

MONTHLY MARKET REPORT

JANUARY 2018



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

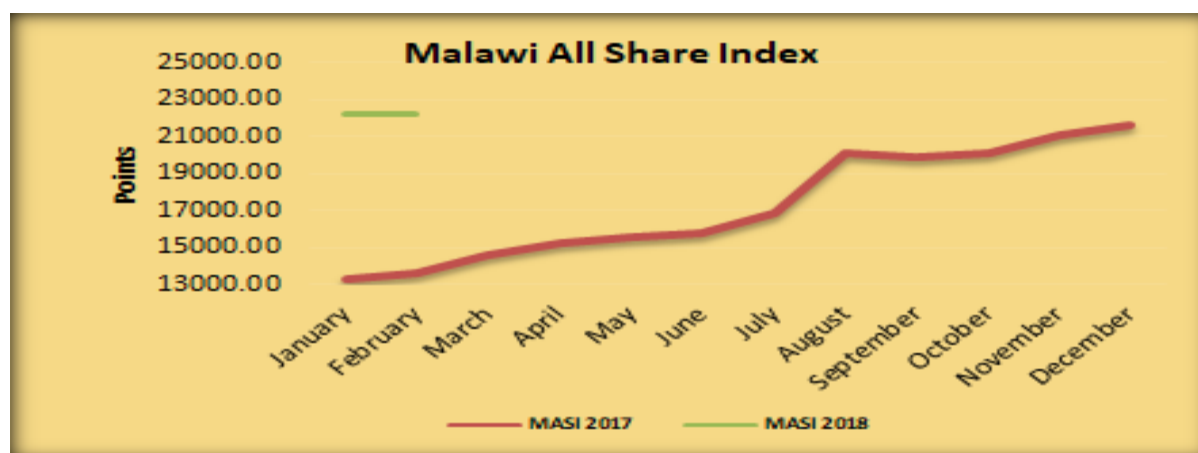
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1. EQUITY TRADING SUMMARY

The market was bullish in the month of January 2018 as it registered a positive return on investment of 2.90% (2.90% in US\$ terms) despite registering a decrease in both total traded value and total traded volume.

Index Levels and Return – January 2018

INDEX	JANUARY, 2018	DECEMBER, 2017	Monthly Δ 2018	Monthly Δ 2017	% Δ YTD. 2018
MASI	21598.07	22223.44	2.90 ▲	1.45 ▼	2.90 ▲
DSI	16272.64	16692.97	2.58 ▲	1.47 ▼	2.58 ▲
FSI	3519.43	3673.87	4.39 ▲	0.00 ■	4.39 ▲



Trading Statistics – January 2018

	January 2018	December 2017	Monthly % Δ	January 2017	Y-O-Y %Δ
Traded Value (MK)	1,318,037,153.35	2,047,314,935.24	35.62 ▼	299,523,065.19	340.05 ▲
Traded Value (US\$)	1,816,341.81	3,160,301.16	42.53 ▼	412,890.94	339.91 ▲
Traded Vol. Shares	36,519,356	122,335,455	70.15 ▼	9,462,616	285.93 ▲
No. of Transactions	108	81	33.33 ▲	100	8.00 ▲
Index Close (MASI)	22223.44	21598.07	2.90 ▲	13127.73	69.29 ▲
Listed companies	13	13		13	
Traded Companies	11	11		13	
Not Traded Companies	02	02		00	
Gainers	05	05		03	
Decliners	00	00		03	
Unchanged	06	06		07	

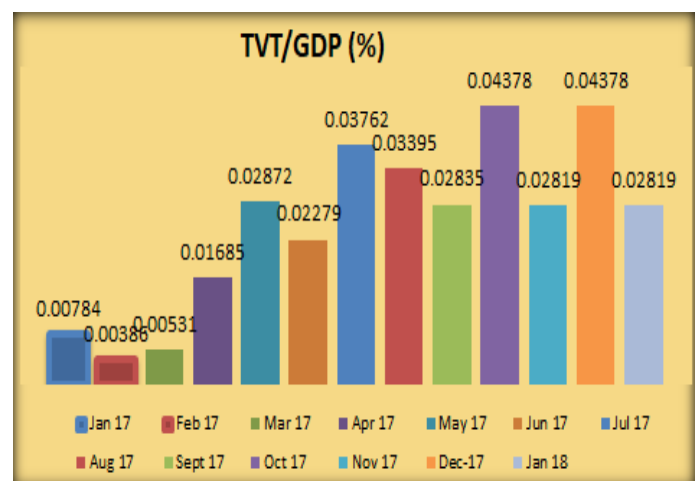
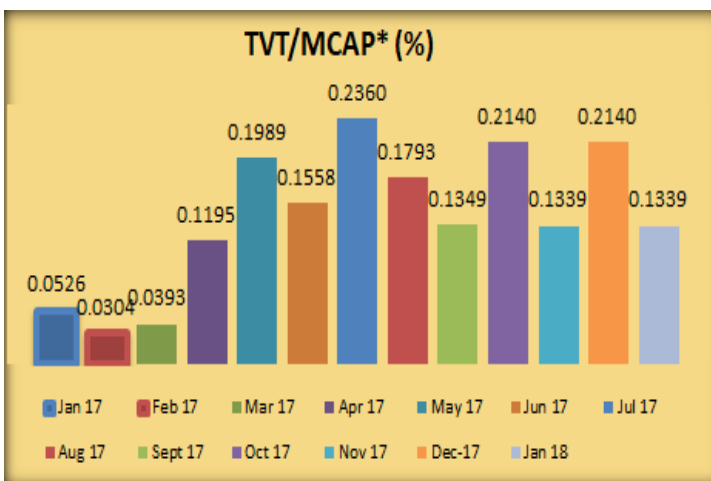
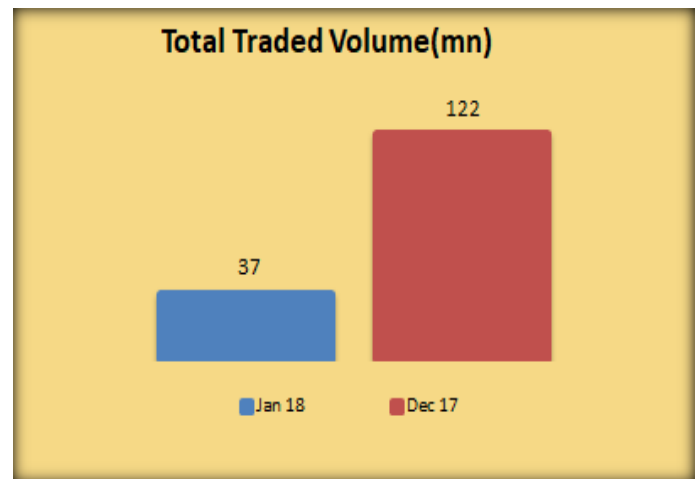
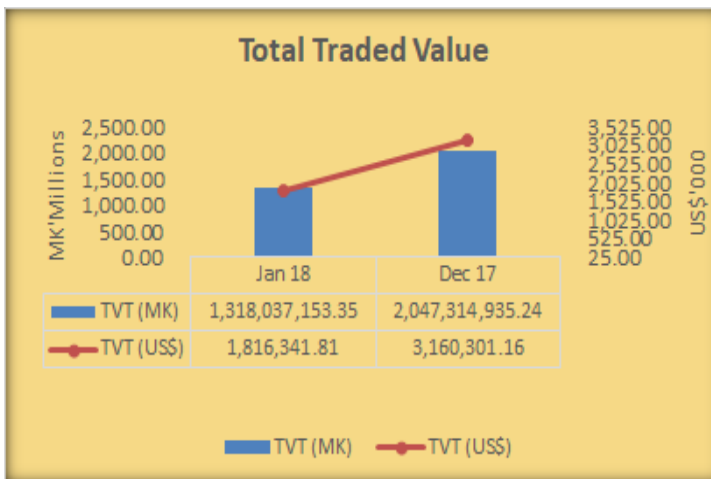
2. MARKET PERFORMANCE

- A. Trade Performance Analysis
- The market transacted a total of 36,519,356 shares at a total consideration of MK1,318,037,153.35 (US\$1,816,341.81) in 108 trades. In the previous month, December 2017, the market transacted a total of 122,335,455 shares at a total consideration of MK2,047,314,935.24 (US\$3,160,301.16) in 81 trades. This reflects a **70.15%** decrease in terms of share volume and a **35.62%** (35.62% in US Dollar terms) decrease in share value.
- Daily average share trades exhibited similar trends where the market registered an average daily volume of 1,739,017 shares compared to 5,825,498 shares traded in December 2017.
- The average daily turnover for January 2018 was MK62,763,673.97 (US\$86,492.47) compared to MK97,491,187.39 (US\$150,490.53) in December 2017, reflecting a decrease of **35.62%** (35.62% 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 21598.07 points registered in December 2017 to 22223.44 points registered in January 2018, giving a return on index of **2.90%** (2.90% in US\$ terms). The price gains registered by FMBCH, MPICO, SUNBIRD, TNM and OML were the drivers resulting into an upward movement of the Malawi All Share Index, arising from an increase in both the Domestic Share Index (**2.58%**) and the Foreign Share Index (**4.39%**).
- Market capitalization increased in both Kwacha and United States Dollar terms from MK956,709.04 million (US\$1,318.41 million) in December 2017 to MK984,410.21 million (US\$1,356.58 million) in January 2018.
- 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 2018 was recorded at 0.13%, lower than 0.21% registered in December 2017. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.03% in January 2018 while during the previous month, December 2017, liquidity was at 0.04%.

2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



3. COMPANY TRADING PERFORMANCE

A. Top gainers: Five counters registered capital gains

MSE CODE	COUNTER NAME	% GAIN
SUNBIRD	Sunbird Tourism plc	14.58 ▲
TNM	Telekom Networks Malawi plc	11.38 ▲
FMBCH	FMB Capital Holdings plc	4.63 ▲
MPICO	MPICO plc	0.58 ▲
OML	Old Mutual plc	0.26 ▲

B. Top Five Traded Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
NICO	NICO Holdings plc	22,879,097	62.65
TNM	Telekom Networks Malawi plc	10,645,511	29.15
NBS	NBS Bank plc	1,111,874	3.04
NBM	National Bank of Malawi plc	1,048,613	2.87
FMBCH	FMB Capital Holdings plc	357,750	0.98

C. Top Five Traded Stocks by value

MSE CODE	COUNTER NAME	VALUE	% of Total
NICO	NICO Holdings plc	758,139,148.00	57.52
NBM	National Bank of Malawi plc	283,209,399.04	21.49
TNM	Telekom Networks Malawi plc	169,877,853.35	12.89
PCL	Press Corporation plc	59,367,600.00	4.50
FMBCH	FMB Capital Holdings plc	24,976,690.00	1.89

3. COMPANY TRADING PERFORMANCE

COUNTER	HIGH (MK)	LOW (MK)	Earnings Yield (%)	P/E	P/BV	MKT CAP (MK'MIn)	MKT CAP (US\$'Min)
BHL	28.00	28.00	12.17	8.21	0.76	3,617.39	4.99
FMBCH	70.10	67.00	4.68	21.38	3.74	163,771.13	225.69
ILLOVO	240.00	240.00	4.13	24.18	4.68	171,226.65	235.96
MPICO	16.00	15.61	5.51	18.14	1.29	36,079.35	49.72
NBM	270.08	270.08	13.17	7.59	1.86	126,108.92	173.79
NBS	8.50	8.50	N/A	N/A	3.63	24,739.87	34.09
NICO	34.00	34.00	7.71	12.97	1.10	35,463.40	48.87
NITL	60.06	60.06	N/A	N/A	1.24	8,108.10	11.17
PCL	600.00	600.00	23.86	4.19	0.70	72,153.49	99.43
STANDARD	610.00	610.00	13.57	7.37	2.28	143,147.58	197.27
SUNBIRD	110.00	96.00	4.64	21.53	2.18	28,774.08	39.65
TNM	16.15	14.50	5.06	19.76	7.78	162,153.27	223.46
OML	1,965.00	1,960.00	7.76	12.88	0.97	9,066.98	12.49

3. COMPANY TRADING PERFORMANCE

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	2800	2800	0.00%	0	0.00%	0.00
FMBCH	6700	7010	4.63%	357,750	0.98%	24,976,690.00
ILLOVO	24000	24000	0.00%	285	0.00%	68,400.00
MPICO	1561	1570	0.58%	273,019	0.75%	4,276,131.46
NBM	27008	27008	0.00%	1,048,613	2.87%	283,209,399.04
NBS	850	850	0.00%	1,111,874	3.04%	9,450,929.00
NICO	3400	3400	0.00%	22,879,097	62.65%	758,139,148.00
NITL	6006	6006	0.00%	98,125	0.27%	5,893,132.50
PCL	60000	60000	0.00%	98,946	0.27%	59,367,600.00
STANDARD	61000	61000	0.00%	0	0.00%	0.00
SUNBIRD	9600	11000	14.58%	5,000	0.01%	550,000.00
TNM	1450	1615	11.38%	10,645,511	29.15%	169,877,853.35
OML PLC	196000	196500	0.26%	1,136	0.00%	2,227,870.00
				36,519,356	100.00%	1,318,037,153.35

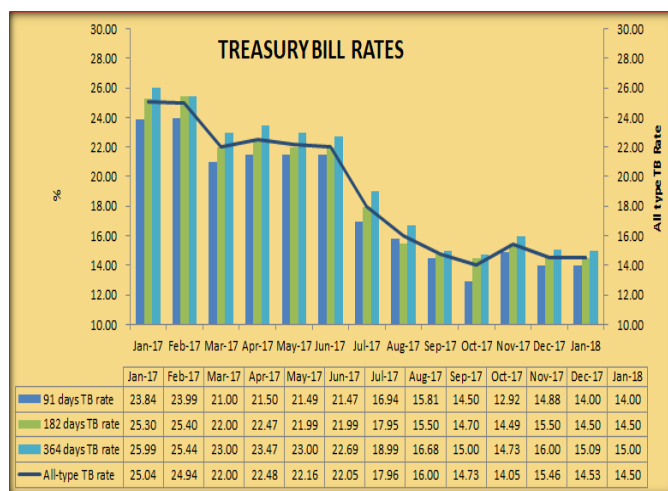
4. BOND TRADING SUMMARY

BOND	MATURITY DATE	COUPON DATE	COUPON RATE (%)	NOMINAL VALUE (MK' M N)
TN02YR31082019	31 August 2019	28 Feb & 31 Aug	11	20,000.00
Total Outstanding Treasury notes				20,000.00

5. ECONOMIC REVIEW

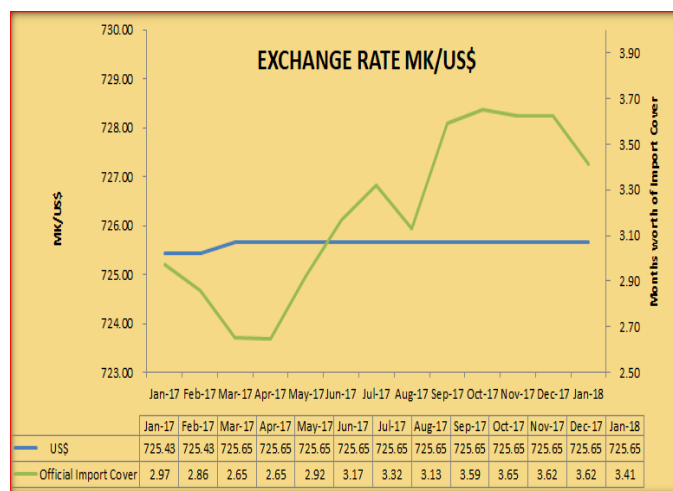
Interest Rates

During the period under review, the yield on the 91 days T-bill and the 364 days T-bill decreased from 14.0031% to 13.9992% and from 15.0919% to 15.00% respectively, whilst the yield on the 182 days T-bill was steady at 14.5000%.



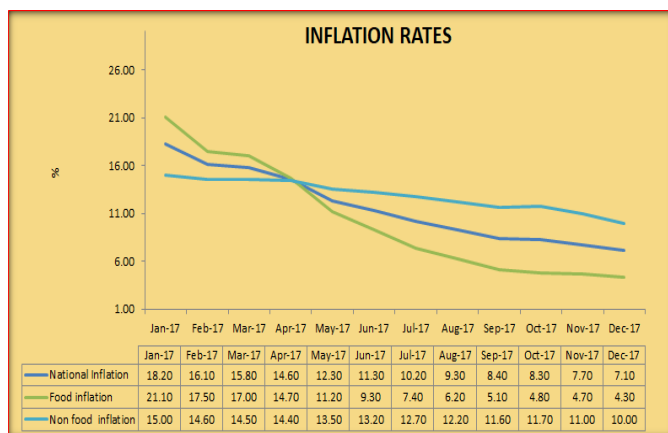
Exchange Rates

The Kwacha was stable against the United States Dollar in the period under review. Gross official reserves marginally decreased from 3.62 months of import cover on 31 December 2017 to 3.41 months of import cover on 26 January 2018.



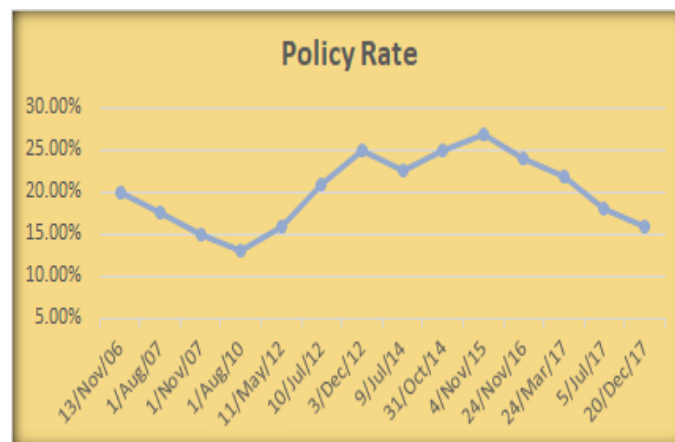
Inflation Rates

Headline inflation eased by 0.6 percentage point from 7.7% in November, 2017 to 7.1% in December, 2017.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 19 and 20 December, 2017 reduced the policy rate from 18% to 16%.



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