



MALAWI STOCK EXCHANGE

# THIRD QUARTER MARKET REPORT

JULY – SEPTEMBER 2012

MALAWI STOCK EXCHANGE

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# MALAWI STOCK EXCHANGE LIMITED

## MARKET PERFORMANCE REPORT FOR 1<sup>st</sup> JULY TO 30<sup>th</sup> SEPTEMBER 2012

### 1.0 TRADING SUMMARY

The market continued to register growth in the third quarter 2012 anchored by an increase in both traded volume and value when compared to the third quarter 2011. It however, registered a return on index of **-0.63%** compared to **2.34%** registered in third quarter 2011.

#### Index Levels and Return – 3<sup>rd</sup> Qtr. 2012

INDEX	JULY, 2012	SEP. 2012	% Δ 3 <sup>rd</sup> QTR. 12	% Δ 3 <sup>rd</sup> QTR. 11	% Δ YTD. 12
MASI	5964.21	5926.44	<b>0.63 ▼</b>	<b>2.34 ▲</b>	<b>10.37 ▲</b>
DSI	4702.61	4669.08	<b>0.71 ▼</b>	<b>2.26 ▲</b>	<b>10.16 ▲</b>
FSI	653.57	691.28	<b>5.77 ▲</b>	<b>9.21 ▲</b>	<b>29.11 ▲</b>

#### Trading Statistics – 3<sup>rd</sup> Qtr. 2012

Traded Value (MK)	1,202,305,311.60	No. of Listed companies	14
Traded Value (US\$)	4,218,641.11	Traded Companies	14
Traded Vol. Shares	256,926,776	Not Traded Companies	0
No. of Transactions	176	<b>Gainers</b>	<b>3</b>
Index Close (MASI)	5926.44	<b>Decliners</b>	<b>5</b>
Index Close (DSI)	4669.08	Unchanged	6
Index Close (FSI)	691.28		

### 2.0 MARKET PERFORMANCE

#### 2.1 Trade Performance Analysis

From 1<sup>st</sup> July to 30<sup>th</sup> September, 2012 a total of 256,926,776 shares were transacted at a total consideration of MK1,202,305,311.60 (US\$4,218,641.11) in 176 trades. In the corresponding period 2011, the market transacted a total of 91,375,212 shares at a total consideration of MK470,054,183.86 (US\$2,909,469.80) in 335 trades, reflecting a **181.18%** increase in terms of share volume and a **155.78%** (**45.00%** in US Dollar terms) increase in value.

Daily average share trades also grew as the market registered an average daily volume of 4,143,980 shares compared to 1,473,794 shares traded in the corresponding third quarter of 2011.

The average daily turnover for the third quarter 2012 was MK19,392,021.15 (US\$68,042.60) compared with MK7,581,519.09 (US\$46,926.93) for the corresponding third quarter 2011, reflecting an increase by **155.78 %** (**45.00%** in US Dollar terms).

The month of September registered the biggest value MK501,498,548.40 (US\$1,698,622.50) and volume of 241,716,704.

#### TRADING SUMMARY FOR 1<sup>st</sup> JULY – 30<sup>th</sup> SEPTEMBER 2012

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
July	9,725,988	396,977,476.40	1,429,585.97
August	5,484,084	303,829,286.80	1,090,432.64
September	241,716,704	501,498,548.40	1,698,622.50
<b>3<sup>rd</sup> Qtr 2012</b>	<b>256,926,776</b>	<b>1,202,305,311.60</b>	<b>4,218,641.11</b>
<b>3<sup>rd</sup> Qtr 2011</b>	<b>91,375,212</b>	<b>470,054,183.86</b>	<b>2,909,489.80</b>
<b>% CHANGE</b>	<b>181.18</b>	<b>155.78</b>	<b>45.00</b>
<b>2<sup>nd</sup> Qtr. 2012</b>	<b>309,734,064</b>	<b>1,157,150,153.25</b>	<b>4,777,469.38</b>
<b>1<sup>st</sup> Qtr. 2012</b>	<b>66,386,492</b>	<b>760,763,197.50</b>	<b>4,588,527.28</b>

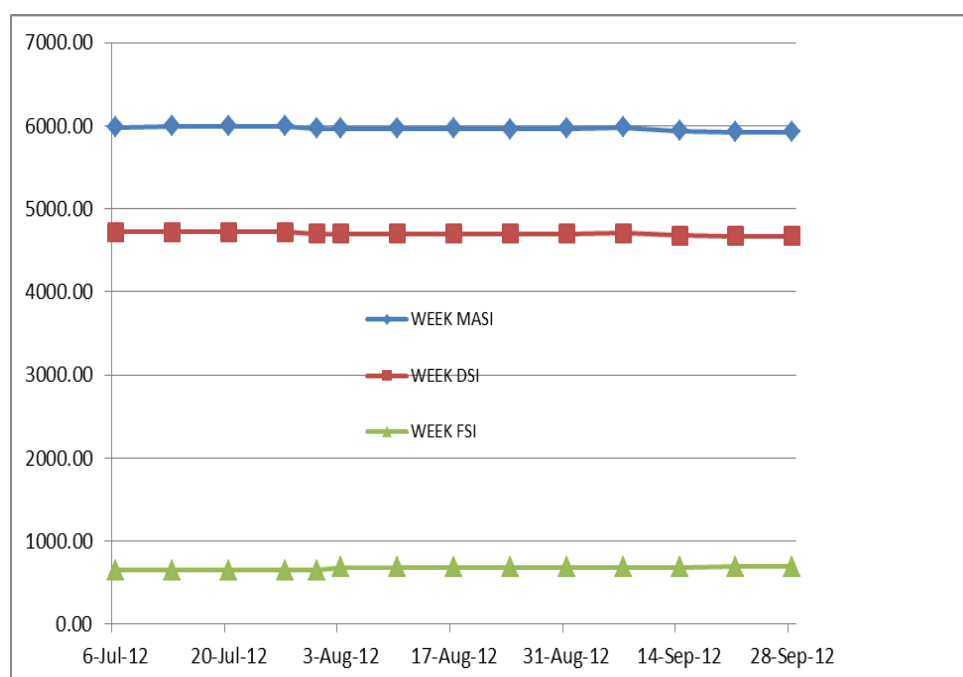
## 2.2 Market Capitalisation and Index

The market registered a negative return on index as reflected in the decrease in The Malawi All Share Index (MASI) from 5964.21 points registered in July to 5926.44 points registered on 30<sup>th</sup> September 2012, giving a return on index of **-063%**, (**-8.25** in US\$ terms) compared to **2.34 %**, (**-7.01%** in US\$ terms) registered in quarter III of 2011. The price gainers registered by 03 counters (OML, STANDARD BANK and PCL) were not enough to offset the share price losses registered in 05 counters (FMB Bank, MPICO, NBS Bank, SUNBIRD and TNM) hence the decrease in the Malawi All Share Index arising from the decrease in the Domestic Share index from 4702.61 points to 4669.08 points giving a return on index of **-0.71%**. The Foreign Share Index registered a return on index of **5.77%**.

#### MARKET CAPITALISATION AND INDEX - 1<sup>st</sup> JULY – 30<sup>th</sup> SEPTEMBER 2012

Month Ending	Mkt. Cap. MKm.	Mkt. Cap. US\$m	Mkt. Cap. MKm*	Mkt. Cap. US\$m*	MASI
July	2,781,673.70	10,008.1373	251,781.42	905.8802	5964.21
August	2,903,430.40	10,176.9732	251,908.68	882.9789	5967.23
September	2,926,034.59	9,721.0451	250,186.99	831.1860	5926.44
<b>3<sup>rd</sup> Qtr. 2012</b>	<b>2,926,034.59</b>	<b>9,721.0451</b>	<b>250,186.99</b>	<b>831.1860</b>	<b>5926.44</b>
<b>3<sup>rd</sup> Qtr. 2011</b>	<b>2,601,622.33</b>	<b>15,675.2471</b>	<b>210,643.15</b>	<b>1,269.1632</b>	<b>5027.27</b>
<b>2<sup>nd</sup> Qtr. 2012</b>	<b>2,782,481.06</b>	<b>10,096.0851</b>	<b>249,486.33</b>	<b>905.2476</b>	<b>5983.34</b>
<b>1<sup>st</sup> Qtr. 2012</b>	<b>2,898,840.55</b>	<b>17,372.3702</b>	<b>239,239.51</b>	<b>1,433.7309</b>	<b>5667.12</b>

\* Excludes non-Malawi register Old Mutual plc shares

**FIG 1: MSE INDICES – THIRD QUARTER 2012**

## 2.3 Market Liquidity

The market liquidity as measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP\***) in the quarter under review was recorded at 1.66%, lower than 3.73% registered in third quarter 2011. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.33% in the review period while during the corresponding period of 2011 liquidity was at 1.21 %.

### MARKET LIQUIDITY – 1<sup>st</sup> JULY – 30<sup>th</sup> SEPTEMBER 2012

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
July	218.48	19.775	0.03118	0.1577	0.055286
August	228.04	19.785	0.02386	0.1206	0.031174
September	229.82	19.650	0.03939	0.2004	1.374006
<b>3<sup>rd</sup> Qtr. 12</b>	<b>229.82</b>	<b>19.650</b>	<b>0.32676</b>	<b>1.6629</b>	<b>4.797964</b>
<b>3<sup>rd</sup> Qtr. 11</b>	<b>401.55</b>	<b>32.512</b>	<b>1.21249</b>	<b>3.7294</b>	<b>11.908057</b>
<b>2<sup>nd</sup> Qtr. 12</b>	<b>250.67</b>	<b>22.476</b>	<b>0.34557</b>	<b>1.5375</b>	<b>4.276014</b>
<b>1<sup>st</sup> Qtr. 12</b>	<b>269.01</b>	<b>22.201</b>	<b>0.28239</b>	<b>1.2720</b>	<b>1.509461</b>

\* Excludes non-Malawi register Old Mutual plc shares

## 2.4 Company Trading Performance

### Top Gainers

MSE CODE	COUNTER NAME	% GAIN
OML	Old Mutual Ltd.	5.77
STANDARD	Standard Bank	4.35
PCL	Press Corporation Limited	1.62

03 counters registered capital gains during the review period.

### Top Decliners

MSE CODE	COUNTER NAME	% LOSS
NBS	NBS Bank	- 14.97
FMB	FMB Bank	- 7.14
STL	Sunbird Tourism Ltd	- 6.57
TNM	TNM	- 5.41
MPICO	MPICO	- 4.00

05 Counters registered capital losses during the review period.

### Top 5 Traded Stocks by Volume

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
TNM	TNM Limited	238,218,600	92.72
NBM	National Bank of Malawi	5,874,436	2.29
FMB	FMB Bank	4,375,880	1.70
NICO	NICO Holdings	2,160,118	0.84
NITL	National Investment Trust Ltd.	2,089,250	0.81

### Top 5 Traded Stocks by Value

MSE CODE	COUNTER NAME	MK	% OF TOTAL
TNM	TNM Limited	440,688,050.00	36.65
NBM	National Bank of Malawi	328,968,416.00	27.36
ILLOVO	Illovo Sugar	267,284,575.00	22.23
PCL	Press Corporation Limited	38,533,900.00	3.21
NITL	National Investment Trust Ltd.	39,561,875.00	3.04

## Company Trading Statistics

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	700	700	0.00	4,000	0.00	28,000.00
FMB	700	650	-7.14	4,375,880	1.70	28,500,295.00
ILLOVO	15000	15000	0.00	1,782,012	0.69	267,284,575.00
MPICO	250	240	-4.00	731,622	0.28	1,794,065.90
NBM	5600	5600	0.00	5,874,436	2.29	328,968,416.00
NBS	1470	1250	-14.97	1,347,311	0.52	17,574,693.70
NICO	1500	1500	0.00	2,160,118	0.84	32,401,770.00
NITL	1750	1750	0.00	2,089,250	0.81	36,561,875.00
PCL	18500	18800	1.62	204,995	0.08	38,533,900.00
REAL	120	120	0.00	48,840	0.02	58,608.00
STD.BANK	11500	12000	4.35	66,099	0.03	7,808,738.00
SUNBIRD	700	654	-6.57	20,000	0.01	130,725.00
TNM	185	175	-5.41	238,218,600	92.72	440,688,050.00
OML PLC	52000	55000	5.77	3,613	0.00	1,971,600.00
				<b>256,926,776</b>	<b>100.000</b>	<b>1,202,305,311.60</b>

### 3.0 ECONOMIC POSITION

3.1 The Malawi Kwacha moved during the three months as follows: -

#### MIDDLE EXCHANGE RATES – 1<sup>st</sup> JULY – 30<sup>th</sup> SEPTEMBER 2012

CURRENCY	End Sept. '11	End July '12	End Sept. '12	% CHANGE
MK/US Dollar	165.9701	277.9412	301.0000	-7.66
MK/GBP	259.3780	446.0329	496.0630	-10.09
MK/ZAR	20.8447	35.9524	38.1841	-5.84
MK/EUR	225.6695	349.6764	402.9536	-13.22

Source: National Bank of Malawi

3.2 The year on year headline inflation increased by 3.8 points to 25.5% in August 2012 from 21.7 % in July 2012 on account of a continued rise in food and core inflation which are currently at 26.0% and 25.0% compared to 2.4% and 12.4% respectively during the same period last year. The urban and rural inflation rates for the month of August 2012 were 28.2% and 23.8% respectively.

KEY MACROECONOMIC INDICATORS					
	Sept. 2011	Dec. 2011	July. 2012	August 2012	Sept. 2012
Inflation Rate	7.70	9.8	21.7	25.5	25.5 (Aug)
RBM Bank Rate	13.0	13.0	21.0	21.0	21.0
Prime Rate	17.75	17.75	31.0	31.0	31.0
<b>TB YIELD</b>					
91 Days T-Bill	7.00	6.84	19.12	18.61	18.77
182 Days T-Bill	7.30	0.00	19.40	22.00	22.00
364 Days T-Bill	0.00	0.00	22.96	23.00	24.00

Source: National Statistical Office and Reserve Bank of Malawi