

MONTHLY MARKET REPORT

JANUARY 2017



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CONTENTS



MALAWI STOCK EXCHANGE

<i>Trading Summary</i>	1
<i>Market performance</i>	2
<i>Trade performance analysis</i>	2
<i>Market capitalization and index</i>	2
<i>Market liquidity</i>	2
<i>Company trading performance</i>	3
<i>Bonds</i>	4
<i>Economic review</i>	5

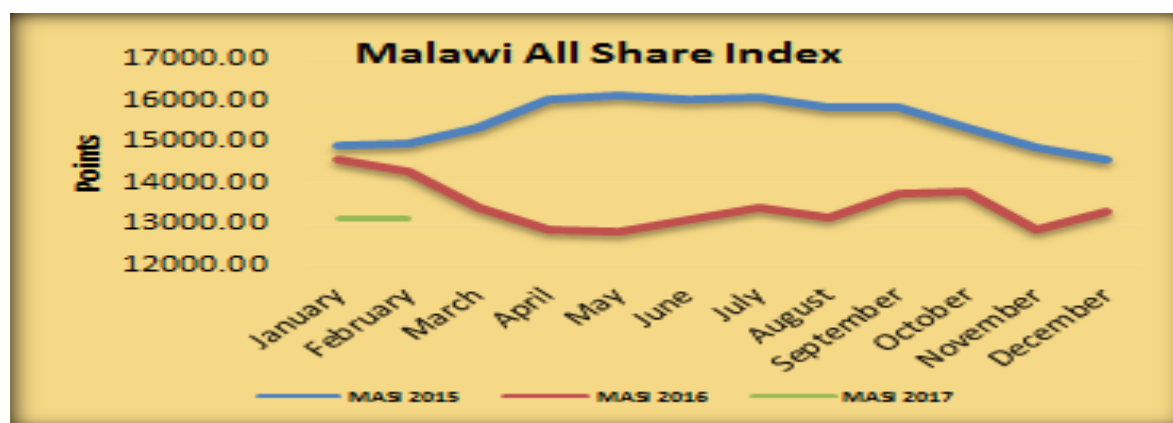


1. EQUITY TRADING SUMMARY

The market was bearish in the month of January 2017 as it registered a negative return on investment of **1.45%** (-1.45% in US\$ terms) and a decrease in both total traded volume and total traded value.

Index Levels and Return – January 2017

INDEX	JANUARY 2017	DECEMBER 2016	Monthly % Δ 2017	Monthly % Δ 2016	% Δ YTD. 2017
MASI	13127.73	13320.51	1.45 ▼	0.84 ▼	1.45 ▼
DSI	10303.61	10456.92	1.47 ▼	0.85 ▼	1.47 ▼
FSI	2026.07	2026.07	0.00 ■	0.00 ■	0.00 ■



Trading Statistics – January 2017

	January 2017	December 2016	Monthly	January 2016	Y-O-Y %Δ
Traded Value (MK)	299,523,065.19	1,606,116,441.14	81.35 ▼	99,852,436.20	199.97▲
Traded Value (US\$)	412,890.94	2,214,021.51	81.35 ▼	143,759.67	187.21▲
Traded Vol. Shares	9,462,616	187,888,673	94.96 ▼	2,795,087	238.54▲
No. of Transactions	100	66	51.52 ▲	80	25.00 ▲
Index Close (MASI)	13127.73	13320.51	1.45 ▼	14440.24	9.09 ▼
Listed companies	13	13		14	
Traded Companies	13	13		13	
Not Traded Companies	00	00		01	
Gainers	03	03		01	
Decliners	03	02		02	
Unchanged	07	08		10	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 9,462,616 shares at a total consideration of MK299,523,065.19 (US\$412,890.94) in 100 trades. In the previous month, December 2016, the market transacted a total of 187,888,673 shares at a total consideration of MK1,606,116,441.14 (US\$2,214,021.51) in 66 trades. This reflects a **94.96%** decrease in terms of share volume and an **81.35%** (**-81.35%** in US Dollar terms) decrease in share value.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 450,601 shares compared to 8,947,080 shares traded in December 2016.

The average daily turnover for January 2017 was MK14,263,003.10 (US\$19,661.47) compared to MK76,481,735.29 (US\$105,429.60) in December 2016, reflecting a decrease of **81.35%** (**-81.35%** in US Dollar terms).

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 13320.51 points registered in December 2016 to 13127.73 points registered in January 2017, giving a return on index of **-1.45%**, (**-1.45%** in US\$ terms). The price gains registered by BHL, MPICO and TNM were not enough to offset share price losses registered by FMB, ILLOVO and NITL resulting into a downward movement of the Malawi All Share Index, arising from a decrease in the Domestic Share Index (**-1.47%**). The Foreign Share Index was steady at 2026.07 points.

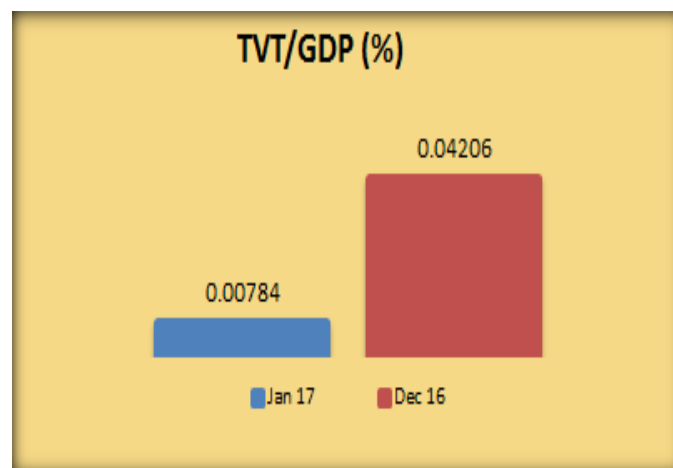
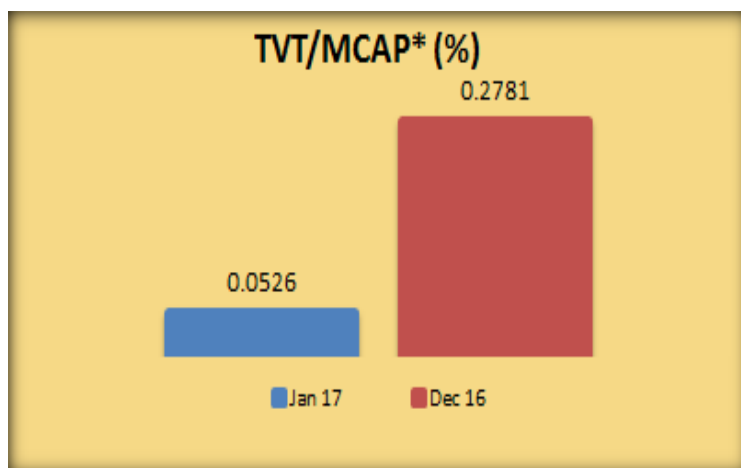
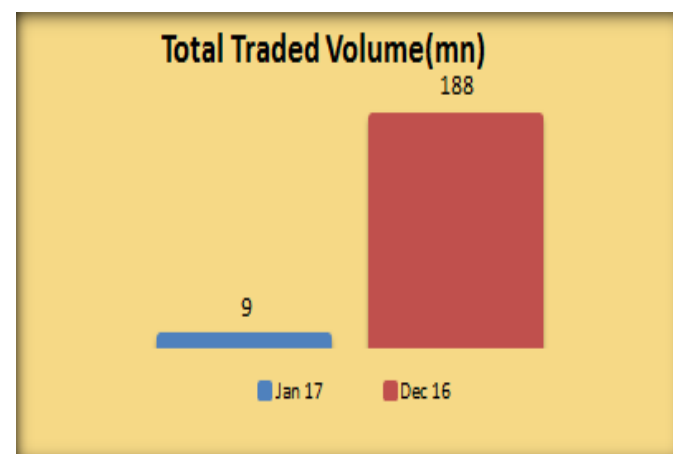
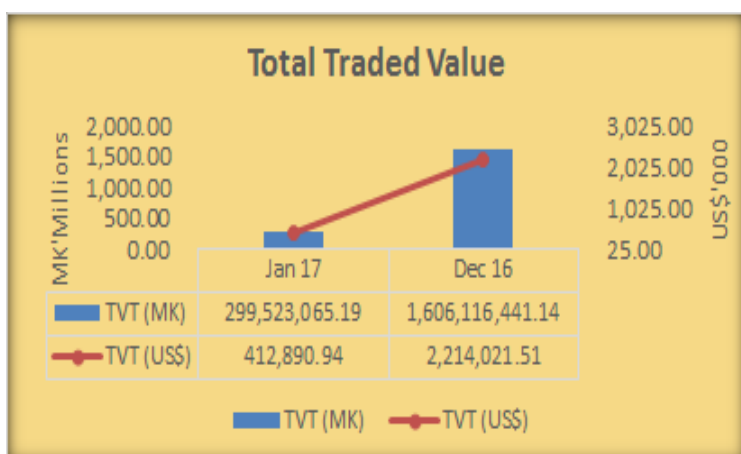
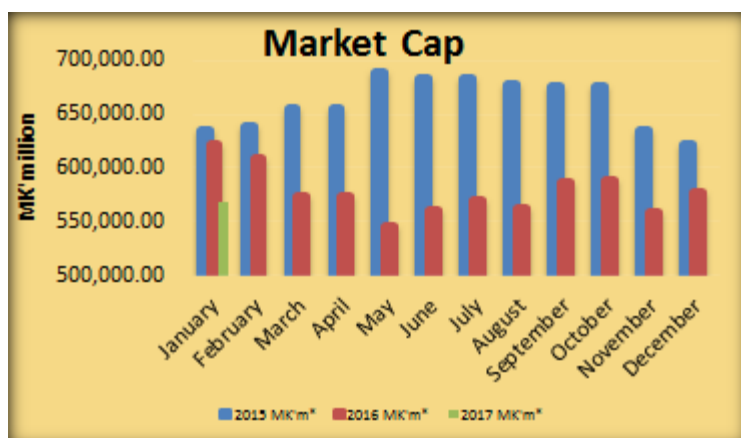
Market capitalization decreased in both Kwacha and United States Dollar terms from MK577,621.92 million (US\$796.25 mln) in December 2016 to MK569,262.44 million (US\$784.72 mln) in January 2017.

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 January 2017 was recorded at 0.05%, lower than 0.28% registered in December 2016. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.0078% in January 2017 while during the previous month, December 2016, liquidity was at 0.0421%.



2. MARKET PERFORMANCE



3. COMPANY TRADING PERFORMANCE

Top gainers: Three
counters registered
capital gains

MSE CODE	COUNTER NAME	% GAIN
TNM	Telekom Networks Malawi	3.31 ▲
MPICO	MPICO Limited	1.66 ▲
BHL	Blantyre Hotels Limited	0.75 ▲

Top Losers: Three
counters registered
capital losses

MSE CODE	COUNTER NAME	% LOSS
NITL	National Investment Trust Limited	26.47 ▼
ILLOVO	Illovo Sugar Malawi	6.25 ▼
FMB	FMB Bank	5.88 ▼

C. Top Five Traded
Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
TNM	Telekom Networks Malawi	3,225,046	34.08
NITL	National Investment Trust Limited	2,828,787	29.89
NICO	NICO Holdings Limited	1,192,296	12.60
ILLOVO	Illovo Sugar Malawi	981,732	10.37
MPICO	MPICO Limited	755,727	7.99

C. Top Five Traded
Stocks by value

MSE CODE	COUNTER NAME	VALUE	% of Total
ILLOVO	Illovo Sugar Malawi	157,067,120.00	52.44
NITL	National Investment Trust Limited	74,738,158.00	24.95
TNM	Telekom Networks Malawi	20,113,473.28	6.72
NICO	NICO Holdings Limited	18,266,582.00	6.10
NBM	National Bank of Malawi	16,764,102.88	5.60

3. COMPANY TRADING PERFORMANCE

COUNTER	HIGH (MK)	LOW (MK)	Earnings Yield (%)	P/E	P/BV	MKT CAP (MK'Mln)	MKT CAP (US\$'Mln)
BHL	20.25	20.10	16.83	5.94	0.55	2,616.15	3.61
FMB	17.00	16.00	10.33	9.68	1.61	37,380.00	51.53
ILLOVO	160.00	150.00	5.15	19.42	2.28	107,016.66	147.52
MPICO	7.96	7.83	4.24	23.56	1.06	18,292.46	25.22
NBM	250.00	237.12	12.07	8.28	2.06	110,718.85	152.63
NBS	6.00	6.00	N/A	N/A	0.39	4,365.86	6.02
NICO	17.00	15.00	31.10	3.22	0.55	17,731.70	24.44
NITL	34.00	25.00	16.24	6.16	0.44	3,375.00	4.65
PCL	540.00	540.00	18.85	5.30	0.71	64,938.14	89.52
STANDARD	500.00	500.00	11.38	8.79	2.49	117,334.08	161.74
SUNBIRD	58.50	58.50	6.68	14.96	1.28	15,302.58	21.09
TNM	6.25	6.05	8.63	11.59	4.01	62,752.81	86.50
OML	1,612.00	1,612.00	11.85	8.44	0.87	7,438.15	10.25

3. COMPANY TRADING PERFORMANCE

Company	Opening Price(t)	Closing Price(t)	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	2010	2025	0.75%	50,000	0.53%	1,010,700.00
FMB	1700	1600	-5.88%	10,000	0.11%	160,000.00
ILLOVO	16000	15000	-6.25%	981,732	10.37%	157,067,120.00
MPICO	783	796	1.66%	755,727	7.99%	5,951,243.03
NBM	23712	23712	0.00%	67,900	0.72%	16,764,102.88
NBS	600	600	0.00%	342,925	3.62%	2,057,550.00
NICO	1700	1700	0.00%	1,192,296	12.60%	18,266,582.00
NITL	3400	2500	-26.47%	2,828,787	29.89%	74,738,158.00
PCL	54000	54000	0.00%	750	0.01%	405,000.00
STANDARD	50000	50000	0.00%	3,925	0.04%	1,962,500.00
SUNBIRD	5850	5850	0.00%	3,000	0.03%	175,500.00
TNM	605	625	3.31%	3,225,046	34.08%	20,113,473.28
OML PLC	161200	161200	0.00%	528	0.01%	851,136.00
				9,462,616	100.00%	299,523,065.19

4. BOND TRADING SUMMARY

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

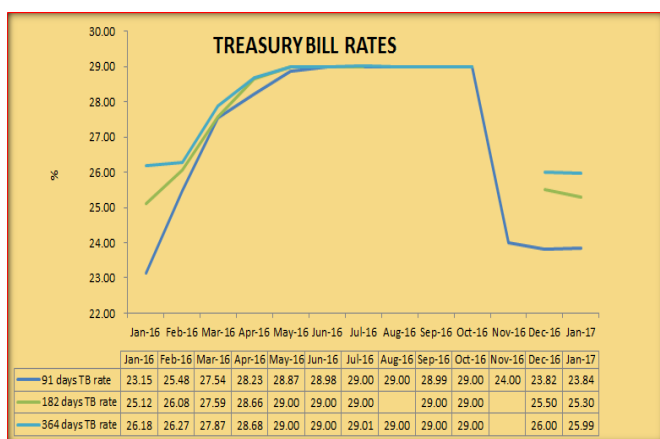
The next and final coupon payment for 2017 will be paid on 30th June, 2017.

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

5. ECONOMIC REVIEW

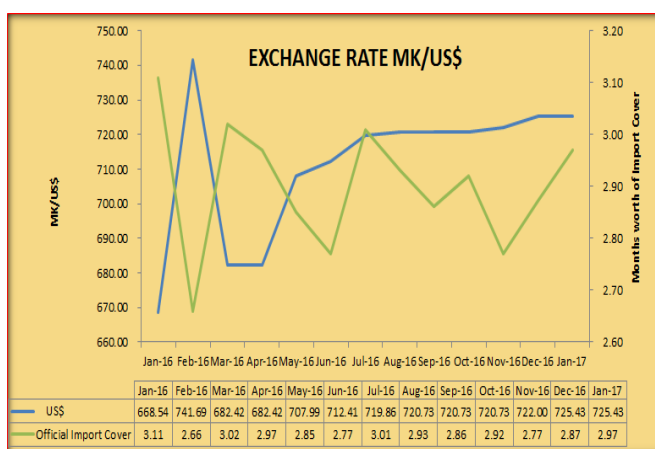
Interest Rates

During the period under review, the yield on the 91 days T-bill increased by 0.0149 percentage points from 23.8206% to 23.8355% whilst the 182 days T-bill and the 364 days T-bill decreased by 0.1983 percentage points from 25.5000% to 25.3017 and by 0.0127 percentage points from 26.0000% to 25.9873% respectively.



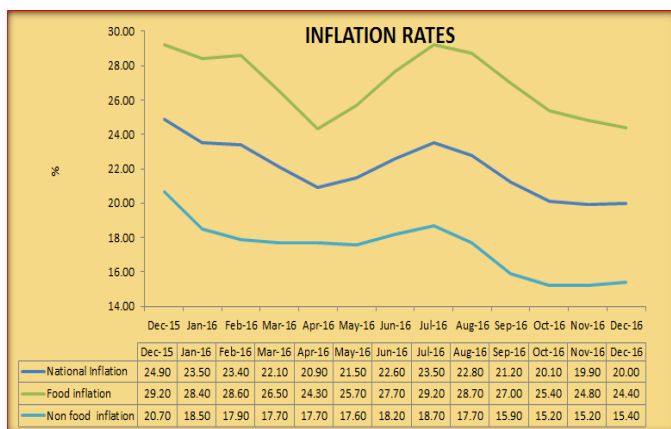
Exchange Rates

The Kwacha was stable against the United States Dollar in the period under review. Gross official reserves inched upwards from 2.87 months worth of import cover in December 2016 to 2.97 months in January 2017 worth of import cover.



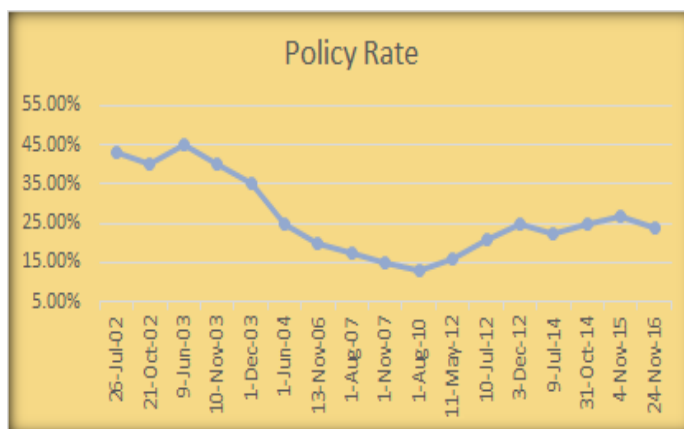
Inflation Rates

Headline inflation inched upwards by 0.1 percentage points from 19.90% in November, 2016 to 20.0% in December, 2016.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 23 and 24 November, 2016 reduced the policy rate



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