



MALAWI STOCK EXCHANGE

FIRST QUARTER MARKET REPORT

JANUARY – MARCH 2011

MALAWI STOCK EXCHANGE

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MALAWI STOCK EXCHANGE LIMITED

MARKET PERFORMANCE REPORT FOR 1st JANUARY TO 31st MARCH 2011

1.0 TRADING SUMMARY

The market was buoyant in the first quarter 2011 evidenced by an increase in both traded volume and value compared to the first quarter 2010. It however registered a negative return on index **-1.81 %** though higher than the **-3.30 %** registered in first quarter 2010.

Index Levels and Return – 1st Qtr. 2011

INDEX	JAN, 2011	31 st MARCH, 2011	% Δ 1 st QTR. 11	% Δ 1 st QTR. 10
MASI	4953.09	4863.41	- 1.81 ▼	- 3.30 ▼
DSI	3922.61	3846.81	- 1.93 ▼	- 3.32 ▼
FSI	351.92	398.42	13.21 ▲	0.00 ■

Trading Statistics – 1st Qtr. 2011

Traded Value (MK)	3,831,381,197,47	No. of Listed companies	15
Traded Value (US\$)	25,406,934.12	Traded Companies	13
Traded Vol. Shares	751,409,367	Not Traded Companies	2
No. of Transactions	493	Gainers	3
Index Close (MASI)	4863.41	Decliners	8
Index Close (DSI)	3846.81	Unchanged	2

2.0 MARKET PERFORMANCE

2.1 Trade Performance Analysis

From 1st January to 31st March, 2011 a total of 751,409,367 shares were transacted at a total consideration of MK3,831,381,197.47 (US\$24,406,934.12) in 493 trades. In the corresponding period 2010, the market transacted a total of 68,050,795 shares at a total consideration of MK612,648,356.65 (US\$4,069,431.05) in 341 trades. This reflects a 1004.19 % increase in terms of share volume and a 525.38 % (524.34% in US Dollar terms) increase in share value.

Daily average share trades exhibited similar trends; the market registered an average daily volume of 12,119,506 shares compared to 1,097,593 shares traded in the corresponding first quarter of 2010.

The average daily turnover for the first quarter 2011 was MK61,796,470.93 (US\$409,789.26) compared with MK9,881,425.11 (US\$65,635.98) for the corresponding first quarter 2010, reflecting an increase by 525.38 % (524.34% in US Dollar terms)

The highest sales of shares in terms of volume were transacted in March at a total of 678,442,292 shares but in terms of value it was in January at a total turnover of MK2,216,460,978.54 (US\$14,697,949.11).

TABLE 1: TRADING SUMMARY FOR 1ST JANUARY – 31ST MARCH 2011

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
January	44,839,097	2,216,460,978.54	14,697,949.11
February	28,127,978	183,580,036.20	1,217,370.90
March	678,442,292	1,431,340,182.73	9,491,614.10
1st Qtr 2011	751,409,367	3,831,381,197.47	25,406,934.12
1st Qtr 2010	68,050,795	612,648,356.65	4,069,431.05
% CHANGE	10004.19	525.38	524.34

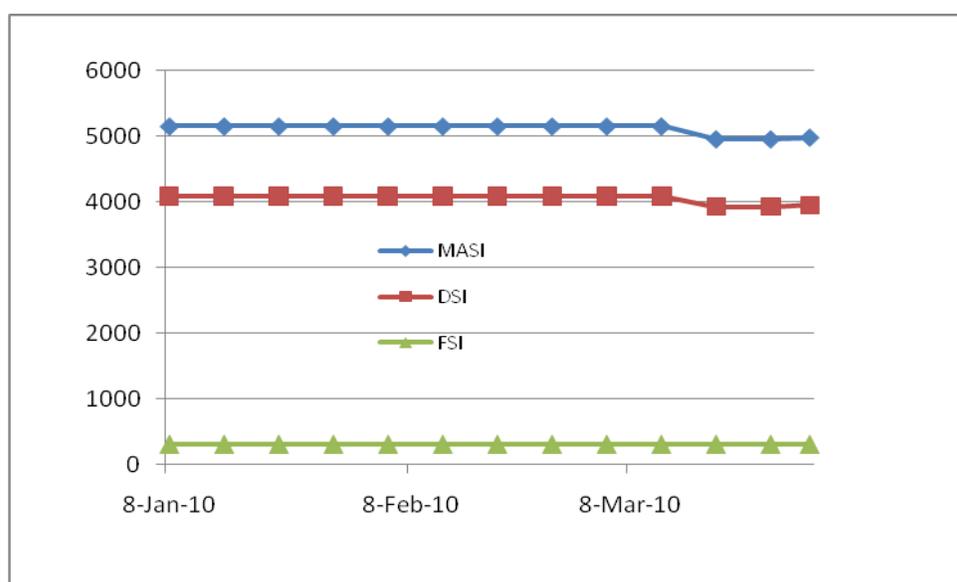
2.2 Market Capitalisation and Index

The market registered a negative return on index as reflected in the decline of The Malawi All Share Index (MASI) from 4953.09 points registered in January to 4863.41 points registered on 31st March 2011, giving a return on index of -1.81 %, (-1.81% in US\$ terms) compared to -3.30 %, (-5.74% in US\$ terms) registered in quarter I of 2010. The price losses registered by 8 counters (TNM, NITL, SUNBIRD, REAL, NBM, NBS, STANDARD BANK and MPICO) were the major drivers in the decrease in the Malawi All Share Index, arising from the decrease in the Domestic Share Index. The Foreign Share Index however, registered a positive return on index of 13.21 % (13.21 % in US\$ terms) on the back of the share price gain on OML plc.

Table 2: Market Capitalization and Index – 1st Quarter 2011

Month Ending	Mkt. Cap. MKm.	Mkt. Cap. US\$m	Mkt. Cap. MKm*	Mkt. Cap. US\$m*	MASI
January	1,278,529.23	8,478.2599	207,223.12	1,374.1504	4953.09
February	1,288,562.84	8,544.7954	209,604.55	1,389.9423	5002.73
March	1,416,638.94	9,394.1263	203,767.39	1,351.2382	4863.41
1st Qtr. 2011	1,416,638.94	9,394.1263	203,767.39	1,351.2382	4863.41
1st Qtr. 2010	1,165,031.38	7,725.6313	208,508.07	1,382.6722	4984.81

* Excludes non-Malawi register Old Mutual plc shares

FIG 1: MSE INDICES – FIRST QUARTER 2011

2.3 Market Liquidity

The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP***) in the quarter under review was recorded at 7.52%, higher than 1.187% registered in first quarter 2010. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 2.37% in the review period while during the corresponding period of 2010 liquidity was at 0.38 %.

Table 3: Market Liquidity – 1st Quarter 2011

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
January	197.33	31.984	0.34210	1.0696	0.256788
February	198.88	32.351	0.02833	0.0876	0.161085
March	218.65	31.450	0.22092	0.7024	3.885355
1st Qtr. 11	218.65	31.450	2.36542	7.5211	17.212914
1st Qtr. 10	179.82	32.182	0.37824	1.1753	1.562285

* Excludes non-Malawi register Old Mutual plc shares

2.4 Company Trading Performance

Top Gainers

MSE CODE	COUNTER NAME	% GAIN
NICO	NICO Holdings Ltd.	24.13
OML	Old Mutual Ltd.	13.21
PCL	Press Corporation Ltd.	1.14

Only 3 counters registered a capital gain during the review period.

Top Decliners

MSE CODE	COUNTER NAME	% LOSS
TNM	TNM	- 20.57
NITL	National Investment Trust Limited	- 12.69
SUNBIRD	Sunbird Tourism Limited	- 10.11
REAL	Real Insurance Limited	- 10.00
NBS	NBS Bank	- 4.55
NBM	National Bank of Malawi	- 4.52
STANDARD	Standard Bank	- 4.00
MPICO	Malawi Property Investment Company	- 0.97

8 Counters registered a capital loss in quarter I of 2011.

Top 5 Traded Stocks by Volume

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
TNM	TNM	690,093,017	91.84
NBM	National Bank of Malawi	36,956,202	4.92
MPICO	Malawi Property Investment Company	7,392,787	0.98
NBS	NBS Bank	5,222,160	0.69
FMB	First Merchant Bank	4,372,144	0.58

Top 5 Traded Stocks by Value

MSE CODE	COUNTER NAME	MK	% OF TOTAL
NBM	National Bank of Malawi	2,166,151,200.00	56.54
TNM	TNM	1,368,595,987.07	35.72
ILLOVO	Illovo Sugar Malawi Limited	68,357,657.00	1.78
NBS	NBS Bank	53,427,170.45	1.39
NICO	NICO Holdings	39,244,284.50	1.02

Company Trading Statistics

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	640	640	0.00	0	0.00	0.00
FMB	650	650	0.00	4,372,144	0.58	26,850,109.30
ILLOVO	11000	11000	0.00	636,358	0.08	68,357,657.00
MPICO	310	307	-0.97	7,392,787	0.98	22,264,737.60
NBM	5865	5600	-4.52	36,956,202	4.92	2,166,151,200.55
NBS	1100	1050	-4.55	5,222,160	0.69	53,427,170.45
NICO	920	1142	24.13	3,743,864	0.50	39,244,284.50
NITL	1600	1397	-12.69	1,199,488	0.16	16,474,018.00
PCL	17500	17700	1.14	204,030	0.03	36,013,886.00
PIM	625	625	0.00	0	0.00	0.00
REAL	100	90	-10.00	1,201,970	0.16	965,525.00
STD.BANK	10000	9600	-4.00	265,382	0.04	26,160,002.00
SUNBIRD	890	800	-10.11	100,000	0.01	800,000.00
TNM	175	139	-20.57	690,093,417	91.84	1,368,595,987.07
OML PLC	28000	31700	13.21	21,565	0.00	6,076,620.00
				751,409,367	100.000	3,831,381,197.47

3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha moved during the three months period from 1st January to 31st March 2011 as follows: -

TABLE 2: EXCHANGE RATES: FIRST QUARTER 2011

CURRENCY	END JAN' 2011	END MAR' 2011	% CHANGE
MK/US Dollar	150.8009	150.8005	0.00
MK/GBP	235.5988	245.5886	- 4.07
MK/ZAR	23.0474	23.1712	- 0.53
MK/EUR	198.2865	216.0747	- 8.23

- 3.2 The year on year headline inflation slightly increased by 0.4 points to 7.0% in February 2011 from 6.6 % in January 2011. The urban and rural inflation rates for the month of February, 2011 were 8.8% and 6.0% respectively.

KEY MACROECONOMIC INDICATORS					
	Mar. 2010	Dec. 2010	Jan. 2011	Feb. 2011	Mar. 2011
Inflation Rate	8.3	6.3	6.6	7.0	7.0 (Feb)
RBM Bank Rate	15.0	13.0	13.0	13.0	13.0
Prime Rate	19.63	22.5	22.5	22.5	22.5
TB YIELD					
91 Days T-Bill	7.27	6.20	6.31	5.28	6.23
182 Days T-Bill	11.08	7.15	7.12	5.63	5.50
271 Days T-Bill	10.21	7.35	7.39	5.82	5.78