

MONTHLY MARKET REPORT

FEBRUARY 2017



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MALAWI STOCK EXCHANGE

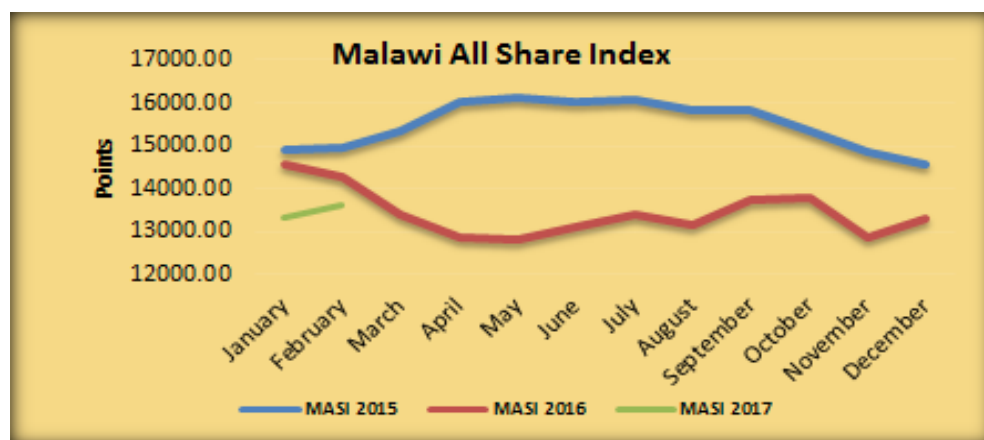
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1. EQUITY TRADING SUMMARY

The market was bullish in the month of February 2017 as it registered a positive return on investment of **3.87%** (3.87% in US\$ terms). It however, recorded a decrease in total traded value despite an increase in total traded volume.

Index Levels and Return – February 2017

INDEX	FEBRUARY 2017	JANUARY 2017	Monthly % Δ 2017	Monthly % Δ 2016	% Δ YTD. 2017
MASI	13635.67	13127.73	3.87 ▲	1.22 ▼	2.37 ▲
DSI	10707.55	10303.61	3.92 ▲	1.24 ▼	2.40 ▲
FSI	2026.07	2026.07	0.00 ■	0.00 ■	0.00 ■



Trading Statistics – February 2017

	February 2017	January 2017	Monthly	February 2016	Y-O-Y %Δ
Traded Value (MK)	179,654,629.77	299,523,065.19	40.02 ▼	106,507,786.33	68.68 ▲
Traded Value (US\$)	247,650.92	412,890.94	40.02 ▼	141,811.08	74.63 ▲
Traded Vol. Shares	12,896,314	9,462,616	36.29 ▲	1,830,916	604.36 ▲
No. of Transactions	80	100	20.00 ▼	65	23.08 ▲
Index Close (MASI)	13635.67	13127.73	3.87 ▲	14263.58	4.40 ▼
Listed companies	13	13		14	
Traded Companies	11	13		13	
Not Traded Companies	02	00		03	
Gainers	04	03		01	
Decliners	01	03		04	
Unchanged	06	07		06	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 12,896,314 shares at a total consideration of MK179,654,629.77 (US\$247,650.92) in 80 trades. In the previous month, January 2017, 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. This reflects a 36.29% increase in terms of share volume and a 40.02% (-40.02% in US Dollar terms) decrease in share value.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 614,110 shares compared to 450,601 shares traded in January 2017.

The average daily turnover for February 2017 was MK8,554,982.37 (US\$11,792.90) compared to MK14,263,003.10 (US\$19,661.47) in January 2017, reflecting a decrease of 40.02% (-40.02% in US Dollar terms).

B. Market Capitalization and Index

The market registered a positive return on index as reflected in the upward movement of the Malawi All Share Index (MASI) from 13127.73 points registered in January 2017 to 13635.67 points registered in February 2017, giving a return on index of 3.87% (3.87% in US\$ terms). The price gains registered by ILLOVO, MPICO, NBM and TNM were enough to offset a share price loss registered in NICO resulting into an upward movement of the Malawi All Share Index, arising from an increase in the Domestic Share Index (3.92%). The Foreign Share Index was steady at 2026.07 points.

Market capitalization increased in both Kwacha and United States Dollar terms from MK569,262.44 million (US\$784.7245 mln) in January 2017 to MK591,288.21 million (US\$815.0869 mln) in February 2017.

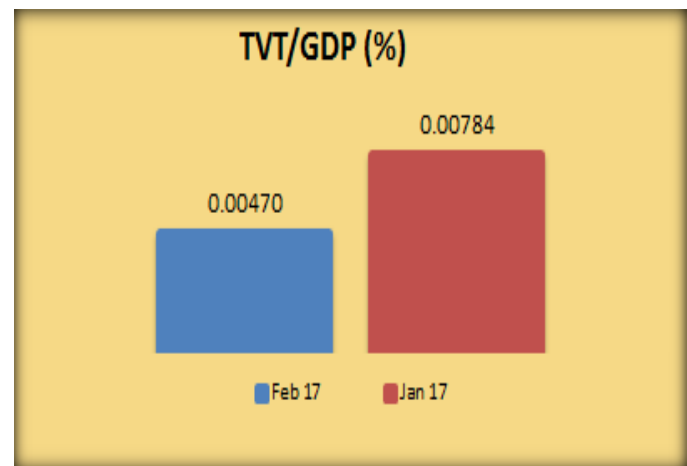
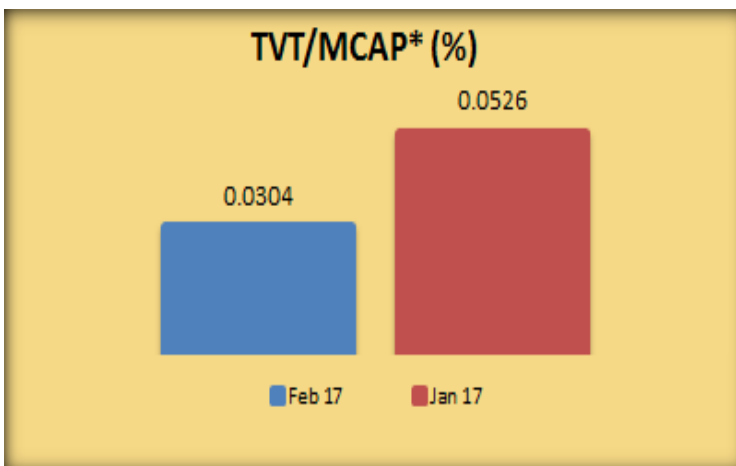
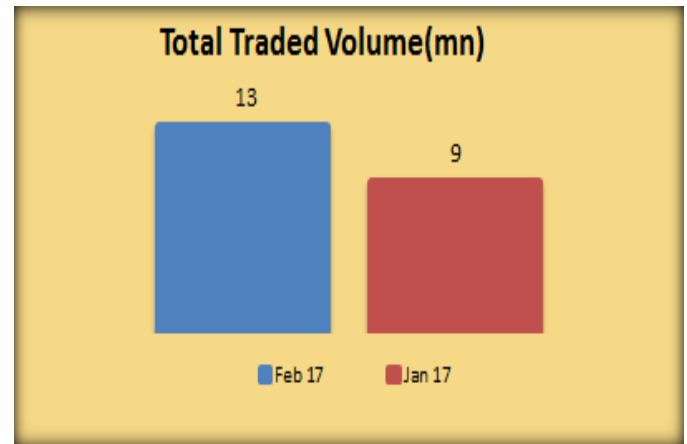
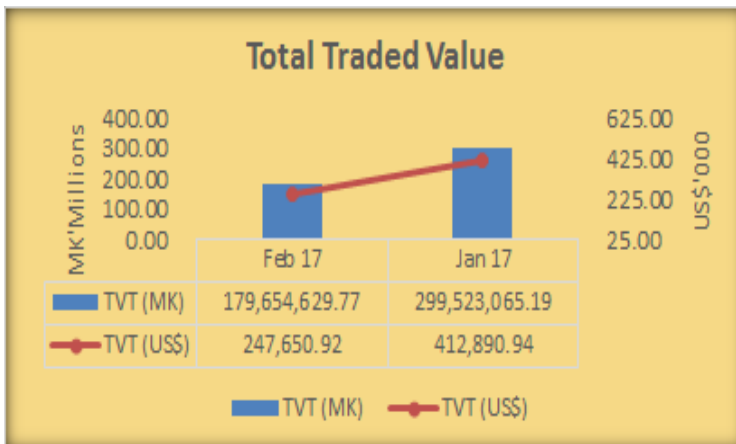
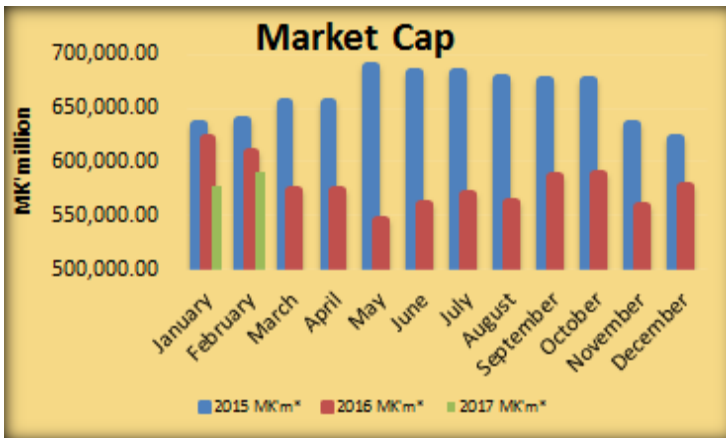
C. Market Liquidity

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 February 2017 was recorded at 0.03%, lower than 0.05% registered in January 2017. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.005% in February 2017 while during the previous month, January 2017, liquidity was at 0.008%.

2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



3. COMPANY TRADING PERFORMANCE

Top gainers: Four
counters registered
capital gains

MSE CODE	COUNTER NAME	% GAIN
ILLOVO	Illovo Sugar Malawi Limited	18.50 ▲
MPICO	MPICO Limited	8.04 ▲
TNM	Telekom Networks Malawi	7.20 ▲
NBM	National Bank of Malawi	0.37 ▲

Top Losers: One
counter registered
a capital loss

MSE CODE	COUNTER NAME	% LOSS
NICO	NICO Holdings Limited	23.53 ▼

C. Top Five Traded
Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
TNM	Telekom Networks Malawi	6,299,655	48.85
FMB	FMB Bank	3,927,576	30.46
MPICO	MPICO Limited	1,199,369	9.30
NICO	NICO Holdings Limited	1,012,000	7.85
NBS	NBS Bank	215,336	1.67

C. Top Five Traded
Stocks by value

MSE	COUNTER NAME	VALUE	% of Total
FMB	FMB Bank	62,841,216.00	34.98
TNM	Telekom Networks Malawi	40,209,147.50	22.38
ILLOVO	Illovo Sugar Malawi Limited	29,202,576.92	16.25
NICO	NICO Holdings Limited	15,156,000.00	8.44
NBM	National Bank of Malawi	12,507,560.45	6.96

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	20.25	16.83	5.94	0.55	2,616.15	3.61
FMB	16.00	16.00	10.33	9.68	1.61	37,380.00	51.53
ILLOVO	177.75	150.00	4.34	23.02	2.70	126,814.74	174.81
MPICO	8.60	7.96	3.93	25.45	1.14	19,763.21	27.24
NBM	238.00	237.12	12.03	8.31	2.07	111,129.75	153.19
NBS	6.00	6.00	N/A	N/A	0.39	4,365.86	6.02
NICO	17.00	13.00	40.67	2.46	0.42	13,559.53	18.69
NITL	25.00	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	6.70	6.25	8.05	12.43	4.30	67,271.02	92.73
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	2025	2025	0.00%	0	0.00%	0
FMB	1600	1600	0.00%	3,927,576	30.46%	62,841,216.00
ILLOVO	15000	17775	18.50%	164,915	1.28%	29,202,576.92
MPICO	796	860	8.04%	1,199,369	9.30%	10,281,840.90
NBM	23712	23800	0.37%	52,557	0.41%	12,507,560.45
NBS	600	600	0.00%	215,336	1.67%	1,292,016.00
NICO	1700	1300	-23.53%	1,012,000	7.85%	15,156,000.00
NITL	2500	2500	0.00%	14,300	0.11%	357,500.00
PCL	54000	54000	0.00%	0	0.00%	0
STANDARD	50000	50000	0.00%	8,075	0.06%	4,037,500.00
SUNBIRD	5850	5850	0.00%	200	0.00%	11,700.00
TNM	625	670	7.20%	6,299,655	48.85%	40,209,147.50
OML PLC	161200	161200	0.00%	2,331	0.02%	3,757,572.00
				12,896,314	100.00%	179,654,629.77

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

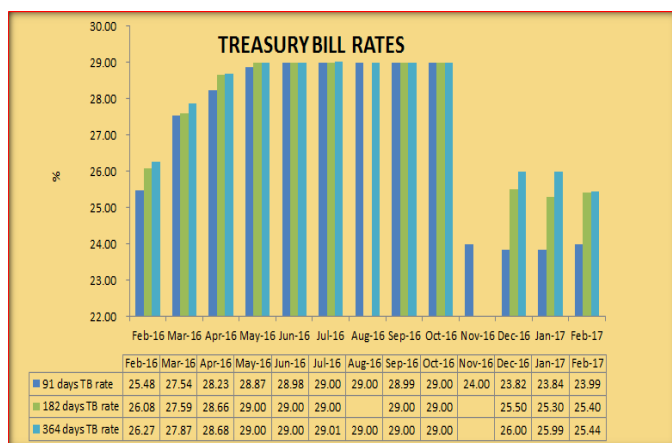
The next and final coupon payment for 2017 will be paid on 30th June, 2017.

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

5. ECONOMIC REVIEW

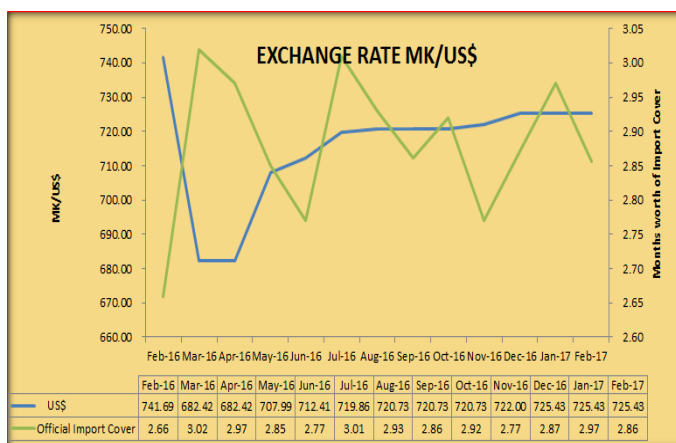
Interest Rates

During the period under review, the yield on the 91 days T-bill and the 182 days T-bill increased by **0.1556** percentage points from 23.8355% to 23.9911% and by **0.0983** percentage points from 25.3017% to 25.4000% respectively, whilst the 364 days T-bill decreased by **0.5496** percentage points from 25.9873% to 25.4377%.



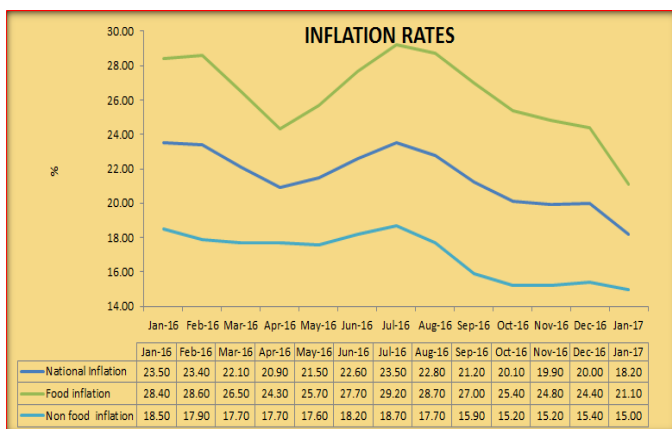
Exchange Rates

The Kwacha was stable against the United States Dollar in the period under review. Gross official reserves decreased from 2.97 months worth of import cover in January 2017 to 2.86 months worth of import cover in February 2017.



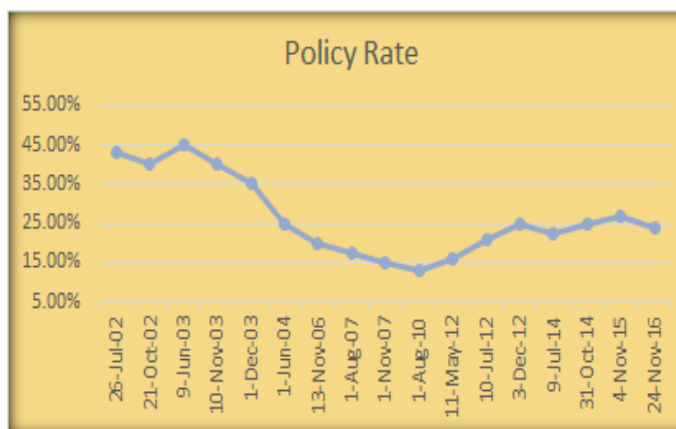
Inflation Rates

Headline inflation eased by 1.80 percentage points from 20.0% in December, 2016 to 18.2% in January 2017.



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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