

MONTHLY MARKET REPORT

AUGUST 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

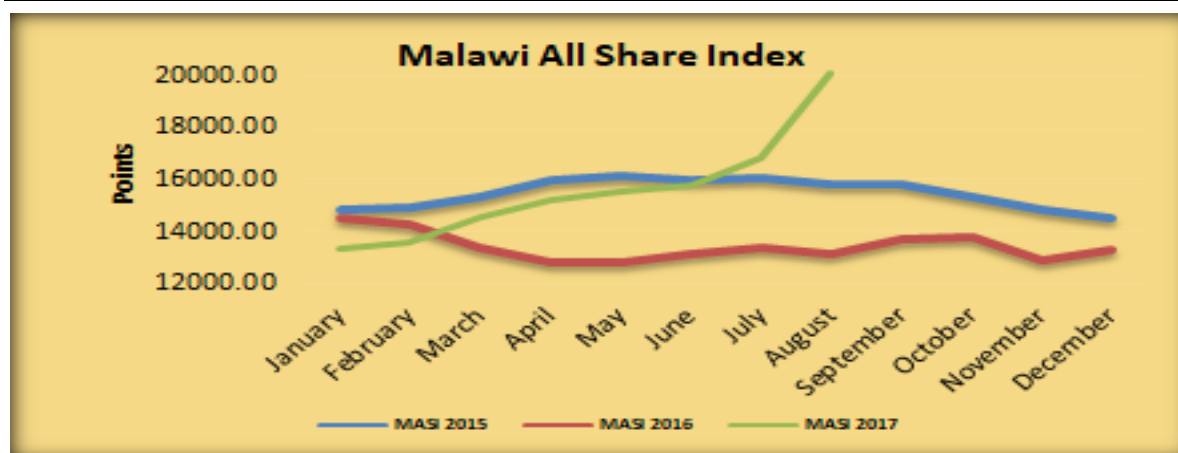
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1. EQUITY TRADING SUMMARY

The market was bullish in the month of August 2017 as it registered a positive return on investment of **18.80%** (**18.80%** in US\$ terms). It however, registered a decrease in both total traded volume and total traded value.

Index Levels and Return – August 2017

INDEX	AUGUST 2017	JULY, 2017	Monthly Δ 2017	Monthly Δ 2016	% Δ YTD. 2017
MASI	20049.44	16877.16	18.80 ▲	1.55 ▼	50.52 ▲
DSI	15780.73	13265.14	18.96 ▲	1.57 ▼	50.91 ▲
FSI	2425.75	2325.21	4.32 ▲	0.00 ■	19.73 ▲



Trading Statistics – August 2017

	August 2017	July 2017	Monthly % Δ	August 2016	Y-O-Y % Δ
Traded Value (MK)	1,587,733,421.39	1,759,096,772.00	9.74 ▼	985,792,369.78	61.06 ▲
Traded Value (US\$)	2,187,731.00	2,424,150.95	9.75 ▼	1,367,968.41	59.93 ▲
Traded Vol. Shares	43,516,315	230,820,088	81.15 ▼	42,384,723	2.67 ▲
No. of Transactions	148	109	35.78 ▲	72	105.56 ▲
Index Close (MASI)	20049.44	16877.16	18.80 ▲	13174.36	52.19 ▲
Listed companies	13	13		13	
Traded Companies	12	13		10	
Gainers	08	09		02	
Decliners	02	00		01	
Unchanged	02	04		07	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 43,516,315 shares at a total consideration of MK1,587,733,421.39 (US\$2,187,731.00) in 148 trades. In the previous month, July 2017, 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. This reflects an **81.15%** decrease in terms of share volume and a **9.74%** (**9.75%** in US Dollar terms) decrease in share value.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 2,072,205 shares compared to 10,991,433 shares traded in July 2017.

The average daily turnover for August 2017 was MK75,606,353.40 (US\$104,177.67) compared with MK83,766,512.95 (US\$115,435.76) in July 2017, reflecting a decrease of **9.74%** (**9.75%** 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 16877.16 points registered in July 2017 to 20049.44 points registered in August 2017, giving a return on index of **18.80%** (**18.80%** in US\$ terms). The price gains registered by FMB, ILLOVO, MPICO, NBM, NICO, NITL, TNM and OML were enough to offset share price losses registered by NBS and STANDARD resulting into an upward movement of the Malawi All Share Index, arising from an increase in both the Domestic Share Index (**18.96%**) the Foreign Share Index (**4.32%**).

Market capitalization increased in both Kwacha and United States Dollar terms from MK745,456.67 million (US\$1,027.2883 mln) in July 2017 to MK885,574.99 million (US\$1,220.3805 mln) in August 2017.

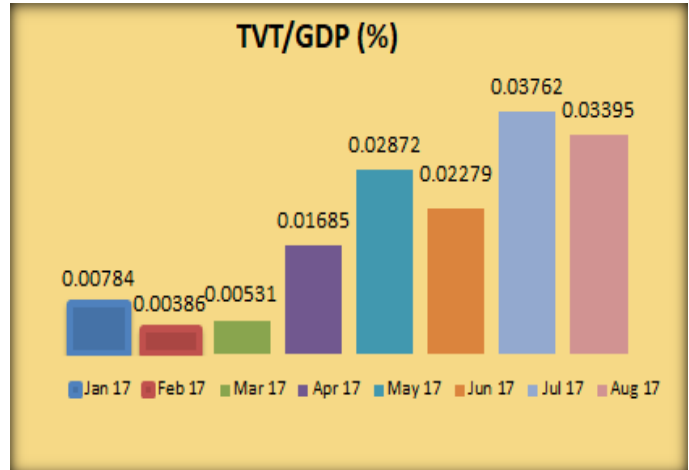
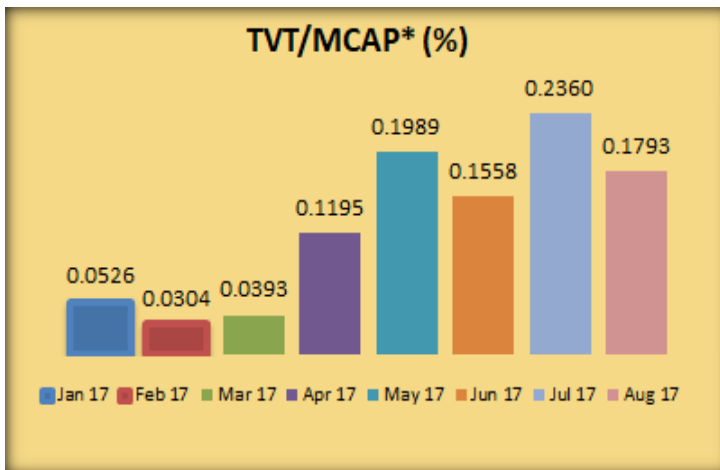
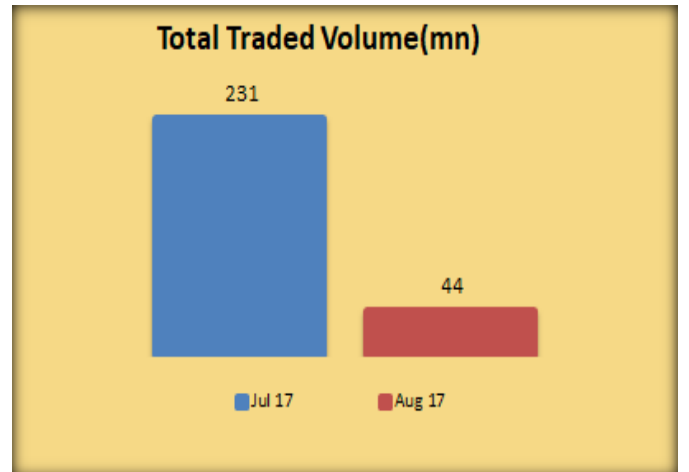
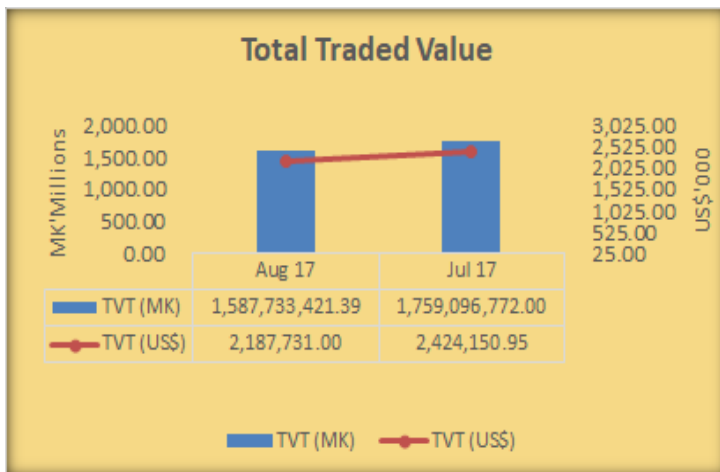
C. Market Liquidity

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 August 2017 was recorded at 0.18%, lower than 0.24% registered in July 2017. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.03% in August 2017 while during the previous month, July 2017, liquidity was at 0.04%.

2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



3. COMPANY TRADING PERFORMANCE

Top gainers: Eight
counters registered
capital gain

MSE CODE	COUNTER NAME	% GAIN
FMB	FMB Bank plc	172.43 ▲
MPICO	MPICO plc	49.17 ▲
TNM	Telekom Networks Malawi plc	39.79 ▲
NITL	National Investment Trust plc	7.08 ▲
ILLOVO	Illovo Sugar Malawi plc	5.48 ▲

Top Losers: Two
counters registered
capital loss

MSE CODE	COUNTER NAME	% LOSS
NBS	NBS Bank plc	0.83 ▼
STANDARD	Standard Bank Malawi plc	0.02 ▼

C. Top Five Traded
Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
NICO	NICO Holdings plc	25,129,334	57.75
TNM	Telekom Networks Malawi plc	6,437,407	14.79
FMB	FMB Bank plc	4,108,800	9.44
SUNBIRD	Sunbird Tourism plc	2,637,964	6.06
NBS	NBS Bank plc	2,176,618	5.00

C. Top Five Traded
Stocks by value

MSE CODE	COUNTER NAME	VALUE	% of Total
NICO	NICO Holdings plc	653,362,684.00	41.15
NBM	National Bank of Malawi plc	225,750,045.50	14.22
ILLOVO	Illovo Sugar Malawi plc	219,596,085.00	13.83
SUNBIRD	Sunbird Tourism plc	168,829,696.00	10.63
FMB	FMB Bank plc	154,375,540.67	9.72

3. COMPANY TRADING PERFORMANCE

COUNTER	HIGH (MK)	LOW (MK)	Earnings Yield (%)	P/E	P/BV	MKT CAP (MK'MIn)	MKT CAP (US\$'Min)
BHL	25.00	25.00	13.63	7.33	0.68	3,229.81	4.45
FMB	50.70	18.61	6.47	15.46	3.73	118,447.88	163.23
ILLOVO	228.00	216.15	4.35	22.98	4.44	162,665.32	224.16
MPICO	13.50	9.05	6.41	15.60	1.11	31,023.64	42.75
NBM	270.00	266.00	13.17	7.59	1.86	126,071.57	173.73
NBS	6.50	6.00	N/A	N/A	2.57	17,463.44	24.07
NICO	26.00	25.05	10.09	9.92	0.84	27,119.07	37.37
NITL	60.08	56.11	N/A	N/A	1.24	8,110.80	11.18
PCL	570.00	570.00	25.11	3.98	0.66	68,545.82	94.46
STANDARD	625.00	624.90	13.25	7.55	2.34	146,644.13	202.09
SUNBIRD	64.00	64.00	7.98	12.53	1.27	16,741.29	23.07
TNM	15.00	10.73	5.45	18.35	7.23	150,606.75	207.55
OML	1,930.00	1,850.00	7.91	12.65	0.96	8,905.48	12.27

3. COMPANY TRADING PERFORMANCE

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	2500	2500	0.00%	0	0.00%	0.00
FMB	1861	5070	172.43%	4,108,800	9.44%	154,375,540.67
ILLOVO	21615	22800	5.48%	982,792	2.26%	219,596,085.00
MPICO	905	1350	49.17%	628,478	1.44%	6,732,774.40
NBM	26600	27000	1.50%	845,501	1.94%	225,750,045.50
NBS	605	600	-0.83%	2,176,618	5.00%	13,767,907.65
NICO	2505	2600	3.79%	25,129,334	57.75%	653,362,684.00
NITL	5611	6008	7.08%	537,644	1.24%	32,123,151.52
PCL	57000	57000	0.00%	2,114	0.00%	1,204,980.00
STANDARD	62500	62490	-0.02%	29,139	0.07%	18,209,414.05
SUNBIRD	6400	6400	0.00%	2,637,964	6.06%	168,829,696.00
TNM	1073	1500	39.79%	6,437,407	14.79%	92,790,782.60
OML PLC	185000	193000	4.32%	524	0.00%	990,360.00
				43,516,315	100.00%	1,587,733,421.39

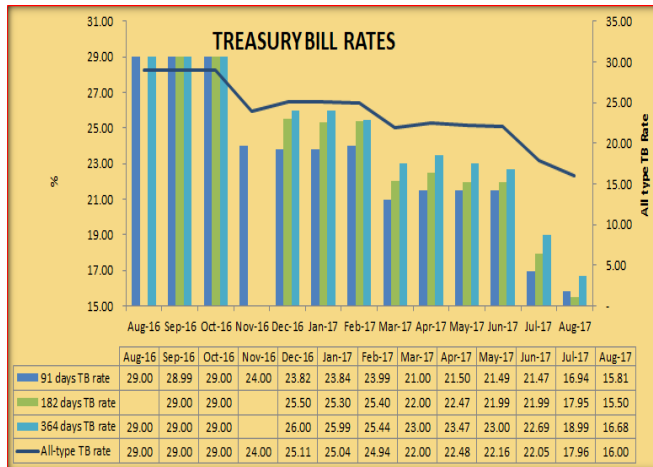
4. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

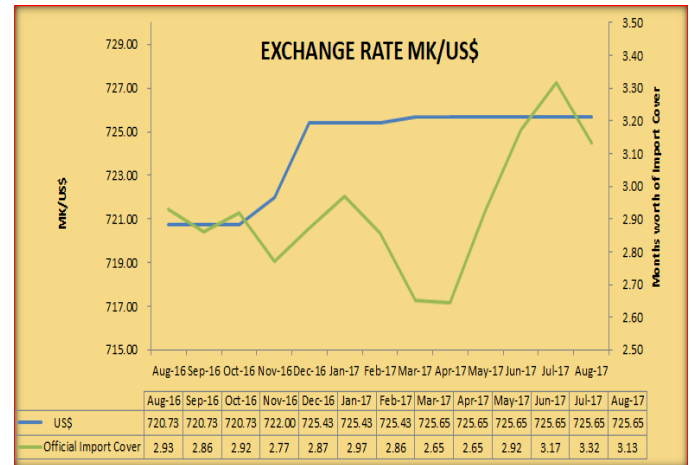
Interest Rates

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 from 16.9398% to 15.8078%, from 17.9458% to 15.5049% and from 18.9850% to 16.6776% respectively.



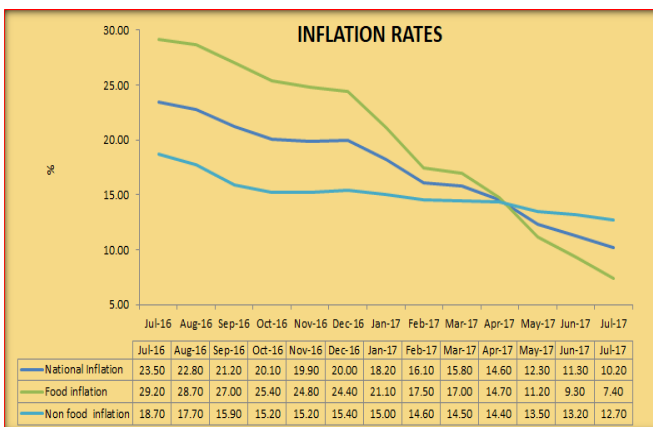
Exchange Rates

The Kwacha was stable against the United States Dollar in the period under review. Gross official reserves fell from 3.32 months of import cover in July 2017 to 3.13 months import cover in August 2017.



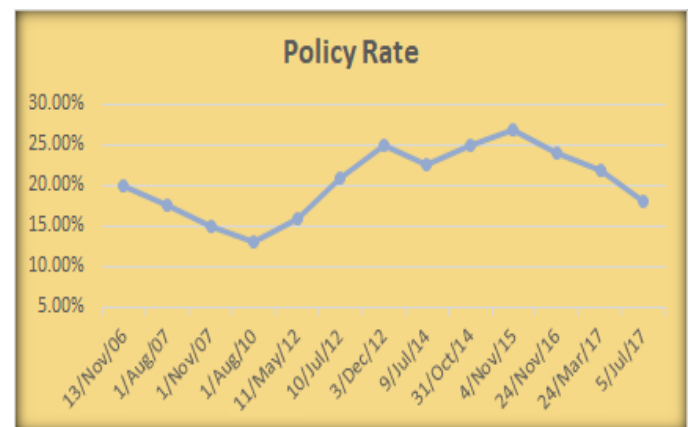
Inflation Rates

Headline inflation eased by 1.1 percentage points from 11.3% in June, 2017 to 10.2% 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