

# MONTHLY MARKET REPORT

## MAY 2017



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MALAWI STOCK EXCHANGE

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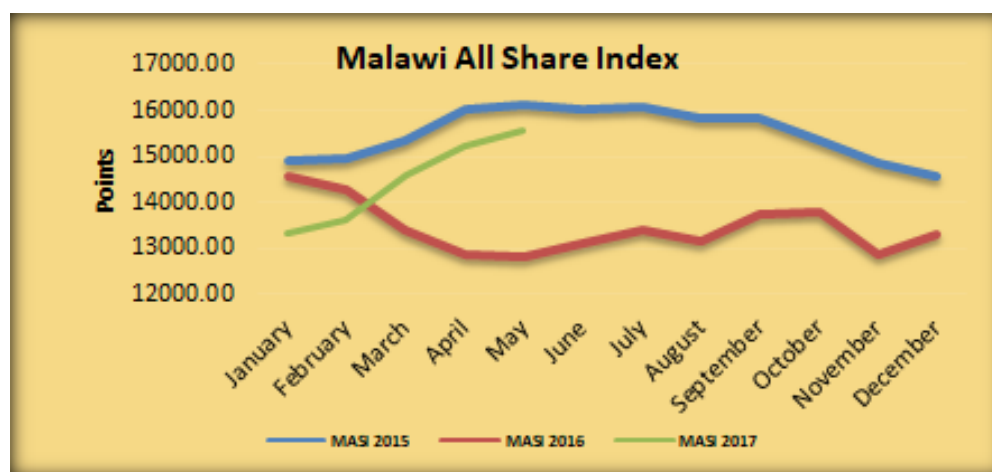
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## 1. EQUITY TRADING SUMMARY

The market was bullish in the month of May 2017 as it registered a positive return on investment of **2.43%** (16.92% YTD) and an increase in both total traded value and total traded volume.

### Index Levels and Return – May 2017

INDEX	MAY 2017	APRIL 2017	Monthly % Δ 2017	Monthly % Δ 2016	% Δ YTD. 2017
MASI	15573.68	15203.97	2.43 ▲	0.36 ▼	16.92 ▲
DSI	12228.65	11935.73	2.45 ▲	0.37 ▼	16.94 ▲
FSI	2325.21	2308.87	0.71 ▲	0.00 ■	14.76 ▲



### Trading Statistics – May 2017

	May 2017	April 2017	Monthly	May 2016	Y-O-Y %Δ
Traded Value (MK)	1,343,060,713.98	788,100,892.16	70.42 ▲	302,536,644.07	343.93 ▲
Traded Value (US\$)	1,850,825.92	1,086,054.82	70.42 ▲	428,709.35	331.72 ▲
Traded Vol. Shares	71,859,658	10,160,058	607.28 ▲	30,578,347	135.00 ▲
No. of Transactions	97	76	27.63 ▲	82	18.29 ▲
Index Close (MASI)	15573.68	15203.97	2.43 ▲	12814.18	21.53 ▲
Listed companies	13	13		13	
Traded Companies	12	12		12	
Not Traded Companies	01	01		01	
Gainers	08	04		02	
Decliners	01	00		04	
Unchanged	03	08		06	

## 2. MARKET PERFORMANCE

### A. Trade Performance Analysis

The market transacted a total of 71,859,658 shares at a total consideration of MK1,343,060,713.98 (US\$1,850,825.92) in 97 trades. In the previous month, April 2017, the market transacted a total of 10,160,058 shares at a total consideration of MK788,100,892.16 (US\$1,086,054.82) in 76 trades. This reflects a **607.28%** increase in terms of share volume and a **70.42%** (**70.42%** in US Dollar terms) increase in share value.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 3,421,888 shares compared to 483,812 shares traded in April 2017.

The average daily turnover for May 2017 was MK63,955,272.09 (US\$88,134.57) compared to MK37,528,613.91 (US\$51,716.90 in April 2017, reflecting an increase of **70.42%** (**70.42%** 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 15203.97 points registered in April 2017 to 15573.68 points registered in May 2017, giving a return on index of **2.43%** (**2.43%** in US\$ terms). The price gains registered by ILLOVO, NICO, NITL, PCL, STANDARD, SUNBIRD, TNM and OML were enough to offset a share price loss in MPICO resulting into an upward movement of the Malawi All Share Index, arising from an increase in both the Domestic Share Index (**2.45%**) and the Foreign Share Index (**0.71%**).

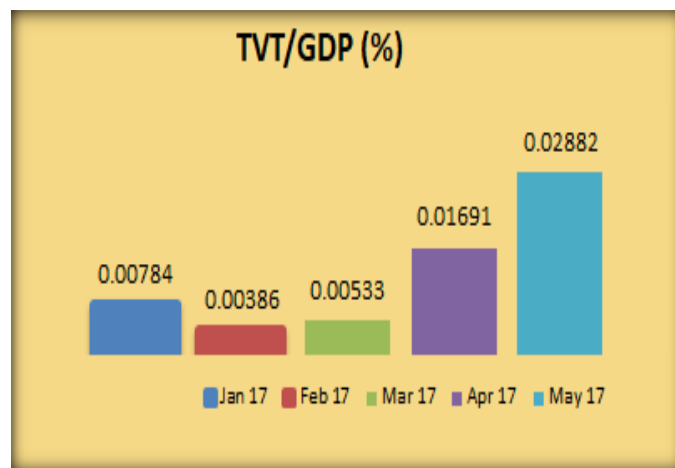
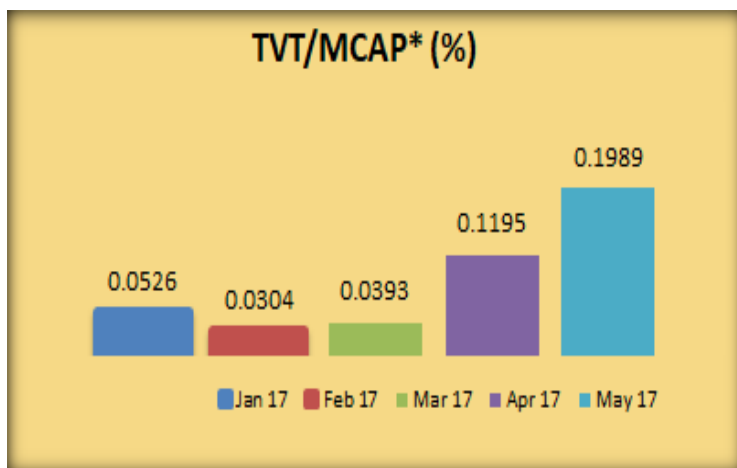
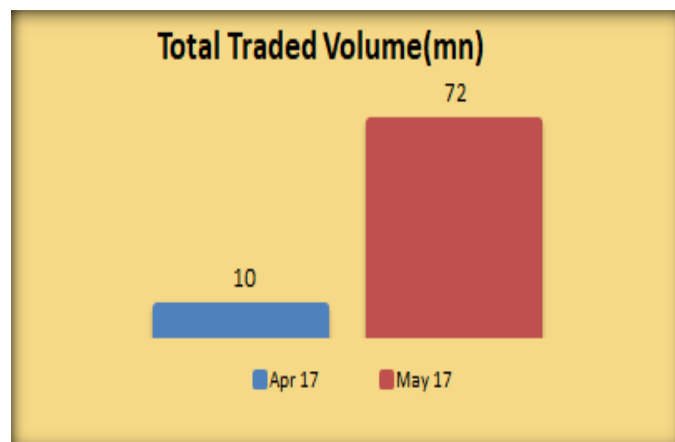
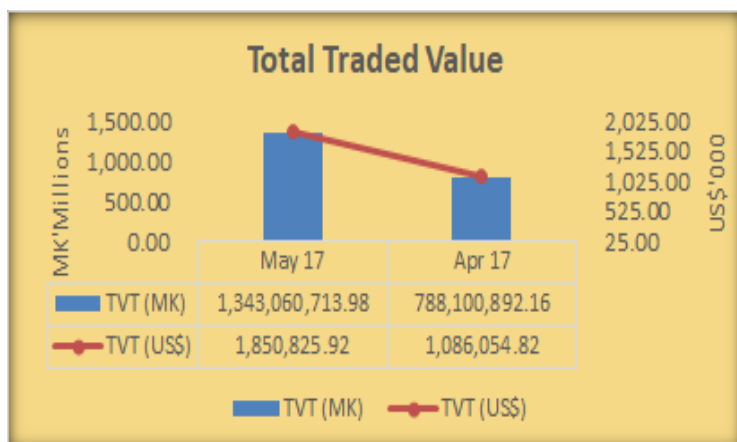
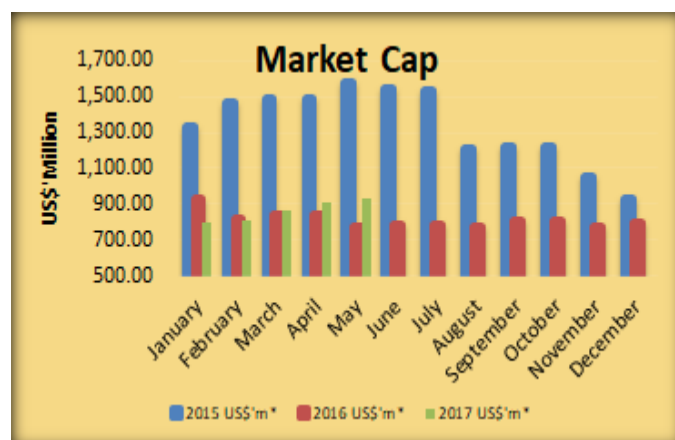
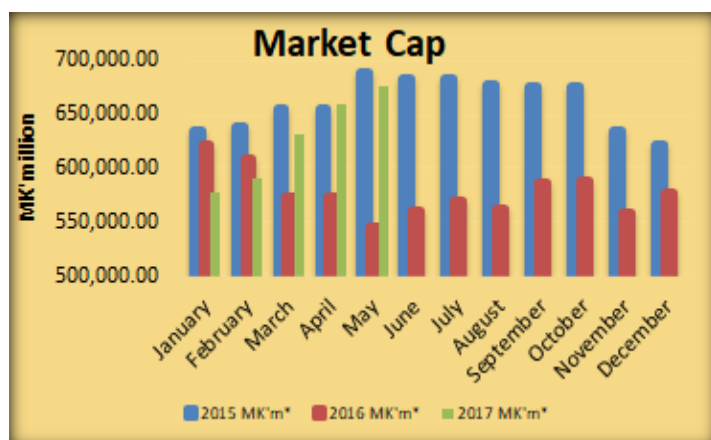
Market capitalization increased in both Kwacha and United States Dollar terms from MK659,295.11 million (US\$908.55 mln) in April 2017 to MK675,327.11 million (US\$930.65 mln) in May 2017.

### 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 May 2017 was recorded at 0.20%, higher than 0.12% registered in April 2017. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.03% in May 2017 while during the previous month, April 2017, liquidity was at 0.02%.



## 2. MARKET PERFORMANCE



### 3. COMPANY TRADING PERFORMANCE

Top gainers: Eight  
counters registered  
capital gains

MSE CODE	COUNTER NAME	% GAIN
NICO	NICO Holdings plc	20.80 ▲
NITL	National Investment Trust Limited	13.33 ▲
TNM	Telekom Networks Malawi plc	9.76 ▲
PCL	Press Corporation plc	5.56 ▲
SUNBIRD	Sunbird Tourism Limited	4.92 ▲

Top Losers: One  
counter registered  
a capital loss

MSE CODE	COUNTER NAME	% LOSS
MPICO	MPICO plc	6.98 ▼

C. Top Five Traded  
Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
TNM	Telekom Networks Malawi plc	25,397,504	35.34
FMB	FMB Bank	23,363,268	32.51
NICO	NICO Holdings plc	14,191,890	19.75
SUNBIRD	Sunbird Tourism Limited	4,523,258	6.29
MPICO	MPICO plc	2,710,539	3.77

C. Top Five Traded  
Stocks by value

MSE CODE	COUNTER NAME	VALUE	% of Total
FMB	FMB Bank	373,812,288.00	27.83
SUNBIRD	Sunbird Tourism Limited	289,488,512.00	21.55
TNM	Telekom Networks Malawi plc	236,753,642.40	17.63
NICO	NICO Holdings plc	149,055,981.69	11.10
ILLOVO	Illovo Sugar Malawi	125,586,445.89	9.35

### 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	20.49	4.88	1.18	37,380.00	51.51
ILLOVO	216.05	215.01	3.57	27.97	3.29	154,139.66	212.41
MPICO	8.60	8.00	10.82	9.24	0.66	18,384.38	25.33
NBM	262.00	262.00	13.57	7.37	1.80	122,336.12	168.59
NBS	6.00	6.00	N/A	N/A	0.64	4,365.86	6.02
NICO	13.00	10.00	43.76	2.29	0.39	12,599.94	17.36
NITL	34.00	30.00	N/A	N/A	0.70	4,590.00	6.33
PCL	570.00	570.00	25.11	3.98	0.66	68,545.82	94.46
STANDARD	560.00	555.00	14.78	6.77	2.09	131,414.17	181.10
SUNBIRD	64.00	61.00	7.98	12.53	1.27	16,741.29	23.07
TNM	9.35	8.50	8.76	11.42	4.49	93,677.40	129.09
OML	1,850.00	1,837.00	10.33	9.68	1.00	8,536.34	11.76

### 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%	23,363,268	32.51%	373,812,288.00
ILLOVO	21501	21605	0.48%	583,949	0.81%	125,586,445.89
MPICO	860	800	-6.98%	2,710,539	3.77%	23,155,260.00
NBM	26200	26200	0.00%	187,688	0.26%	49,174,256.00
NBS	600	600	0.00%	541,263	0.75%	3,247,578.00
NICO	1000	1208	20.80%	14,191,890	19.75%	149,055,981.69
NITL	3000	3400	13.33%	218,850	0.30%	7,432,900.00
PCL	54000	57000	5.56%	100,106	0.14%	57,060,420.00
STANDARD	55500	56000	0.90%	37,319	0.05%	20,849,030.00
SUNBIRD	6100	6400	4.92%	4,523,258	6.29%	289,488,512.00
TNM	850	933	9.76%	25,397,504	35.34%	236,753,642.40
OML PLC	183700	185000	0.71%	4,024	0.01%	7,444,400.00
				71,859,658	100.00%	1,343,060,713.98



#### 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

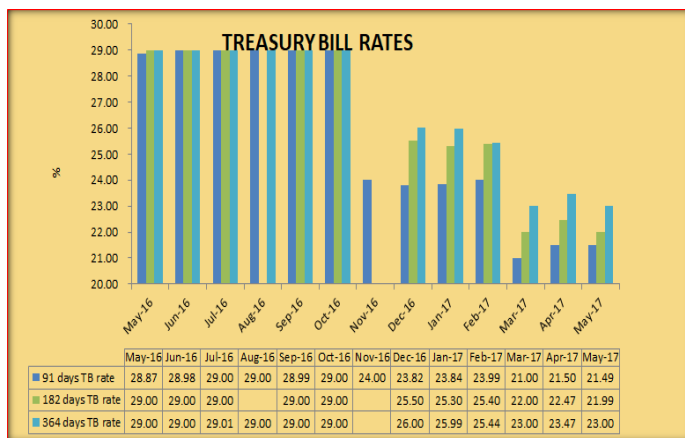
The next and final coupon payment for 2017 will be paid on 30th June, 2017.

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

## 5. ECONOMIC REVIEW

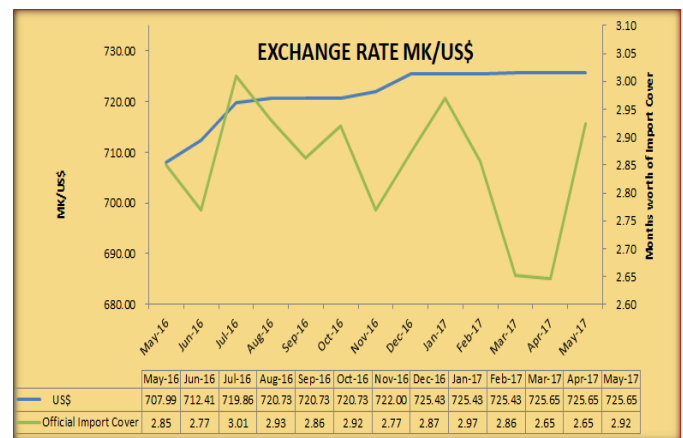
### Interest Rates

During the period under review, the yield on the 91 days T-bill, the 182 days T-bill and the 364 days T-bill decreased by **0.0104** percentage points from 21.4967% to 21.4863%, by **0.4789** percentage points from 22.4675% to 21.9886% and **0.4678** percentage points from 23.4685% to 23.0007% respectively.



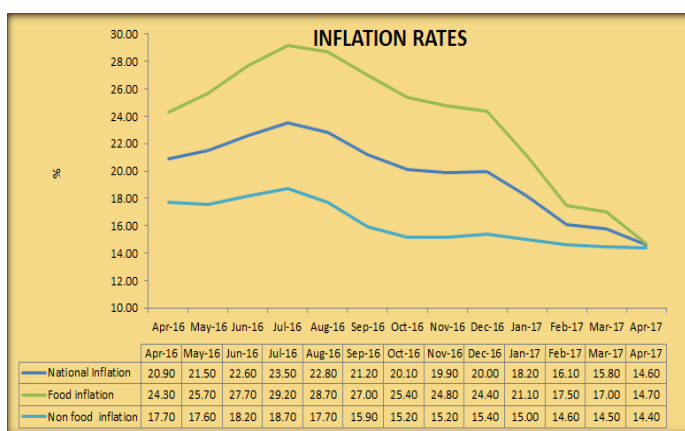
### Exchange Rates

The Kwacha was stable against the United States Dollar in the period under review. Gross official reserves increased from 2.65 months worth of import cover in April 2017 to 2.92 months worth of import cover in May 2017.



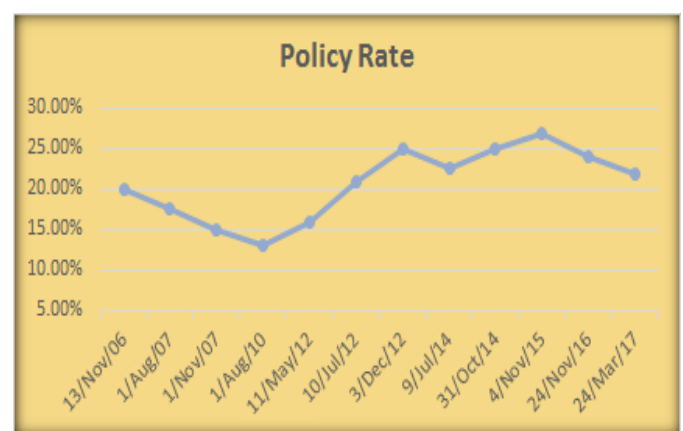
### Inflation Rates

Headline inflation eased by 1.2 percentage points from 15.8% in March, 2017 to 14.6% in April 2017.



### Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 23 and 24 March, 2017 reduced the policy rate from 24% to 22%.



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