

MONTHLY MARKET REPORT

JULY 2017



Old Reserve Bank Building, Victoria Avenue
P/Bag 270
Blantyre
Malawi

Telephone: (265) 01 824 233; Fax: (265) 01 823 636
E-mail: info@mse-mw.com
Website: www.mse.co.mw

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MALAWI STOCK EXCHANGE

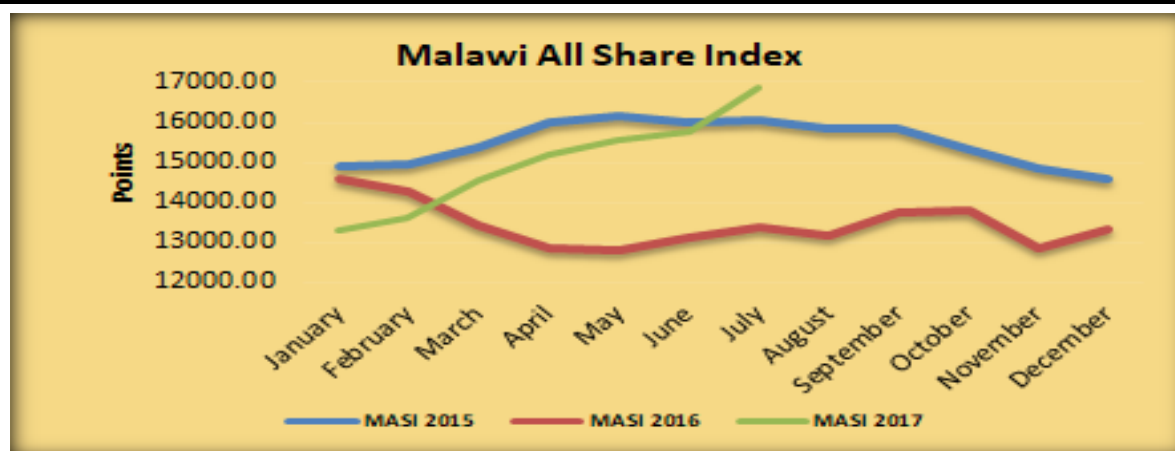
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1. EQUITY TRADING SUMMARY

The market was bullish in the month of July 2017 as it registered a positive return on investment of **7.00%** (26.70% YTD) and an increase in both total traded value and total traded volume.

Index Levels and Return – July 2017

INDEX	JUNE 2017	JULY 2017	Monthly % Δ 2017	Monthly % Δ 2016	% Δ YTD. 2017
MASI	15772.51	16877.16	7.00 ▲	1.95 ▲	26.70 ▲
DSI	12386.77	13265.14	7.09 ▲	1.97 ▲	26.86 ▲
FSI	2325.21	2325.21	0.00 ■	0.00 ■	14.76 ▲



Trading Statistics – July 2017

	July 2017	June 2017	Monthly	July 2016	Y-O-Y %Δ
Traded Value (MK)	1,759,096,772.00	1,065,495,688.62	65.10 ▲	79,415,164.70	2115.06▲
Traded Value (US\$)	2,424,150.95	1,468,323.08	65.10 ▲	110,989.31	2084.13▲
Traded Vol. Shares	230,820,088	24,562,635	839.72 ▲	9,822,509	2249.91▲
No. of Transactions	109	72	51.39 ▲	67	62.69 ▲
Index Close (MASI)	16877.16	15772.51	7.00 ▲	13381.50	26.12 ▲
Listed companies	13	13		13	
Traded Companies	13	12		11	
Not Traded Companies	00	01		02	
Gainers	09	04		02	
Decliners	00	00		01	
Unchanged	04	08		08	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 230,820,088 shares at a total consideration of MK1,759,096,772.00 (US\$2,424,150.95) in 109 trades. In the previous month, June 2017, the market transacted a total of 24,562,635 shares at a total consideration of MK1,065,495,688.62 (US\$1,468,323.08) in 72 trades. This reflects an **839.72%** increase in terms of share volume and a **65.10%** (**65.10%** in US Dollar terms) increase in share value.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 10,991,433 shares compared to 1,169,649 shares traded in June 2017.

The average daily turnover for July 2017 was MK83,766,512.95 (US\$115,435.76) compared to MK50,737,889.93 (US\$69,920.15) in June 2017, reflecting an increase of **65.10%** (**65.10%** in US Dollar terms).

NBS raised MK11.8 billion through a Rights Issue and the Rights Issue shares were listed on 17 July, 2017 bringing the total number of listed NBS shares to 2,910,573,356 from 727,643,339.

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 15772.51 points registered in June 2017 to 16877.16 points registered in July 2017, giving a return on index of **7.00%** (**7.00%** in US\$ terms). The price gains registered by BHL, FMB, MPICO, NBM, NBS, NICO, NITL, STANDARD and TNM resulted into an upward movement of the Malawi All Share Index, arising from an increase in the Domestic Share Index by **7.09%** to 13265.14 points. The Foreign Share Index was steady at 2325.21 points.

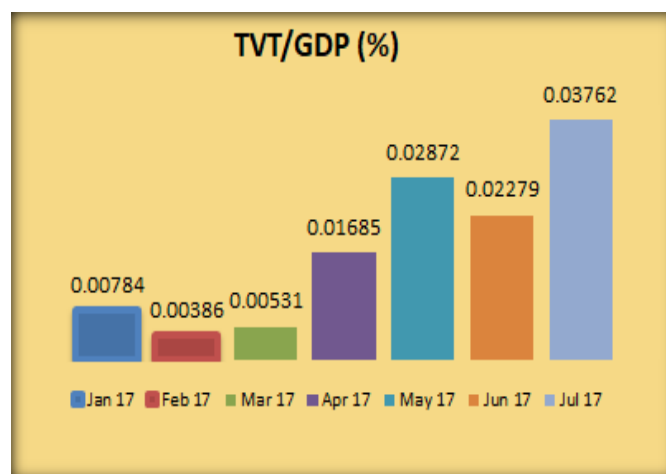
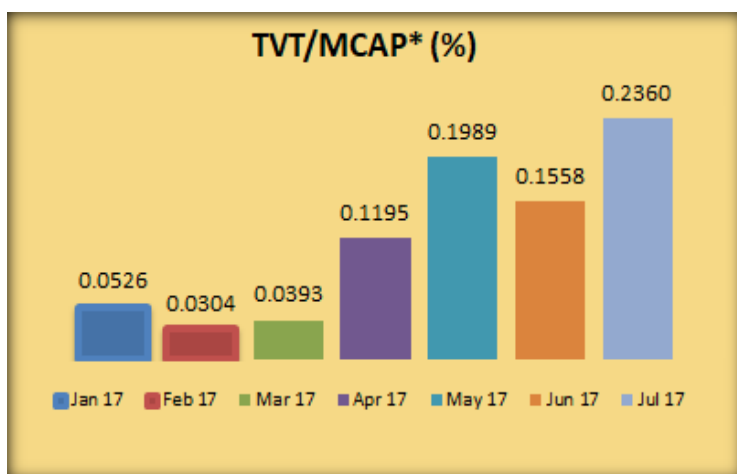
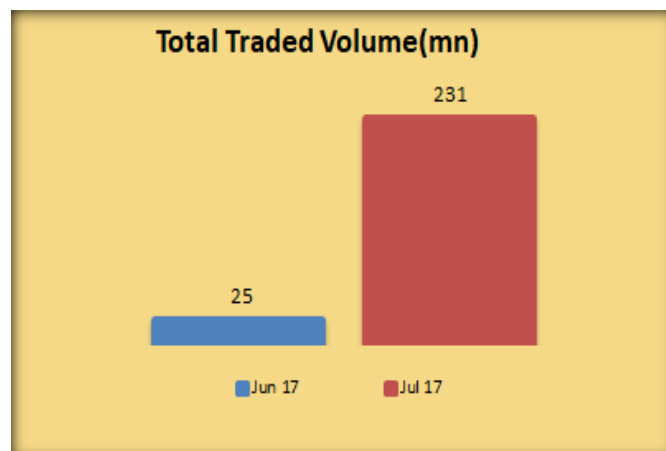
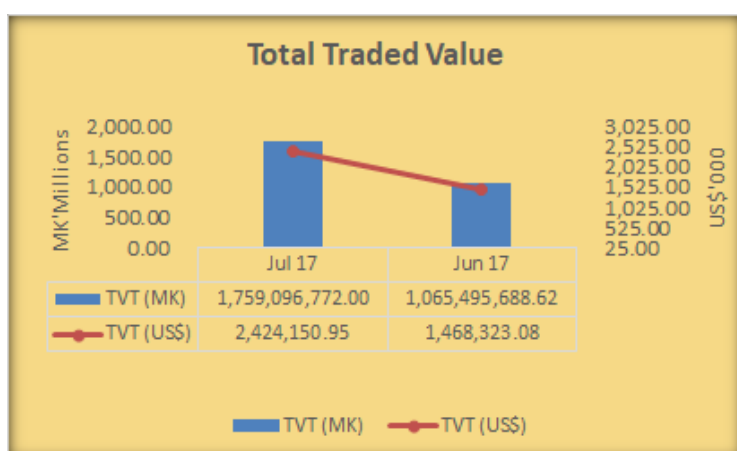
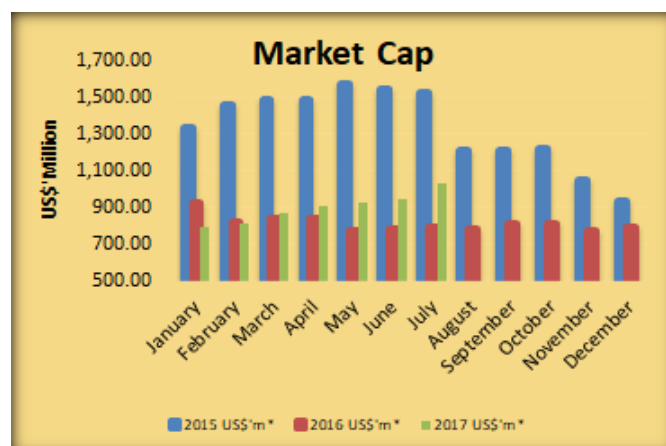
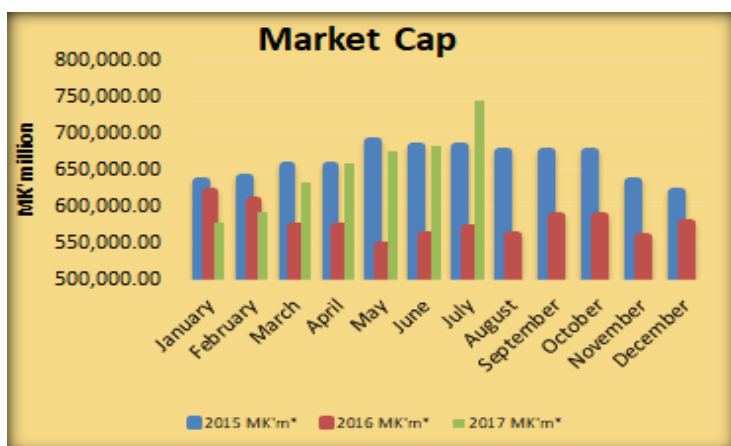
Market capitalization increased in both Kwacha and United States Dollar terms from MK683,948.97 million (US\$942.53 mln) in June 2017 to MK745,456.67 million (US\$1,027.29 mln) in July 2017.

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 July 2017 was recorded at 0.24%, higher than 0.16% registered in June 2017. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.04% in July 2017 while during the previous month, June 2017, liquidity was at 0.02%.



2. MARKET PERFORMANCE



3. COMPANY TRADING PERFORMANCE

Top Five gainers:
Nine counters
registered capital
gains

MSE CODE	COUNTER NAME	% GAIN
NICO	NICO Holdings plc	107.37 ▲
NITL	National Investment Trust plc	53.73 ▲
BHL	Blantyre Hotels plc	23.46 ▲
TNM	Telekom Networks Malawi plc	15.01 ▲
MPICO	MPICO plc	13.13 ▲

C. Top Five Traded
Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
NBS	NBS Bank plc	214,954,975	93.13
TNM	Telekom Networks Malawi plc	5,683,743	2.46
NICO	NICO Holdings plc	4,652,751	2.02
NITL	National Investment Trust plc	2,618,411	1.13
MPICO	MPICO plc	1,751,042	0.76

C. Top Five Traded
Stocks by value

MSE CODE	COUNTER NAME	VALUE	% of Total
NBS	NBS Bank plc	1,300,802,853.38	73.95
NITL	National Investment Trust plc	129,771,733.60	7.38
NICO	NICO Holdings plc	86,881,698.05	4.94
NBM	National Bank of Malawi plc	68,474,025.00	3.89
TNM	Telekom Networks Malawi plc	55,429,943.86	3.15

3. COMPANY TRADING PERFORMANCE

COUNTER	HIGH (MK)	LOW (MK)	Earnings Yield (%)	P/E	P/BV	MKT CAP (MK'Mln)	MKT CAP (US\$'Mln)
BHL	25.00	20.25	13.63	7.33	0.68	3,229.81	4.45
FMB	18.61	18.61	17.62	5.68	1.37	43,477.61	59.92
ILLOVO	216.15	216.15	4.59	21.78	4.21	154,211.01	212.51
MPICO	9.05	8.00	9.56	10.46	0.74	20,797.33	28.66
NBM	266.00	262.00	13.37	7.48	1.83	124,203.84	171.16
NBS	6.88	6.00	N/A	N/A	2.59	17,608.97	24.27
NICO	25.05	12.08	10.47	9.55	0.81	26,128.18	36.01
NITL	56.11	36.50	N/A	N/A	1.16	7,574.85	10.44
PCL	570.00	570.00	25.11	3.98	0.66	68,545.82	94.46
STANDARD	650.00	570.01	13.24	7.55	2.34	146,667.60	202.12
SUNBIRD	64.00	64.00	7.98	12.53	1.27	16,741.29	23.07
TNM	10.73	9.33	7.62	13.13	5.17	107,734.03	148.46
OML	1,850.00	1,850.00	8.25	12.12	0.92	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	2500	23.46%	10,000	0.00%	250,000.00
FMB	1851	1861	0.54%	166,139	0.07%	3,091,894.29
ILLOVO	21615	21615	0.00%	181,417	0.08%	39,213,284.55
MPICO	800	905	13.13%	1,751,042	0.76%	14,727,389.27
NBM	26200	26600	1.53%	257,736	0.11%	68,474,025.00
NBS	600	605	0.83%	214,954,975	93.13%	1,300,802,853.38
NICO	1208	2505	107.37%	4,652,751	2.02%	86,881,698.05
NITL	3650	5611	53.73%	2,618,411	1.13%	129,771,733.60
PCL	57000	57000	0.00%	900	0.00%	513,000.00
STANDARD	57001	62500	9.65%	42,475	0.02%	27,017,800.00
SUNBIRD	6400	6400	0.00%	500,000	0.22%	32,000,000.00
TNM	933	1073	15.01%	5,683,743	2.46%	55,429,943.86
OML PLC	185000	185000	0.00%	499	0.00%	923,150.00
				230,820,088	100.00 %	1,759,096,772.00

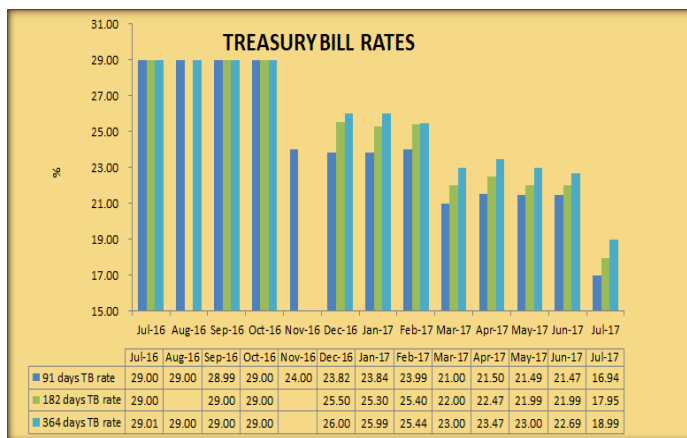
4. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

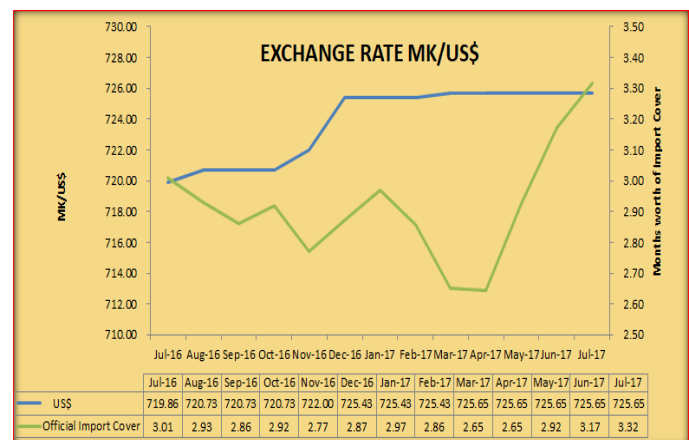
Interest Rates

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 **4.5280** percentage points from 21.4678% to 16.9398%, by **4.0457** percentage points from 21.9915% to 17.9458% and **3.7001** percentage points from 22.6851% to 18.9850% respectively.



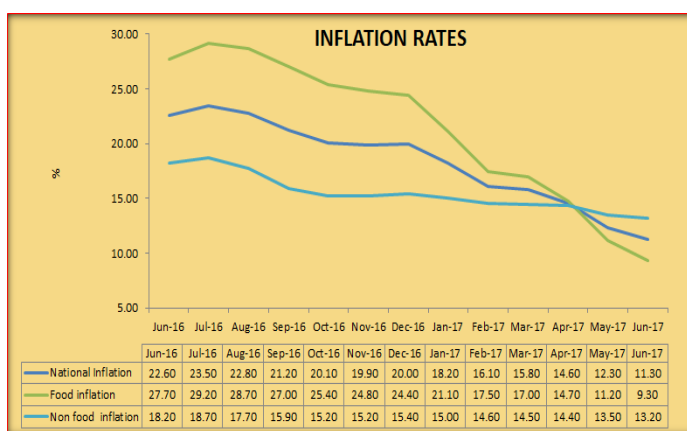
Exchange Rates

The Kwacha was stable against the United States Dollar in the period under review. Gross official reserves increased from 3.17 months worth of import cover in June 2017 to 3.32 months worth of import cover in July 2017.



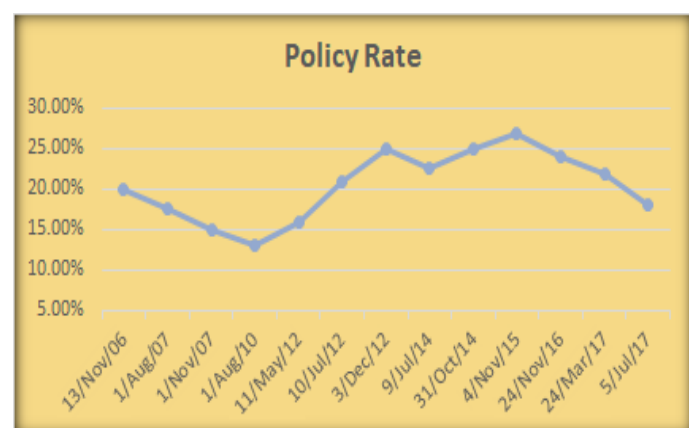
Inflation Rates

Headline inflation eased by 1.0 percentage points from 12.3% in May, 2017 to 11.3% in July 2017.



Monetary Policy Rate

The monetary policy committee at its meeting held on 04th and 05th July, 2017 reduced the policy rate from 22% to 18%.



CONTACTS AND ADDRESSES OF MSE STOCK BROKERS

Stockbrokers Malawi Limited
NBM Business Complex
P.O Box 31180
Blantyre
Tel: +265 1 836 213
Fax: +265 1 824 353
Email: sml@smlmw.com

Continental Capital Limited
1st Floor, Unit House
P.O Box 1444
Blantyre
Tel: +265 1 830 638
Email: capital@continental.mw
capital@cdh-malawi.com

African Alliance Securities
4th Floor, Livingstone Towers
P.O Box 3340
Blantyre
Tel: +265 1 831 995
Fax: +265 1 831 859
Email: kamphonia@cedarcapital.mw