



**MALAWI STOCK EXCHANGE**

# **FIRST QUARTER MARKET REPORT**

**JANUARY – MARCH 2013**

**MALAWI STOCK EXCHANGE**

**OLD RESERVE BANK BUILDING, VICTORIA AVENUE  
PRIVATE BAG 270  
BLANTYRE**

**TEL. (265) 01 824 233**

**FAX. (265) 01 823 636**

**E-mail. [mse@mse-mw.com](mailto:mse@mse-mw.com)**

**WEBSITE. [www.mse.co.mw](http://www.mse.co.mw)**

# MALAWI STOCK EXCHANGE LIMITED

## MARKET PERFORMANCE REPORT FOR 1<sup>st</sup> JANUARY TO 31<sup>st</sup> MARCH 2013

### 1.0 TRADING SUMMARY

The market registered a positive return on index of 5.47% lower than 5.54% registered in first quarter 2012. It however recorded an increase in both traded volume and value in the first quarter 2013 compared to the first quarter 2012.

#### Index Levels and Return – 1<sup>st</sup> Qtr. 2013

INDEX	JAN. 2013	31 <sup>st</sup> MAR. 2013	% Δ 1 <sup>st</sup> QTR. 13	% Δ 1 <sup>st</sup> QTR. 12
MASI	6015.51	6344.58	5.47 ▲	5.54 ▲
DSI	4725.51	4966.77	5.11 ▲	5.52 ▲
FSI	854.67	1093.47	27.94 ▲	13.21 ▲

#### Trading Statistics – 1<sup>st</sup> Qtr. 2013

Traded Value (MK)	2,952,651,806.76	No. of Listed companies	14
Traded Value (US\$)	7,448,395.05	Traded Companies	12
Traded Vol. Shares	2,101,338,035	Not Traded Companies	2
No. of Transactions	179	Gainers	4
Index Close (MASI)	6344.58	Decliners	5
Index Close (DSI)	4966.77	Unchanged	5

### 2.0 MARKET PERFORMANCE

#### 2.1 Trade Performance Analysis

From 1<sup>st</sup> January to 31<sup>st</sup> March, 2013 a total of 2,101,338,035 shares were transacted at a total consideration of MK2,952,651,806.76 (US\$7,448,395.05) in 179 trades. In the corresponding period 2012, the market transacted a total of 66,386,492 shares at a total consideration of MK760,763,197.50 (US\$4,588,527.28) in 384 trades. This reflects a 3065.31% increase in terms of share volume and a 288.12% (62.33% in US Dollar terms) increase in share value.

Daily average share trades exhibited similar trends; the market registered an average daily volume of 33,892,549 shares compared to 1,070,750 shares traded in the corresponding first quarter of 2012.

The average daily turnover for the first quarter 2013 was MK47,623,416.24 (US\$120,135.40) compared with MK12,270,374.15 (US\$74,008.50) for the

corresponding period 2012, reflecting an increase of 288.12% (62.33% in US Dollar terms)

The month of March registered the highest in terms of both value MK2,694,655,757.04 (US\$6,722,504.48) and volume of 2,076,225,070.

**TABLE 1: TRADING SUMMARY FOR 1<sup>ST</sup> JANUARY – 31<sup>ST</sup> MARCH 2013**

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
January	20,116,394	167,718,107.40	477,645.62
February	4,996,571	90,277,942.32	248,244.95
March	2,076,225,070	2,694,655,757.04	6,722,504.48
<b>1<sup>st</sup> Qtr. 2013</b>	<b>2,101,338,035</b>	<b>2,952,651,806.76</b>	<b>7,448,395.05</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>
<b>% CHANGE</b>	<b>3065.31% ▲</b>	<b>288.12% ▲</b>	<b>62.33% ▲</b>

## 2.2 Market Capitalisation and Index

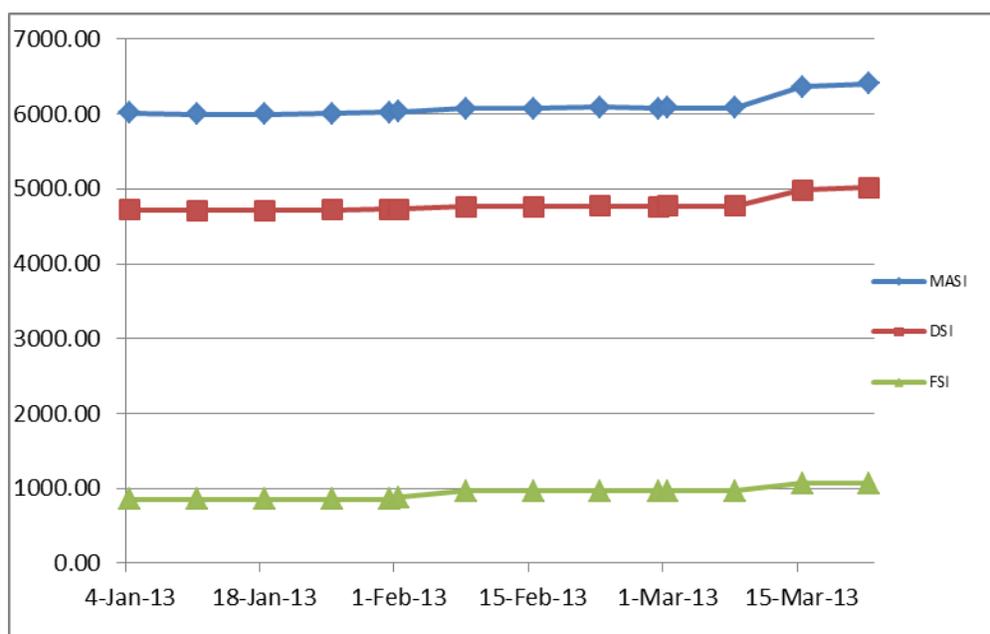
The market registered a positive return on index as reflected in the upward movement of The Malawi All Share Index (MASI) from 6015.51 points registered in January to 6344.58 points registered on 31<sup>st</sup> March 2013, giving a return on index of 5.47%, (-7.94% in US\$ terms) compared to 5.54%, (5.90% in US\$ terms) registered in quarter I of 2012. The price gains registered by 4 counters (ILLOVO, NBM, STANDARD BANK and OML) were the major drivers in the upward movement of the Malawi All Share Index, arising from an increase in both the Domestic Share Index (5.11%) and the Foreign Share Index (27.94%).

**Table 2: Market Capitalization and Index – 1<sup>st</sup> Quarter 2013**

Month Ending	Mkt. Cap. MKm.	Mkt. Cap. US\$m	Mkt. Cap. MKm*	Mkt. Cap. US\$m*	MASI
January	3,562,623.42	9,951.4621	254,302.74	710.3429	6015.51
February	4,002,704.72	10,478.2846	256,518.07	671.5133	6076.41
March	4,519,858.92	11,019.4771	267,838.70	652.9944	6344.58
<b>1<sup>st</sup> Qtr. 2013</b>	<b>4,519,858.92</b>	<b>11,019.4771</b>	<b>267,838.70</b>	<b>652.9944</b>	<b>6344.58</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 – FIRST QUARTER 2013**



## 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 4.41%, higher than 1.27% registered in first quarter 2012. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.86% in the review period while during the corresponding period of 2012 liquidity was at 0.28%.

**Table 3: Market Liquidity – 1<sup>st</sup> Quarter 2013**

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
January	264.23	18.861	0.01244	0.0660	0.114349
February	296.87	19.025	0.00670	0.0352	0.028402
March	335.23	19.865	0.19986	1.0061	11.802024
<b>1<sup>st</sup> Qtr. 12</b>	<b>335.23</b>	<b>19.865</b>	<b>0.87596</b>	<b>4.4096</b>	<b>47.779101</b>
<b>1<sup>st</sup> Qtr. 13</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 plc	27.94
STANDARD BANK	Standard Bank Limited	19.32
NBM	National Bank of Malawi	12.52
ILLOVO	Illovo Sugar Malawi Limited	10.86

4 counters registered a capital gain during the review period.

### Top Decliners

MSE CODE	COUNTER NAME	% LOSS
TNM	TNM	- 28.57
NBS	NBS Bank	- 27.27
MPICO	MPICO ltd	-8.33
FMB	FMB Bank	-5.88
NITL	National Investment Trust ltd	-1.29

5 Counters registered a capital loss in quarter I of 2013.

### Top 5 Traded Stocks by Volume

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
TNM	TNM	2,080,379,882	99.00
NBS	NBS Bank	7,121,282	0.34
MPICO	MPICO ltd	4,444,309	0.21
NICO	NICO Holdings ltd	3,400,679	0.16
NITL	National Investment Trust ltd	3,008,724	0.14

### Top 5 Traded Stocks by Value

MSE CODE	COUNTER NAME	MK	% OF TOTAL
TNM	TNM	2,413,856,241.64	81.75
PCL	Press Corporation ltd	157,120,436.00	5.32
ILLOVO	Illovo Sugar Malawi Limited	143,077,877.10	4.85
NBS	NBS Bank	64,040,611.00	2.17
NBM	National Bank of Malawi	53,993,732.30	1.83

## Company Trading Statistics

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	700	700	0.00	689	0.00	4,823.00
FMB	850	800	-5.88	301,717	0.01	2,464,594.50
ILLOVO	15335	17000	10.86	868,042	0.04	143,077,877.10
MPICO	240	220	-8.33	4,444,309	0.21	9,781,310.70
NBM	5510	6200	12.52	929,924	0.04	53,993,732.30
NBS	1100	800	-27.27	7,121,282	0.34	64,040,611.00
NICO	1430	1430	0.00	3,400,679	0.16	48,629,709.70
NITL	1700	1678	-1.29	3,008,724	0.14	50,150,872.72
PCL	18800	18800	0.00	835,747	0.04	157,120,436.00
REAL	120	120	0.00	0	0.00	0.00
STD.BANK	12823	15300	19.32	42,892	0.00	6,047,858.10
SUNBIRD	650	650	0.00	0	0.00	0.00
TNM	140	100	-28.57	2,080,379,882	99.00	2,413,856,241.64
OML PLC	68000	87000	27.94	4,148	0.00	3,483,740.00
				<b>2,101,338,035</b>	<b>100.00</b>	<b>2,952,651,806.76</b>

### 3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha moved during the three months period from 1<sup>st</sup> January to 31<sup>st</sup> March 2013 as follows: -

**TABLE 2: EXCHANGE RATES: FIRST QUARTER 2013**

CURRENCY	JAN' 2013	MAR' 2013	% CHANGE*
MK/US Dollar	337.0000	410.1700	-17.84
MK/GBP	560.5989	648.2337	-13.52
MK/ZAR	42.0194	47.2041	-10.98
MK/EUR	463.6794	551.0433	-15.85

Source: National Bank of Malawi; \*Used the reciprocal method to calculate % change

- 3.2 The year on year headline inflation increased by 2.8 points to 37.9% in February 2013 from 35.1% in January 2013. The urban and rural inflation rates for the month of February, 2013 were 39.6% and 33.7% respectively.

KEY MACROECONOMIC INDICATORS					
	Mar. 2012	Dec. 2012	Jan. 2013	Feb. 2013	Mar. 2013
Inflation Rate	11.4	34.6	35.1	37.9	37.9 (Feb)
RBM Bank Rate	13.0	25.0	25.0	25.0	25.0
Prime Rate	17.75	35.0	35.0	35.0	35.0
<b>TB YIELD</b>					
91 Days T-Bill	6.49	20.11	27.99	32.45	41.87
182 Days T-Bill	7.05	24.78	29.84	36.56	43.90
364 Days T-Bill	8.99	0.00	33.00	37.30	43.38
Import Cover(Months)	1.1	1.17	1.0	0.91(22 Feb)	0.92(15 Mar)

Source: Reserve Bank of Malawi & National Statistical Office