	12875.85	13782.48	6.58 ▼	3.01 ▼	11.58 ▼
DSI	10103.29	10824.35	6.66 ▼	3.04 ▼	11.86 ▼
FSI	2026.07	2026.07	0.00 ■	0.00 ■	14.98 ▲



Trading Statistics – November 2016

	November 2016	October 2016	% Δ
Traded Value (MK)	1,385,112,183.47	331,416,056.34	317.94 ▲
Traded Value (US\$)	1,928,002.46	459,835.71	319.28 ▲
Traded Vol. Shares	38,318,065	2,601,165	1373.11 ▲
No. of Transactions	81	64	26.56 ▲
Index Close (MASI)	12875.85	13782.48	6.58 ▼
Listed companies	13	13	
Traded Companies	10	13	
Gainers	04	05	
Decliners	05	06	
Unchanged	01	02	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 38,318,065 shares at a total consideration of MK1,385,112,183.47 (US\$1,928,002.46) in 81 trades. In the previous month, October 2016, the market transacted a total of 2,601,165 shares at a total consideration of MK331,416,056.34 (US\$459,835.71) in 64 trades. This reflects a **1373.11%** increase in terms of share volume and a **317.94%** (**319.28%** in US Dollar terms) increase in share value.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 1,824,670 shares compared to 123,865 shares traded in October 2016.

The average daily turnover for November 2016 was MK65,957,723.02 (US\$91,809.64) compared to MK15,781,716.97 (US\$21,896.94) in October 2016, reflecting an increase of **317.94%** (**319.28%** in US Dollar terms).

MPICO raised MK9.0 billion through a Rights Issue and the Rights Issue shares were listed on 21 November 2016 bringing the total number of listed MPICO shares to 2,298,047,460 from 1,149,023,730.

B. Market Capitalization and Index

The market registered a negative return on index as reflected in the downward movement of the Malawi All Share Index (MASI) from 13782.48 points registered in October 2016 to 12875.85 points registered in November 2016, giving a return on index of **-6.58%**, (**-6.74%** in US\$ terms). The price gains registered by ILLOVO, PCL, STANDARD and SUNBIRD were not enough to offset share price losses registered by FMB, MPICO, NBM, NBS and TNM resulting into a downward movement of the Malawi All Share Index, arising from a decrease in the Domestic Share Index (**-6.66%**). The Foreign Share Index was steady at 2026.07 points.

Market capitalization decreased in both Kwacha and United States Dollar terms from K588,257.66 million (US\$816.20 mln) in October 2016 to K558,339.96 million (US\$773.32 mln) in November 2016.

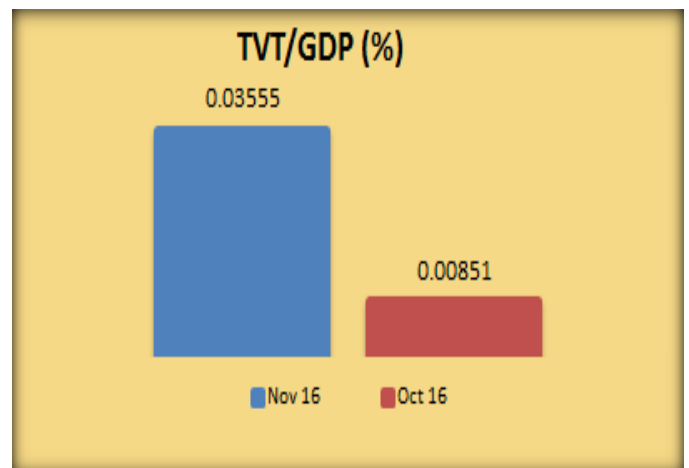
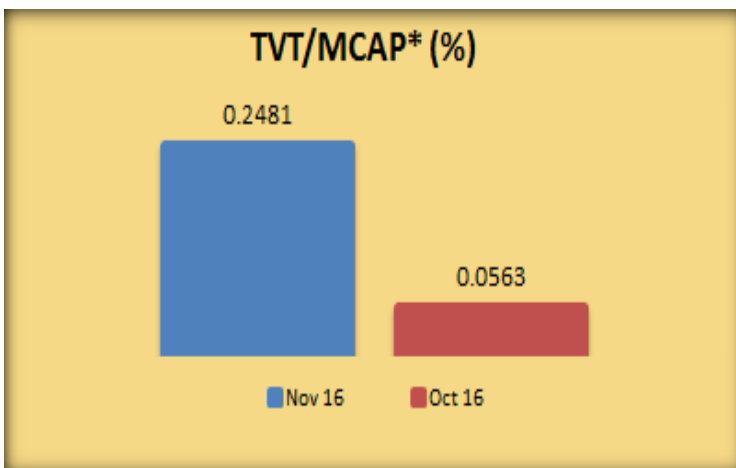
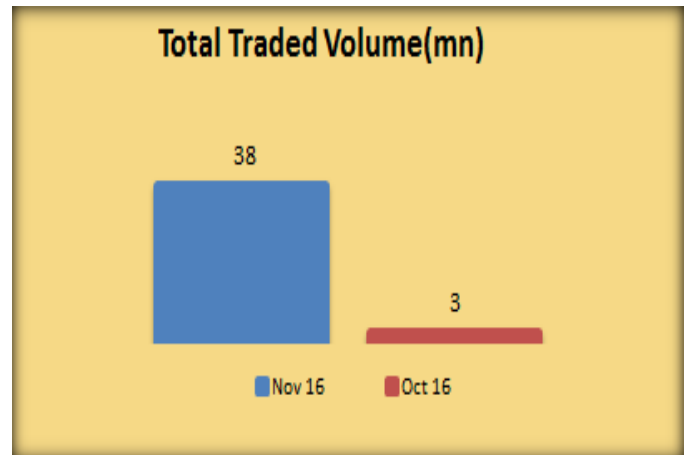
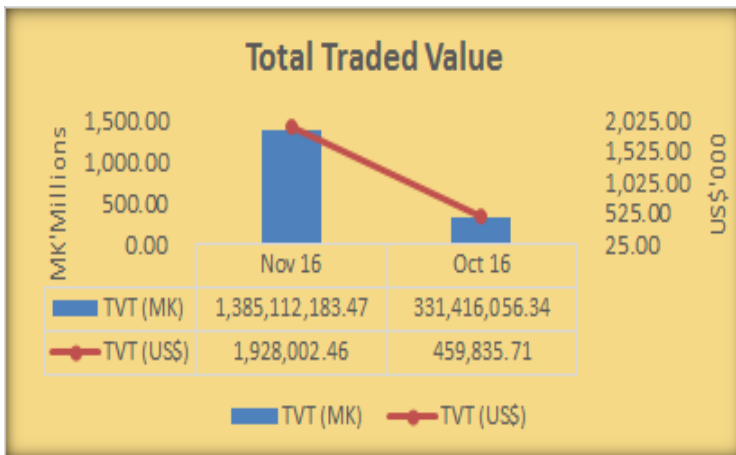
C. Market Liquidity

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 November 2016 was recorded at 0.25%, higher than 0.06% registered in October 2016. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.036% in November 2016 while during the previous month, October 2016, liquidity was at 0.009%.

2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



3. COMPANY TRADING PERFORMANCE

Top gainers: Four
counters registered
capital gains

MSE CODE	COUNTER NAME	% GAIN
SUNBIRD	Sunbird Tourism Limited	4.46 ▲
ILLOVO	Illovo Sugar Malawi	3.21 ▲
PCL	Press Corporation Limited	0.93 ▲
STANDARD	Standard Bank Malawi	0.36 ▲

Top Losers: Five
counters registered
capital losses

MSE CODE	COUNTER NAME	% LOSS
TNM	Telekom Networks Malawi	28.57 ▼
NBS	NBS Bank	23.08 ▼
NBM	National Bank of Malawi	16.33 ▼
FMB	FMB Bank	8.11 ▼
MPICO	MPICO Limited	1.32 ▼

C. Top Five Traded
Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
MPICO	MPICO Limited	28,983,400	75.64
TNM	Telekom Networks Malawi	4,250,763	11.09
NBM	National Bank of Malawi	3,563,602	9.30
FMB	FMB Bank	420,000	1.10
NBS	NBS Bank	371,313	0.97

C. Top Five Traded
Stocks by value

MSE CODE	COUNTER NAME	VALUE	% of Total
NBM	National Bank of Malawi	891,459,200.00	64.36
MPICO	MPICO Limited	234,873,373.15	16.96
STANDARD	Standard Bank Malawi	118,731,164.90	8.57
PCL	Press Corporation Limited	54,694,955.00	3.95
ILLOVO	Illovo Sugar Malawi	52,411,442.72	3.78

3. COMPANY TRADING PERFORMANCE

COUNTER	HIGH (MK)	LOW (MK)	Earnings Yield (%)	P/E	P/BV	MKT CAP (MK'Mln)	MKT CAP (US\$'Mln)
BHL	20.10	20.10	7.04	14.21	0.71	2,596.77	3.60
FMB	18.50	17.00	9.72	10.29	1.71	39,716.25	55.01
ILLOVO	160.00	155.02	4.83	20.72	2.43	114,151.10	158.10
MPICO	8.35	8.00	4.10	24.39	1.10	18,935.91	26.23
NBM	256.95	215.00	13.32	7.51	1.87	100,390.32	139.04
NBS	7.80	6.00	N/A	N/A	0.39	4,365.86	6.05
NICO	17.00	17.00	31.10	3.22	0.55	17,731.70	24.56
NITL	39.00	39.00	10.41	9.61	0.68	5,265.00	7.29
PCL	540.00	535.00	18.85	5.30	0.71	64,938.14	89.94
STANDARD	499.88	498.11	11.38	8.78	2.49	117,305.92	162.47
SUNBIRD	58.50	56.00	6.68	14.96	1.28	15,302.58	21.19
TNM	7.00	5.00	10.78	9.27	3.21	50,202.25	69.53
OML	1,612.00	1,612.00	11.85	8.44	0.87	7,438.15	10.30

3. COMPANY TRADING PERFORMANCE

Company	Opening Price(t)	Closing Price(t)	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	2010	2010	0.00%	-	0.00%	-
FMB	1850	1700	-8.11%	420,000	1.10%	7,146,550.00
ILLOVO	15502	16000	3.21%	328,136	0.86%	52,411,442.72
MPICO	835	824	-1.32%	28,983,400	75.64%	234,873,373.15
NBM	25695	21500	-16.33%	3,563,602	9.30%	891,459,200.00
NBS	780	600	-23.08%	371,313	0.97%	2,280,416.20
NICO	1700	1700	0.00%	-	0.00%	-
NITL	3900	3900	0.00%	-	0.00%	-
PCL	53500	54000	0.93%	101,293	0.26%	54,694,955.00
STANDARD	49811	49988	0.36%	237,535	0.62%	118,731,164.90
SUNBIRD	5600	5850	4.46%	60,887	0.16%	3,561,889.50
TNM	700	500	-28.57%	4,250,763	11.09%	18,121,960.00
OML PLC	161200	161200	0.00%	1,136	0.00%	1,831,232.00
				38,318,065	100.00%	1,385,112,183.47

4. BOND TRADING SUMMARY

BOND	MATURITY DATE	COUPON DATE	COUPON RATE (%)	NOMINAL VALUE (MK' MN)
MW5YN	31 December, 2016	30 June & 31 Dec	10	822.04
MW3YNR	30 June, 2017	30 June & 31 Dec	15	106,870.00
Total Outstanding Treasury bonds				107,692.04

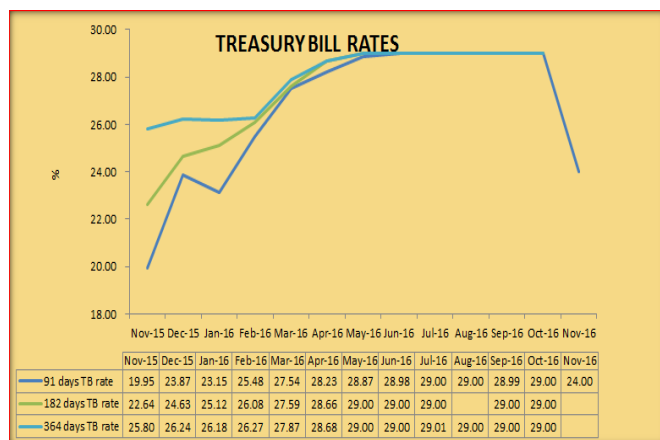
The next coupon payments for 2016 will be paid on 31st December, 2016.

There were no trades on the two government bonds in the period under review.

5. ECONOMIC REVIEW

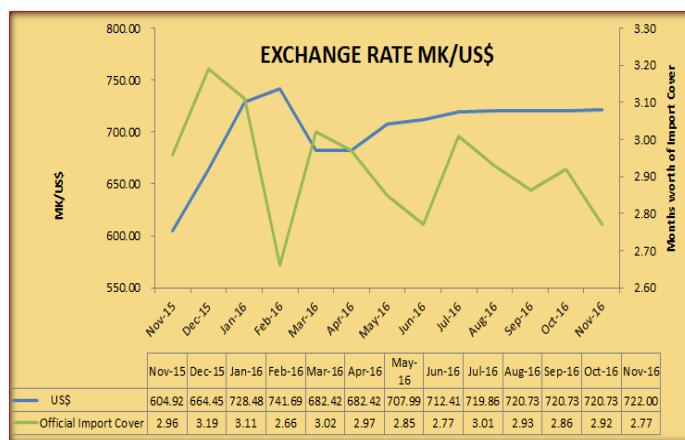
Interest Rates

During the period under review, the yield on the 91 days T-bill decreased by 4.9979 percentage points from 28.9971% to 24.0000%. There were no allotments for the 182 days T-bill and the 364 days T-bill at the auction held on 29 November 2016.



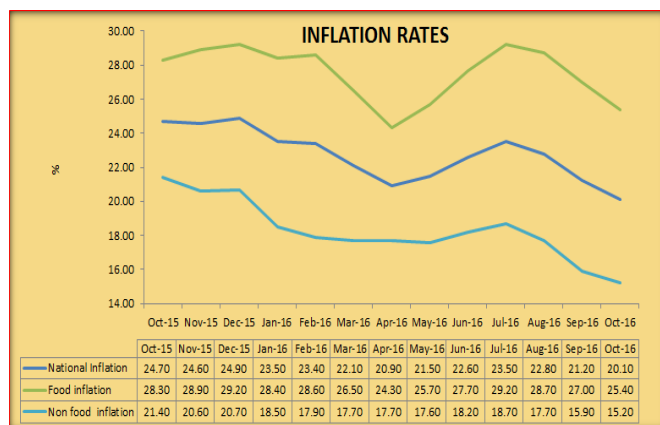
Exchange Rates

The Kwacha marginally depreciated against the United States Dollar in the period under review. Gross official reserves declined from 2.92 months worth of import cover in October 2016 to 2.77 months in November 2016 worth of import cover.



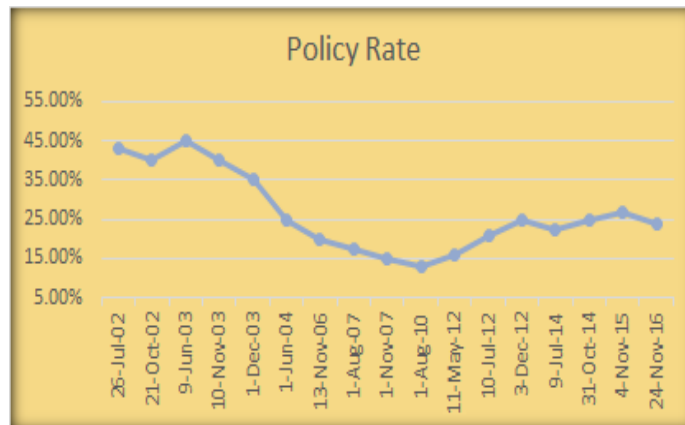
Inflation Rates

Headline inflation eased by 1.1 percentage points from 21.2% in September, 2016 to 20.1% in October, 2016.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 23 and 24 November, 2016 reduced the policy rate from 27% to 24%.



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