

# MONTHLY MARKET REPORT

## MAY 2018



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MALAWI STOCK EXCHANGE

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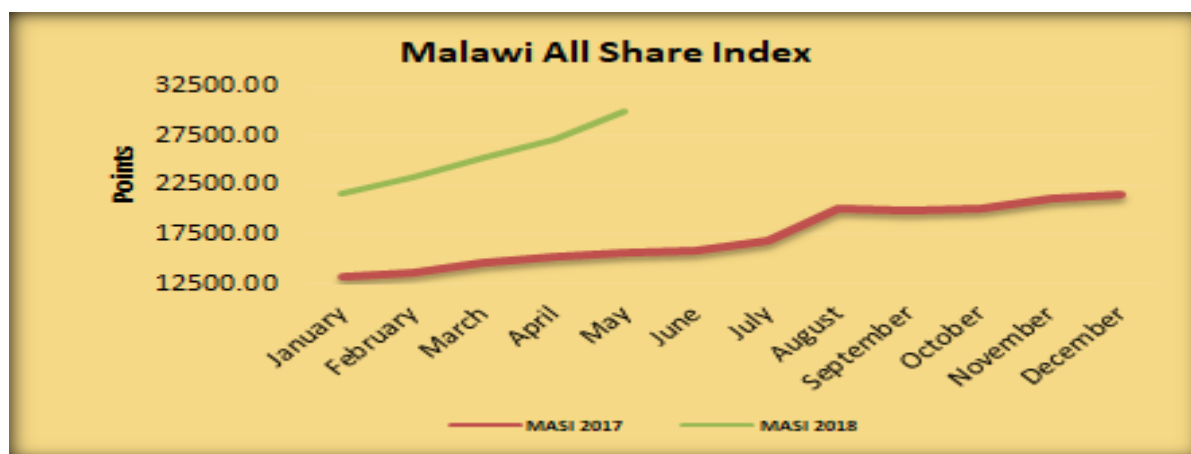
## 1. TRADING SUMMARY

The market was bullish as it registered a positive return on index of **10.89%** (10.89% in US\$ terms) in May 2018 and an increase both total value traded and total volume traded.

There were no trades on the three Treasury Notes.

### Index Levels and Return – May 2018

| INDEX       | MAY, 2018 | APRIL, 2018 | Monthly $\Delta$<br>2018 | Monthly $\Delta$<br>2017 | % $\Delta$ YTD.<br>2018 |
|-------------|-----------|-------------|--------------------------|--------------------------|-------------------------|
| <b>MASI</b> | 30043.03  | 27092.17    | <b>10.89 ▲</b>           | <b>2.43 ▲</b>            | <b>39.10 ▲</b>          |
| <b>DSI</b>  | 19436.22  | 18158.46    | <b>7.04 ▲</b>            | <b>2.45 ▲</b>            | <b>19.44 ▲</b>          |
| <b>FSI</b>  | 8201.57   | 6743.62     | <b>21.62 ▲</b>           | <b>0.71 ▲</b>            | <b>133.04 ▲</b>         |



|                      | May 2018          | April 2018       | Monthly<br>% $\Delta$ | May 2017         | Y-O-Y % $\Delta$ |
|----------------------|-------------------|------------------|-----------------------|------------------|------------------|
| Traded Value (MK)    | 10,613,139,506.15 | 3,676,838,010.81 | <b>188.65 ▲</b>       | 1,343,060,713.98 | <b>690.22 ▲</b>  |
| Traded Value (US\$)  | 14,625,963.41     | 5,066,924.40     | <b>188.66 ▲</b>       | 1,850,825.92     | <b>690.24 ▲</b>  |
| Traded Vol. Shares   | 265,730,032       | 80,903,126       | <b>228.45 ▲</b>       | 71,859,658       | <b>269.79 ▲</b>  |
| No. of Transactions  | 164               | 152              | <b>7.89 ▲</b>         | 97               | <b>69.07 ▲</b>   |
| Index Close (MASI)   | 30043.03          | 27092.17         | <b>10.89 ▲</b>        | 155573.68        | <b>92.91 ▲</b>   |
| Listed companies     | 13                | 13               |                       | 13               |                  |
| Traded Companies     | 13                | 12               |                       | 12               |                  |
| Not Traded Companies | 00                | 01               |                       | 01               |                  |
| <b>Gainers</b>       | <b>08</b>         | <b>08</b>        |                       | <b>08</b>        |                  |
| <b>Decliners</b>     | <b>00</b>         | <b>01</b>        |                       | <b>01</b>        |                  |
| Unchanged            | <b>05</b>         | <b>03</b>        |                       | <b>03</b>        |                  |

## 2. MARKET PERFORMANCE

### A. Trade Performance Analysis

The market transacted a total of 265,730,032 shares at a total consideration of MK10,613,139,506.15 (US\$14,625,963.41) in 164 trades. In the previous month, April 2018, the market transacted a total of 80,903,126 shares at a total consideration of MK3,676,838,010.81 (US\$5,066,924.40) in 152 trades. This reflects a **228.45%** increase in terms of share volume and a **188.65%** (**188.66%** in US Dollar terms) increase in share value. Of the total shares traded, 13,080,000 SUNBIRD shares were traded as a special bargain.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 12,653,811 shares compared to 3,852,530 shares traded in April 2018.

The average daily turnover for April 2018 was MK505,387,595.53 (US\$696,474.45) compared to MK175,087,524.32 (US\$241,282.11) in April 2018, reflecting an increase of **188.65%** (**188.66%** 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 27092.17 points registered in April 2018 to 30043.03 points registered in May 2018, giving a return on index of **10.89%** (**10.89%** in US\$ terms). The price gains registered by FMBCH, NBM, NITL, PCL, STANDARD, 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 (**7.04%**) and the Foreign Share Index (**21.62%**).

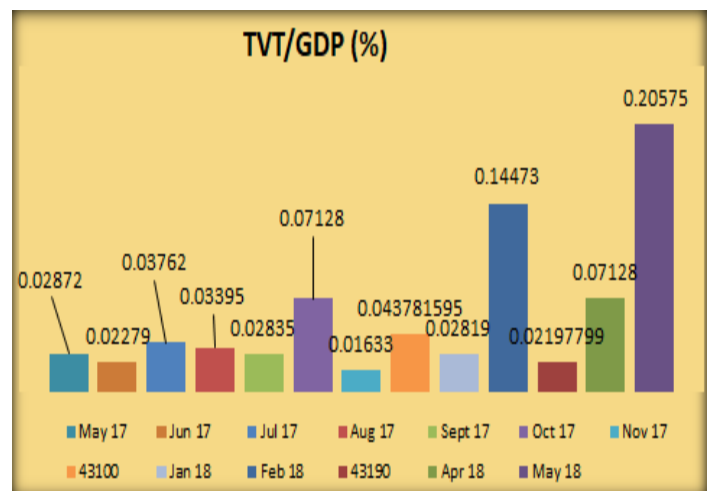
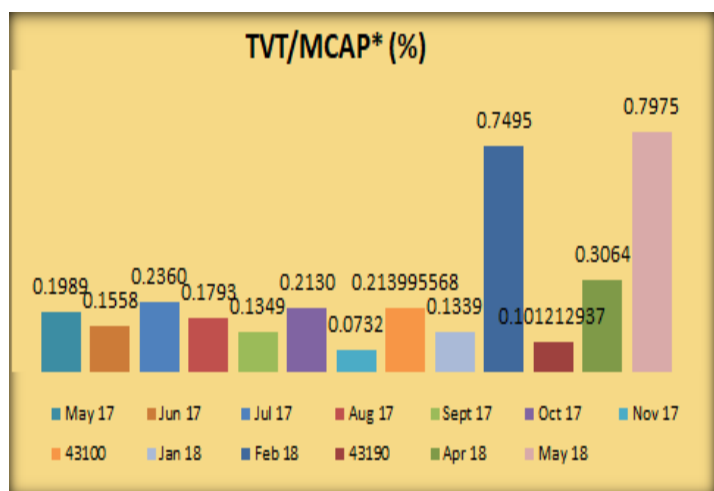
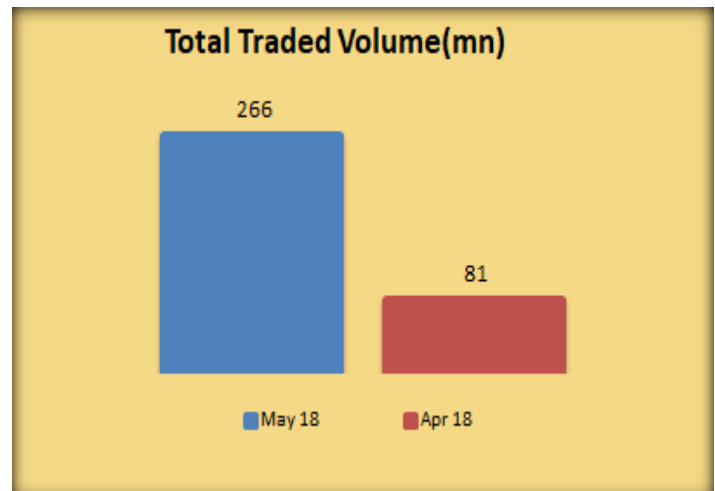
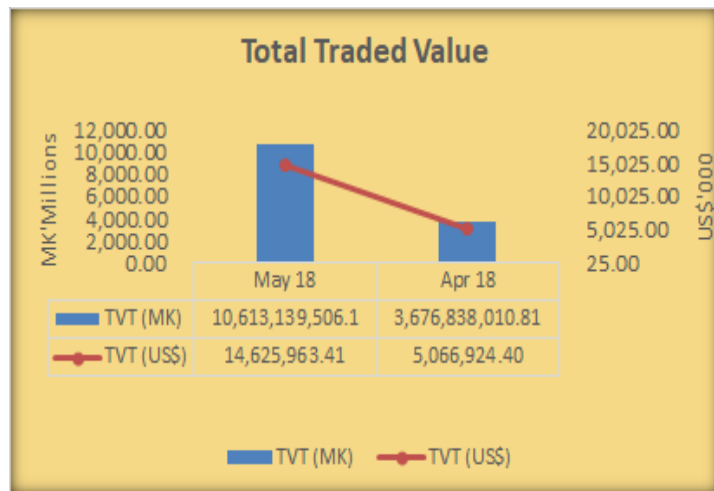
Market capitalization increased in both Kwacha and United States Dollar terms from MK1,200,076.07 million (US\$1,653.78 million) in April 2018 to MK1,330,787.07 million (US\$1,833.91 million) in May 2018.

### 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 May 2018 was recorded at 0.80%, higher than 0.31% registered in April 2018. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.21% in May 2018 while during the previous month, April 2018, liquidity was at 0.07%.



## 2. MARKET PERFORMANCE



### 3. COMPANY TRADING PERFORMANCE

A. Top Five gainers:  
Eight counters  
registered capital  
gains

| MSE CODE | COUNTER NAME                  | % GAIN  |
|----------|-------------------------------|---------|
| NITL     | National Investment Trust plc | 28.12 ▲ |
| FMBCH    | FMB Capital Holdings plc      | 22.52 ▲ |
| TNM      | Telekom Networks Malawi plc   | 16.67 ▲ |
| PCL      | Press Corporation plc         | 13.24 ▲ |
| STANDARD | Standard Bank Malawi plc      | 6.11 ▲  |

B. Volume Leaders

| MSE CODE | COUNTER NAME                | SHARES      | % of Total |
|----------|-----------------------------|-------------|------------|
| TNM      | Telekom Networks Malawi plc | 173,051,661 | 65.12      |
| NICO     | NICO Holdings plc           | 54,640,755  | 20.56      |
| SUNBIRD  | Sunbird Tourism plc         | 13,284,846  | 5.00       |
| FMBCH    | FMB Capital Holdings plc    | 11,148,091  | 4.20       |
| ILLOVO   | Illovo Sugar Malawi plc     | 4,816,152   | 1.81       |

C. Value Leaders

| MSE CODE | COUNTER NAME                | VALUE            | % of Total |
|----------|-----------------------------|------------------|------------|
| TNM      | Telekom Networks Malawi plc | 3,511,367,621.71 | 33.09      |
| NICO     | NICO Holdings plc           | 2,380,318,103.00 | 22.43      |
| SUNBIRD  | Sunbird Tourism plc         | 1,782,057,111.00 | 16.79      |
| FMBCH    | FMB Capital Holdings plc    | 1,467,371,484.76 | 13.83      |
| ILLOVO   | Illovo Sugar Malawi plc     | 995,876,480.00   | 9.38       |

### 3. COMPANY TRADING PERFORMANCE

| COUNTER  | HIGH (MK) | LOW (MK) | Earnings Yield (%) | P/E   | P/BV | MKT CAP (MK'MIn) | MKT CAP (US\$'Min) |
|----------|-----------|----------|--------------------|-------|------|------------------|--------------------|
| BHL      | 5.38      | 5.38     | 11.21              | 8.92  | 0.88 | 4,517.86         | 6.23               |
| FMBCH    | 159.27    | 130.00   | 6.78               | 14.74 | 3.59 | 372,094.54       | 512.77             |
| ILLOVO   | 240.00    | 240.00   | 4.13               | 24.18 | 4.68 | 171,226.65       | 235.96             |
| MPICO    | 19.70     | 19.70    | 4.39               | 22.77 | 1.62 | 45,271.53        | 62.39              |
| NBM      | 300.00    | 285.00   | 13.67              | 7.32  | 1.73 | 140,079.52       | 193.04             |
| NBS      | 8.70      | 8.70     | N/A                | N/A   | 2.02 | 25,321.99        | 34.90              |
| NICO     | 48.00     | 48.00    | 22.22              | 4.50  | 2.22 | 50,065.97        | 68.99              |
| NITL     | 73.00     | 56.98    | 22.54              | 4.44  | 1.15 | 9,855.00         | 13.58              |
| PCL      | 770.00    | 680.00   | 42.87              | 2.33  | 0.74 | 92,596.98        | 127.60             |
| STANDARD | 670.00    | 631.43   | 7.74               | 12.93 | 2.18 | 157,227.67       | 216.67             |
| SUNBIRD  | 150.00    | 137.13   | 14.99              | 6.67  | 2.02 | 37,929.47        | 52.27              |
| TNM      | 21.00     | 18.00    | 6.22               | 16.09 | 7.24 | 210,849.45       | 290.56             |
| OML      | 2,980.00  | 2,935.00 | 8.19               | 12.21 | 1.40 | 13,750.43        | 18.95              |

### 3. COMPANY TRADING PERFORMANCE

| Company  | Opening Price | Closing Price | % Price Change | Share Vol. Traded | % Traded | Value Traded MK   |
|----------|---------------|---------------|----------------|-------------------|----------|-------------------|
| BHL      | 538           | 538           | 0.00%          | 272,302           | 0.102%   | 9,420,870.00      |
| FMBCH    | 13000         | 15927         | 22.52%         | 11,148,091        | 4.195%   | 1,467,371,484.76  |
| ILLOVO   | 24000         | 24000         | 0.00%          | 4,816,152         | 1.812%   | 995,876,480.00    |
| MPICO    | 1970          | 1970          | 0.00%          | 4,158,949         | 1.565%   | 81,931,295.30     |
| NBM      | 28500         | 30000         | 5.26%          | 160,961           | 0.061%   | 48,079,010.19     |
| NBS      | 870           | 870           | 0.00%          | 2,458,286         | 0.925%   | 21,387,088.20     |
| NICO     | 4800          | 4800          | 0.00%          | 54,640,755        | 20.563%  | 2,380,318,103.00  |
| NITL     | 5698          | 7300          | 28.12%         | 1,477,541         | 0.556%   | 99,082,937.50     |
| PCL      | 68000         | 77000         | 13.24%         | 127,601           | 0.048%   | 98,010,580.00     |
| STANDARD | 63143         | 67000         | 6.11%          | 119,841           | 0.045%   | 79,528,202.63     |
| SUNBIRD  | 13713         | 14500         | 5.74%          | 13,284,846        | 4.999%   | 1,782,057,111.00  |
| TNM      | 1800          | 2100          | 16.67%         | 173,051,661       | 65.123%  | 3,511,367,621.71  |
| OML PLC  | 293500        | 298000        | 1.53%          | 13,046            | 0.005%   | 38,708,721.86     |
|          |               |               |                | 265,730,032       | 100.000% | 10,613,139,506.15 |

## 4. BOND TRADING SUMMARY

| BOND                                    | MATURITY DATE    | COUPON DATE       | COUPON RATE (%) | NOMINAL VALUE (MK' MN) |
|-----------------------------------------|------------------|-------------------|-----------------|------------------------|
| TN02YR31082019                          | 31 August 2019   | February & August | 11              | 20,000.00              |
| TN02YR250120                            | 25 January 2020  | June & December   | 10              | 5,000.00               |
| TN03YR220221                            | 22 February 2021 | July & January    | 11              | 3,000.00               |
| <b>Total Outstanding Treasury notes</b> |                  |                   |                 | <b>28,000.00</b>       |

There were no trades on the three Treasury Notes in the period under review which were priced at an average yield of 18.88%, 17.79% and 18.53% respectively by the current holders. There is however, a willing buyer for Treasury Note S/N TN02YR310819 at a price of MK92.2460 (Yield 22.20%).

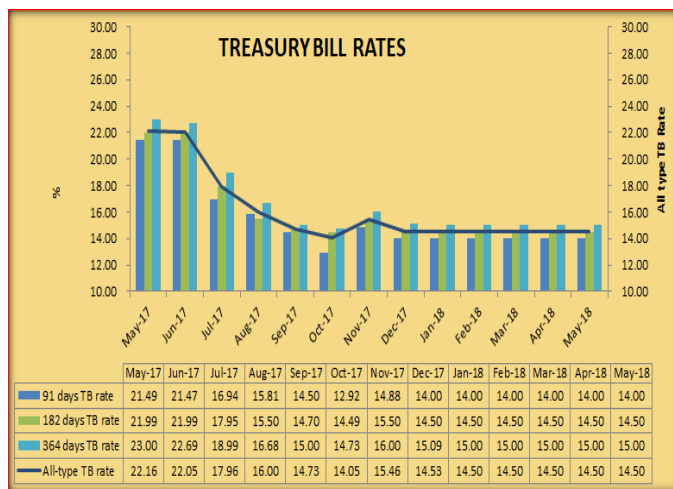
## 5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

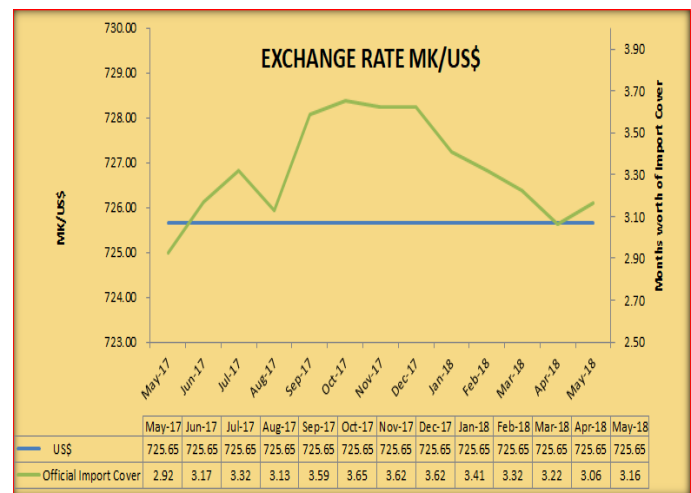
### Interest Rates

During the period under review, the yields on the 91 days T-bill, the 182 days T-bill and the 364 days T-bill were steady at 14.0000%, 14.5000% and 15.0000% respectively.



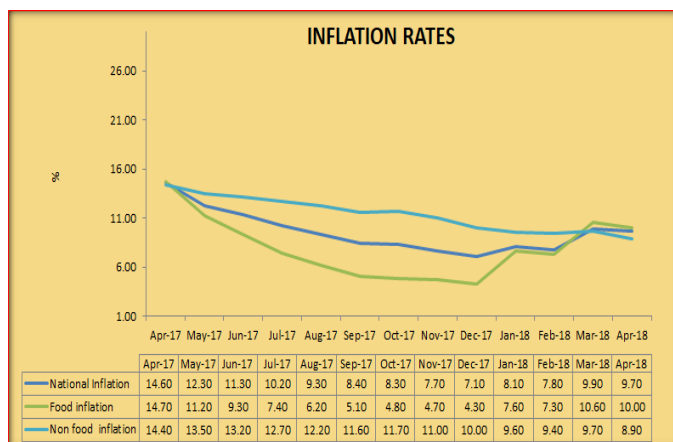
### Exchange Rates

The Kwacha was stable against the United States Dollar in the period under review. Gross official reserves improved from 3.06 months of import cover on 30 April 2018 to 3.16 months of import cover on 31 May 2018.



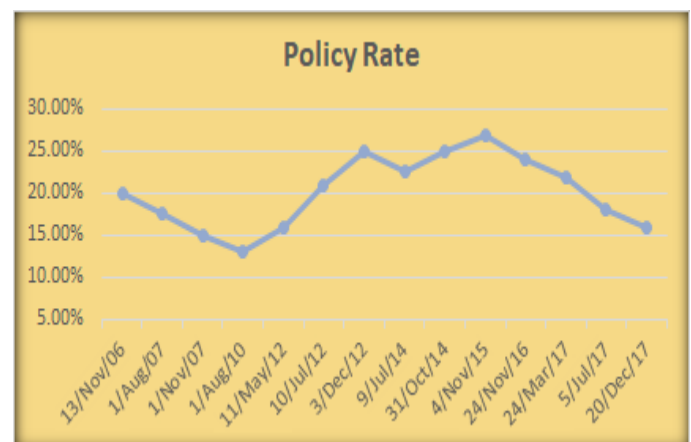
### Inflation Rates

Headline inflation eased by 0.2 percentage points from 9.9% in March, 2018 to 9.7% in April, 2018.



### Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 27 and 28 March, 2018 decided to maintain the policy rate at 16%.



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