

# MONTHLY MARKET REPORT

## AUGUST 2019



**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](mailto:info@mse-mw.com)  
Website: [www.mse.co.mw](http://www.mse.co.mw)

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MALAWI STOCK EXCHANGE

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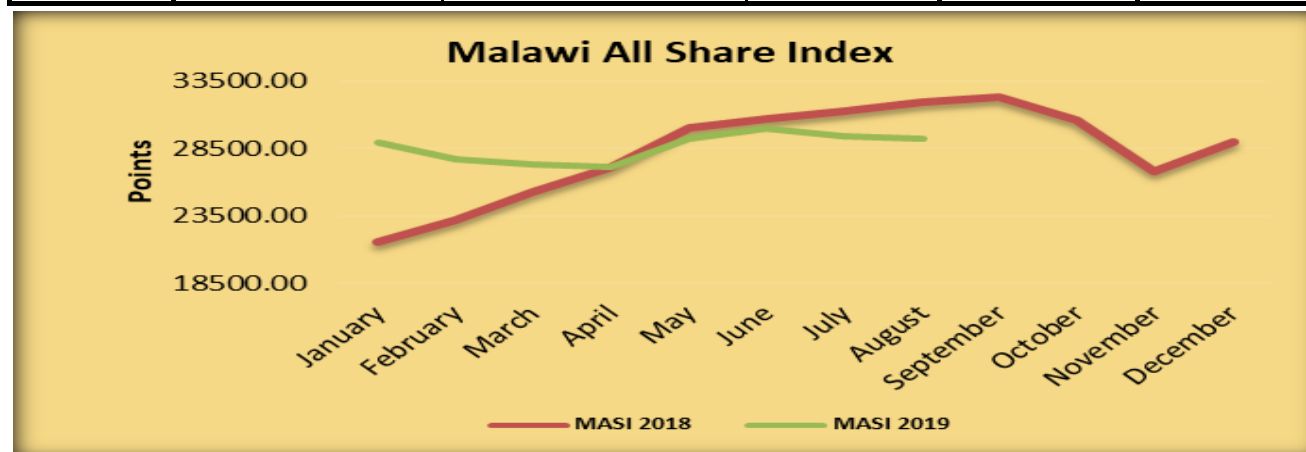
## 1. TRADING SUMMARY

The market registered an increase in total volume of shares traded despite registering a decrease in total value traded and a negative month-on-month return on index of **0.73%** (0.76% in US\$ terms) in August 2019, **0.74%** YTD.

There were no trades on the listed debt securities however one Treasury Note with a nominal value of MK20 billion matured on 31st August 2019.

### Index Levels and Return – August 2019

| INDEX | AUGUST 2019 | JULY 2019 | % Monthly<br>Δ 2019 | % Monthly<br>Δ 2018 | % Δ YTD.<br>2019 |
|-------|-------------|-----------|---------------------|---------------------|------------------|
| MASI  | 29197.17    | 29413.02  | <b>-0.73</b>        | <b>2.22 ▲</b>       | <b>0.74 ▲</b>    |
| DSI   | 22420.52    | 22387.89  | <b>0.15 ▲</b>       | <b>3.08 ▲</b>       | <b>5.17 ▲</b>    |
| FSI   | 4272.58     | 4520.31   | <b>-5.48</b>        | <b>0.00 ■</b>       | <b>-18.85</b>    |



|                        | August 2019    | July 2019        | Monthly<br>% Δ | August 2018      | Y-O-Y %Δ       |
|------------------------|----------------|------------------|----------------|------------------|----------------|
| Traded Value (MK)      | 798,659,625.46 | 2,203,627,437.99 | <b>-63.76</b>  | 3,009,473,246.19 | <b>-73.46</b>  |
| Traded Value (US\$)    | 1,086,930.15   | 3,014,151.88     | <b>-63.94</b>  | 4,147,251.90     | <b>-73.79</b>  |
| Traded Vol. Shares     | 27,644,237     | 27,022,913       | <b>2.30 ▲</b>  | 43,722,958       | <b>-36.77</b>  |
| No. of Transactions    | 271            | 204              | <b>32.84 ▲</b> | 173              | <b>56.65 ▲</b> |
| Index Close (MASI)     | 29197.17       | 29413.02         | <b>-0.73</b>   | 31956.43         | <b>-8.63</b>   |
| Listed Debt Securities | 14             | 14               |                | 06               |                |
| Traded Debt Securities | 00             | 00               |                | 00               |                |
| Listed companies       | 14             | 14               |                | 13               |                |
| Traded Companies       | 14             | 13               |                | 12               |                |
| Not Traded Companies   | 00             | 01               |                | 01               |                |
| <b>Gainers</b>         | <b>03</b>      | <b>01</b>        |                | <b>03</b>        |                |
| <b>Decliners</b>       | <b>02</b>      | <b>01</b>        |                | <b>01</b>        |                |
| Unchanged              | <b>09</b>      | <b>11</b>        |                | <b>08</b>        |                |

## 2. MARKET PERFORMANCE

### A. Trade Performance Analysis

The market transacted a total of 27,644,237 shares at a total consideration of MK798,659,625.46 (US\$1,086,930.15) in 271 trades. In the previous month, July 2019, the market transacted a total of 27,022,913 shares at a total consideration of MK2,203,627,437.99 (US\$3,014,151.88) in 204 trades. This reflects a 2.30% increase in terms of share volume traded and a 63.76% (63.94% in US Dollar terms) decrease in share value traded.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 1,316,392 shares compared to 1,286,805 shares traded in July 2019.

The average daily turnover for August 2019 was MK38,031,410.74 (US\$51,758.58) compared to MK104,934,639.90 (US\$143,531.04) in July 2019, reflecting a decrease of 63.76% (63.94% in US Dollar terms).

### B. Market Capitalization and Index

The market registered a negative return on index as reflected in the downward movement of the Malawi All Share Index (MASI) from 29413.02 points registered in July 2019 to 29197.17 points registered in August 2019, giving a month-on-month return on index of -0.73% (0.76% in US\$ terms). The price gains registered by NBM(0.01%), NBS(24.31%) and STANDARD(0.002%) were not enough to offset share price losses in FMBCH(5.88%) and TNM(1.77%) resulting into a downward movement of the Malawi All Share Index. The Domestic and Foreign Share Indices closed at 22420.52 and 4272.58 points respectively.

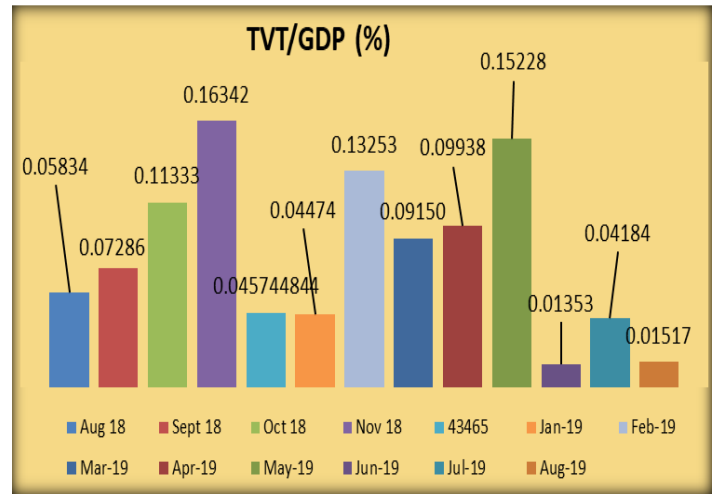
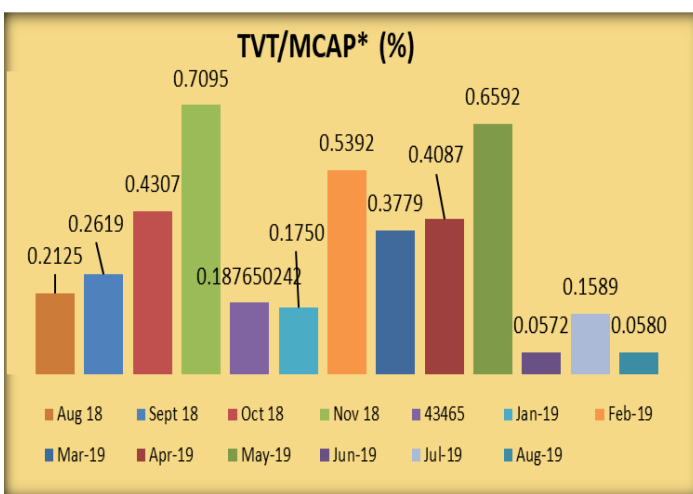
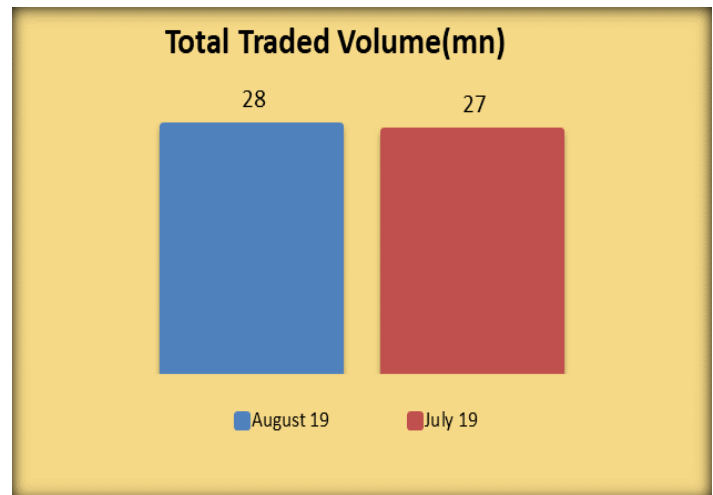
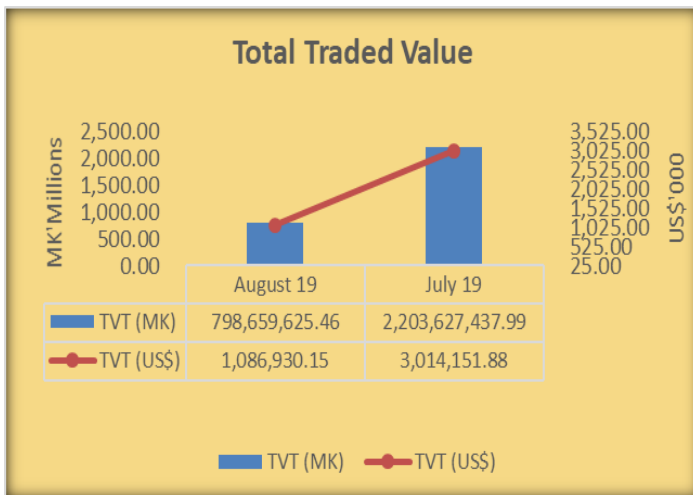
Market capitalization decreased in Malawi Kwacha terms from MK1,387,035.06 million in July 2019 to MK1,378,000.20 million in August 2019. It however increased in United States Dollar terms from US\$1,869.72 million to US\$1,885.42 million as a result of the appreciation of the Malawi Kwacha.

### 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 2019 was recorded at 0.06%, lower than 0.16% registered in July 2019. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.02% in August 2019 while during the previous month, July 2019, liquidity was at 0.04%. Market capitalization as a percentage of GDP was at 26.17% in August 2019 and 26.34% in July 2019.



## 2. MARKET PERFORMANCE



### 3. COMPANY TRADING PERFORMANCE

A. Top gainers: Three counters registered capital gains

| MSE CODE | ISIN         | COUNTER NAME                | % GAIN  |
|----------|--------------|-----------------------------|---------|
| NBS      | MWNBS0010101 | NBS Bank plc                | 24.31 ▲ |
| NBM      | MWNBM0010074 | National Bank of Malawi plc | 0.01 ▲  |
| STANDARD | MWSTD0010041 | Standard Bank Malawi plc    | 0.002 ▲ |

B. Top Losers: Two counters registered capital losses

| MSE CODE | ISIN         | COUNTER NAME                | % LOSS |
|----------|--------------|-----------------------------|--------|
| FMBCH    | MWFMB0010138 | FMB Capital Holdings plc    | -5.88  |
| TNM      | MWTNM0010126 | Telekom Networks Malawi plc | -1.77  |

C. Volume Leaders

| MSE CODE | ISIN         | COUNTER NAME                | SHARES     | % of Total |
|----------|--------------|-----------------------------|------------|------------|
| NBS      | MWNBS0010101 | NBS Bank plc                | 16,905,026 | 61.15      |
| ICON     | MWICON001146 | ICON Properties plc         | 4,420,231  | 15.99      |
| TNM      | MWTNM0010126 | Telekom Networks Malawi plc | 3,918,151  | 14.17      |
| MPICO    | MWMPI0010116 | MPICO plc                   | 1,178,135  | 4.26       |
| NICO     | MWNICO       | NICO Holdings plc           | 625,945    | 2.26       |

D. Value Leaders

| MSE CODE | ISIN         | COUNTER NAME                | VALUE          | % of Total |
|----------|--------------|-----------------------------|----------------|------------|
| PCL      | MWPCL0010053 | Press Corporation plc       | 330,694,800.00 | 41.41      |
| NBS      | MWNBS0010101 | NBS Bank plc                | 174,913,401.30 | 21.90      |
| TNM      | MWTNM0010126 | Telekom Networks Malawi plc | 101,890,897.25 | 12.76      |
| ICON     | MWICON001146 | ICON Properties plc         | 44,202,010.00  | 5.53       |
| OMU      | ZAE000255360 | Old Mutual Limited          | 36,395,000.00  | 4.56       |

### 3. COMPANY TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

| Symbol       | Open     | High     | Low      | Close    | Price Δ | Volume            | Value                 | Trades Count | Market Capitalization       |
|--------------|----------|----------|----------|----------|---------|-------------------|-----------------------|--------------|-----------------------------|
| BHL          | 12.95    | 12.95    | 12.95    | 12.95    | 0.00%   | 3,770             | 48,821.50             | 1            | 10,874,771,629.75           |
| FMBCH        | 85.00    | 85.00    | 80.00    | 80.00    | -5.88%  | 18,985            | 1,586,699.00          | 3            | 196,660,000,000.00          |
| ICON         | 10.00    | 10.00    | 9.99     | 10.00    | 0.00%   | 4,420,231         | 44,202,010.00         | 27           | 66,800,000,000.00           |
| ILLOVO       | 210.00   | 210.00   | 209.99   | 210.00   | 0.00%   | 17,359            | 3,645,330.00          | 3            | 149,823,322,110.00          |
| MPICO        | 19.50    | 19.50    | 19.50    | 19.50    | 0.00%   | 1,178,135         | 22,973,632.00         | 23           | 44,811,925,470.00           |
| NBM          | 370.01   | 370.05   | 370.01   | 370.05   | 0.01%   | 52,170            | 19,304,187.68         | 20           | 172,788,089,646.90          |
| NBS          | 9.01     | 11.20    | 9.01     | 11.20    | 24.31%  | 16,905,026        | 174,913,401.30        | 59           | 32,598,421,587.20           |
| NICO         | 48.50    | 48.50    | 48.49    | 48.50    | 0.00%   | 625,945           | 30,357,608.50         | 18           | 50,587,493,156.00           |
| NITL         | 75.01    | 75.01    | 75.00    | 75.01    | 0.00%   | 129,000           | 9,676,180.00          | 9            | 10,126,350,000.00           |
| OMU          | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 0.00%   | 14,558            | 36,395,000.00         | 3            | 29,477,887,500.00           |
| PCL          | 1,400.00 | 1,400.00 | 1,400.00 | 1,400.00 | 0.00%   | 264,782           | 330,694,800.00        | 8            | 168,358,148,000.00          |
| STANDARD     | 630.00   | 630.01   | 630.00   | 630.01   | 0.00%   | 19,727            | 12,428,134.23         | 5            | 147,843,288,741.62          |
| SUNBIRD      | 138.00   | 138.00   | 138.00   | 138.00   | 0.00%   | 76,398            | 10,542,924.00         | 8            | 36,098,396,040.00           |
| TNM          | 26.48    | 27.00    | 26.00    | 26.01    | -1.77%  | 3,918,151         | 101,890,897.25        | 84           | 261,152,104,500.00          |
| <b>Total</b> |          |          |          |          |         | <b>27,644,237</b> | <b>798,659,625.46</b> | <b>271</b>   | <b>1,378,000,198,381.47</b> |





## 4. BOND TRADING SUMMARY

| Symbol       | Open     | High     | Low      | Close    | Volume   | Value         | Trades Count | Market Capitalization        |
|--------------|----------|----------|----------|----------|----------|---------------|--------------|------------------------------|
| NFBN01210621 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 100,000,000,000.00           |
| NFBN02280621 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 300,000,000,000.00           |
| NFBN03020721 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 5,000,000,000.00             |
| NFBN04230522 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 600,000,000,000.00           |
| NFBN05310321 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 235,076,757,600.00           |
| TN02YR040920 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 6,465,968,000,000.00         |
| TN02YR250120 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 500,000,000,000.00           |
| TN02YR310121 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 2,379,125,300,000.00         |
| TN02YR310819 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 2,000,000,000,000.00         |
| TN03YR111021 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 1,377,600,000,000.00         |
| TN03YR220221 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 300,000,000,000.00           |
| TN03YR270821 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 2,257,000,800,000.00         |
| TN05YR221123 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 3,910,500,000,000.00         |
| TN07YR271225 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 4,808,704,100,000.00         |
| <b>TOTAL</b> |          |          |          |          | <b>0</b> | <b>0.0000</b> | <b>0</b>     | <b>25,238,974,957,600.00</b> |

There were no trades on the nine Treasury Notes and the five Mybucks Banking Corporation (formerly New Finance Bank) Medium Term Notes.



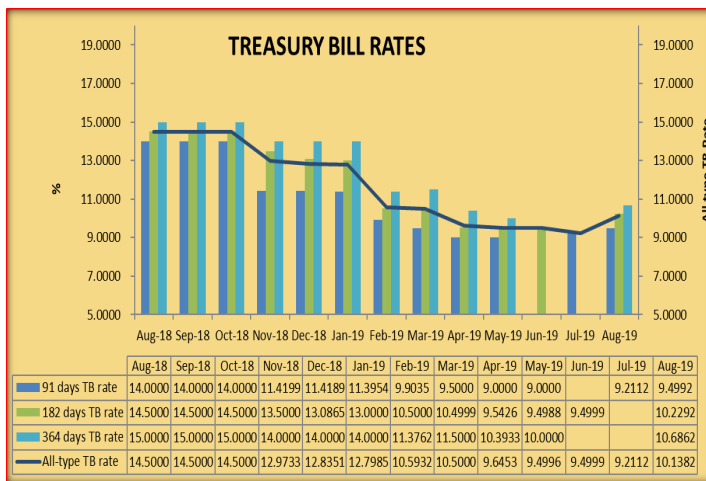
## 5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

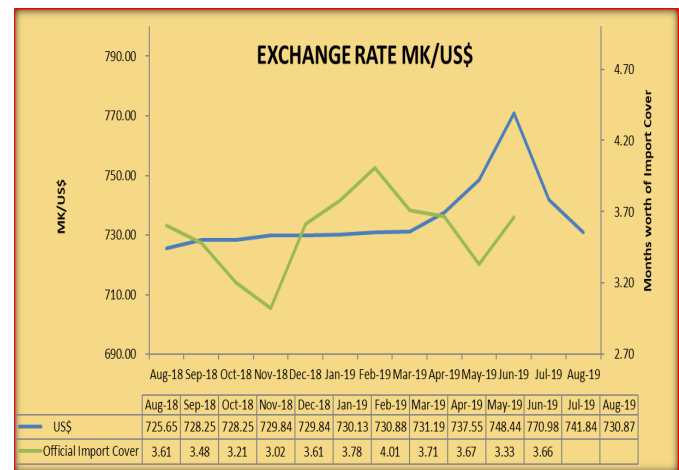
### Interest Rates

During the period under review, the yields on the 91 days T-bill, 182 days T-bill and the 364 days T-bill were at 9.4992%, 10.2292% and 10.6862% respectively whilst in July 2019 the 91 T-bill was at 9.2112% with no allotments for the 182 and 364 days T-bills.



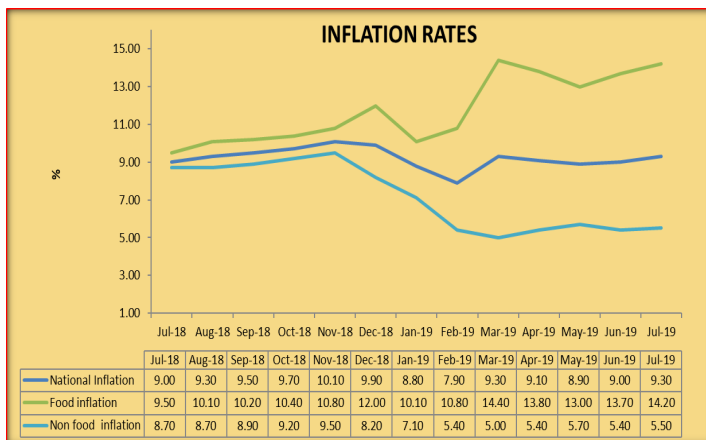
### Exchange Rates

The Kwacha appreciated against the United States Dollar by 1.50% in the period under review. Gross official reserves were at 3.66 months worth of import cover on 30 June 2019.



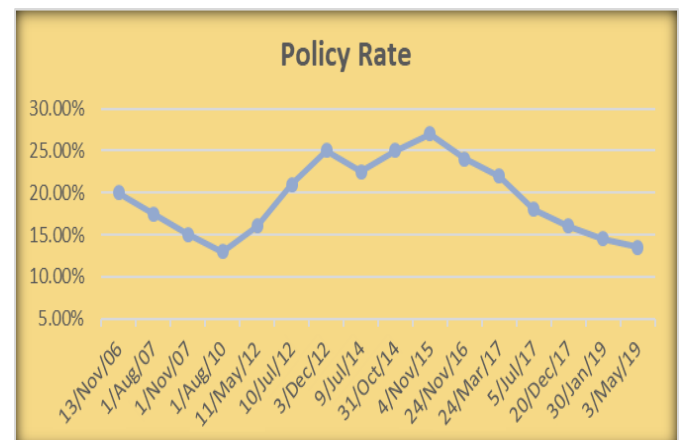
### Inflation Rates

Headline inflation inched upwards by 0.3 percentage points from 9.0% in June, 2019 to 9.3% in July, 2019.



### Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 2 and 3 May 2019 reduced the policy rate from 14.5% to 13.5%.



## 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](mailto:sml@smlmw.com)

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

Cedar Capital Ltd (Formerly 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](mailto:kamphonia@cedarcapital.mw)

Alliance Stockbrokers Limited  
Old Air Malawi Building  
P.O Box 510  
Blantyre  
Tel: +265 1 830 704  
Email: [asl@aclmw.com](mailto:asl@aclmw.com)