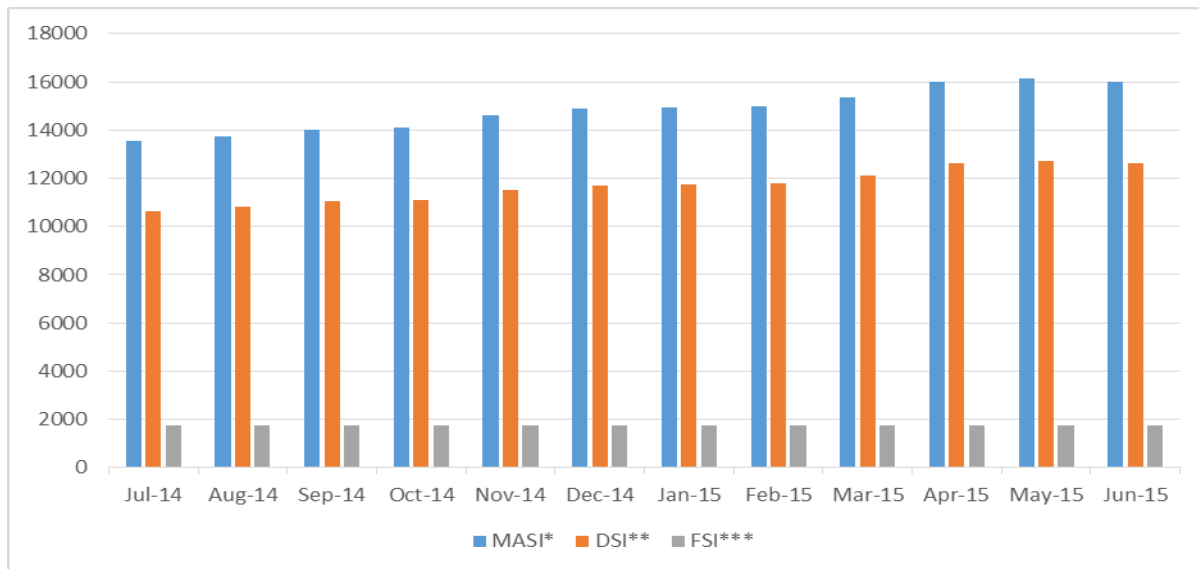




MALAWI STOCK EXCHANGE

SECOND QUARTER MARKET REPORT APRIL – JUNE 2015



MALAWI STOCK EXCHANGE

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MALAWI STOCK EXCHANGE LIMITED

MARKET PERFORMANCE REPORT FOR 1st APRIL TO 30th JUNE 2015

1.0 TRADING SUMMARY

The market was buoyant in second quarter 2015 giving a quarterly return on index of **4.23%** (3.21% in Q1 2015) to close at 16011.65 points though lower than a quarterly return of **4.96%** registered in 2014. There were no trades on the three government bonds whilst equity trading recorded an increase in both traded volume and value in the second quarter 2015 compared to the second quarter 2014.

In US dollar terms, the index gained **3.98%** as a result of price gains on traded counters which offset the depreciation of the kwacha in the period under review.

Index Levels and Return – 2nd Qtr. 2015

INDEX	APRIL, 2015	JUNE, 2015	% Δ 2nd QTR.15	% Δ 2nd QTR.14	% YTD Δ 2015
MASI	15361.54	16011.65	4.23 ▲	4.96 ▲	7.56 ▲
DSI	12098.41	12615.53	4.10 ▲	5.00 ▲	7.64 ▲
FSI	1762.13	1762.13	0.00 ■	1.84 ▲	0.14 ▲

Trading Statistics – 2nd Qtr. 2015

	2 nd Qtr. 2015		2 nd Qtr. 2014	% Δ
Traded Value (MK)	32,406,836,068.76		6,251,723,966.95	418.37 ▲
Traded Value (US\$)	73,603,942.73		15,724,609.58	368.08 ▲
Traded Vol. Shares	1,702,220,992		1,547,492,034	10.00 ▲
No. of Transactions	357		398	10.30 ▼
Index Close (MASI)	16011.65		13417.47	19.33 ▲
Index Close (DSI)	12615.53		10553.56	19.54 ▲
Listed companies	14		14	
Traded Companies	14		13	
Not Traded Companies	00		01	
Gainners	09		11	
Decliners	00		01	
Unchanged	05		01	

2.0 MARKET PERFORMANCE

2.1 Trade Performance Analysis

From 1st April to 30th June, 2015 a total of 1,702,220,992 shares were transacted at a total consideration of MK32,406,836,068.76 (US\$73,603,942.73) in 357 trades. In the corresponding period 2014, the market transacted a total of 1,547,492,034 shares at a total consideration of MK6,251,723,966.95 (US\$15,724,609.58) in 398 trades. This reflects a **10%** increase in terms of share volume and a **418.37%** (**368.08%** in US Dollar terms) increase in share value. The increase in volume and value was mainly driven by the block transaction in FMB as a result of internal shareholding restructuring.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 27,455,177 shares compared to 24,959,549 shares traded in the corresponding second quarter of 2014.

The average daily turnover for the second quarter 2015 was MK522,690,904.33 (US\$1,187,160.37) compared with MK100,834,257.53 (US\$253,622.74) for the corresponding second quarter 2014, reflecting an increase of **418.37%** (**368.08%** in US Dollar terms).

The month of April registered the highest in terms of both value MK31,210,863,821.43 (US\$70,878,247.78) and volume of 1,606,464,275.

TABLE 1: TRADING SUMMARY FOR 1st APRIL – 30th JUNE 2015

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
April	1,606,464,275	31,210,863,821.43	70,878,247.78
May	79,174,433	906,650,079.35	2,064,734.43
June	16,582,284	289,322,167.98	660,960.52
2nd Qtr. 2015	1,702,220,992	32,406,836,068.76	73,603,942.73
2nd Qtr. 2014	1,547,492,034	6,251,723,966.95	15,724,609.58
% CHANGE	10.00 ▲	418.37 ▲	368.08 ▲
1st Qtr. 2015	40,439,832	675,469,368.28	1,510,481.94

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 15361.54 points registered in April to 16011.65 points registered on 30th June 2015, giving a return on index of 4.23%, (3.98% in US\$ terms) compared to 4.96%, (8.71% in US\$ terms) registered in quarter II of 2014. The price gains registered by 9

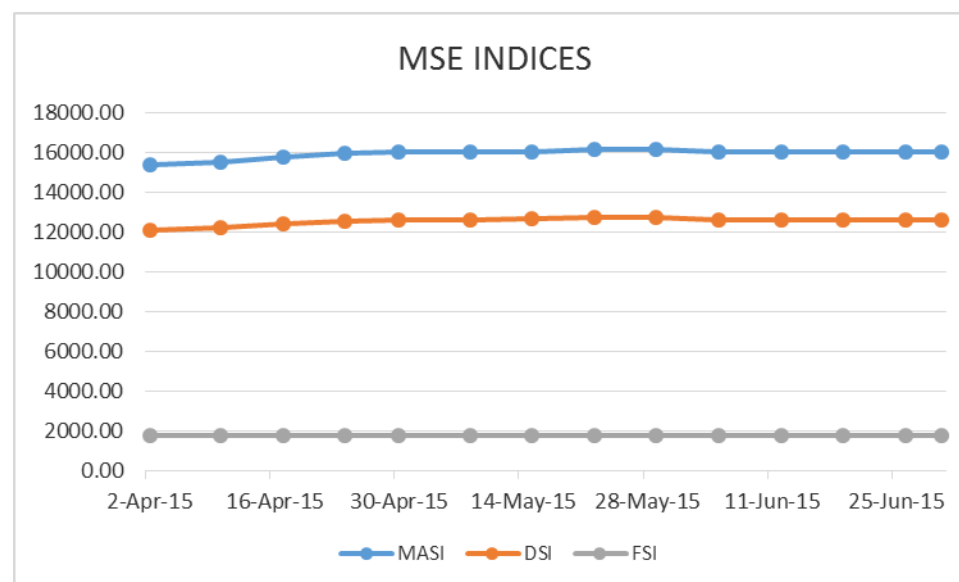
counters (BHL, MPICO, NBM, NBS, NITL, PCL, STANDARD BANK, SUNBIRD, and TNM) were the major drivers in the upward movement of the Malawi All Share Index, arising from an increase in the Domestic Share Index (4.10%). The Foreign Share Index was steady at 1762.13 points.

Table 2: Market Capitalization and Index – 2nd Quarter 2015

Month Ending	Mkt. Cap. MKm.	Mkt. Cap US\$m	Mkt. Cap. MKm*	Mkt. Cap US\$m*	MASI
April	7,528,789.19	17,097.7698	656,248.11	1,490.3298	15361.54
May	7,589,570.41	17,309.6507	689,568.73	1,572.7101	16141.51
June	7,584,023.99	17,181.4298	684,022.31	1,549.6366	16011.65
2nd Qtr. 2015	7,584,023.99	17,181.4298	684,022.31	1,549.6366	16011.65
2nd Qtr. 2014	7,352,993.58	18,578.5903	575,236.84	1,453.4338	13417.47
1st Qtr. 15	7,528,915.58	17,098.0568	656,374.50	1,490.6169	15364.50

* Excludes non-Malawi register Old Mutual plc shares

FIG 1: MSE INDICES – SECOND QUARTER 2015



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 9.67%, higher than 2.49% registered in second quarter 2014. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 2.14% in the review period while during the corresponding period of 2014 liquidity was at 0.59%.

Table 3: Market Liquidity – 2nd Quarter 2015

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
April	243.01	21.182	1.00739	4.7560	9.121368
May	244.97	22.257	0.02926	0.1315	0.449546
June	244.79	22.078	0.00934	0.0423	0.094153
2nd Qtr. 15	244.79	22.078	2.13558	9.6729	19.789362
2nd Qtr. 14	301.20	23.564	0.58760	2.4937	18.124316
1st Qtr. 15	265.21	23.122	0.09518	0.4116	0.918456

* Excludes non-Malawi register Old Mutual plc shares

2.4 Company Trading Performance

Top Gainers

MSE CODE	COUNTER NAME	% GAIN
MPICO	MPICO Limited	40.82
NITL	National Investment Trust Ltd	18.91
SUNBIRD	Sunbird Tourism Limited	17.28
TNM	TNM	15.19
PCL	Press Corporation Limited	13.78
NBM	National Bank of Malawi	4.15
STANDARD	Standard bank Malawi	2.35
NBS	NBS Bank	1.61
BHL	Blantyre Hotel Limited	0.62

9 counters registered a capital gain during the review period.

Top 5 Traded Stocks by Volume

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
FMB	FMB Bank	1,586,460,588	93.20
TNM	TNM	88,023,163	5.17
NBS	NBS Bank	12,235,327	0.72
MPICO	MPICO Limited	6,105,899	0.36
NICO	NICO Holdings Limited	3,869,026	0.23

Top 5 Traded Stocks by Value

MSE CODE	COUNTER NAME	MK	% OF TOTAL
FMB	FMB Bank	30,142,751,172.00	93.01
TNM	TNM	660,045,334.49	2.04
PCL	Press Corporation Limited	436,854,433.90	1.35
NBS	NBS Bank	375,085,242.90	1.16
STANDARD	Standard Bank	262,763,660.00	0.81

Company Trading Statistics

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	810	815	0.62	123,800	0.01	1,003,470.00
FMB	1900	1900	0.00	1,586,460,588	93.20	30,142,751,172.00
ILLOVO	29420	29420	0.00	35,994	0.00	10,589,434.80
MPICO	490	690	40.82	6,105,899	0.36	35,451,259.18
NBM	24100	25100	4.15	948,614	0.06	231,919,554.74
NBS	3051	3100	1.61	12,235,327	0.72	375,085,242.90
NICO	3000	3000	0.00	3,869,026	0.23	116,070,780.00
NITL	4205	5000	18.91	2,608,504	0.15	125,134,414.85
PCL	45362	51615	13.78	902,602	0.05	436,854,433.90
REAL	230	230	0.00	271,913	0.02	625,399.90
STD.BANK	42500	43500	2.35	604,636	0.04	262,763,660.00
SUNBIRD	810	950	17.28	25,000	0.00	233,660.00
TNM	599	690	15.19	88,023,163	5.17	660,045,334.49
OML PLC	140200	140200	0.00	5,926	0.00	8,308,252.00
				1,702,220,992	100.00	32,406,836,068.76

3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha appreciated against the South African Rand(ZAR) but depreciated against the US dollar(US\$), the Great Britain Pound(GBR) and the Euro(EUR) in the period under review as below;

TABLE 4: EXCHANGE RATES: SECOND QUARTER 2015

CURRENCY	APR' 2015	JUN' 2015	% CHANGE
MK/US Dollar	440.3375	441.4082	-0.24
MK/GBP	640.1674	693.7066	-7.72
MK/ZAR	36.5729	35.9586	1.71
MK/EUR	471.7834	491.4486	-4.00

Source: National Bank of Malawi

- 3.2 The year on year headline inflation increased by 0.7 points to 19.5% in May 2015 from 18.8% in April 2015 as a result of an increase in food inflation from 18.1% to 21.4%.

KEY MACROECONOMIC INDICATORS					
	Jun. 2014	Dec. 2014	Apr. 2015	May 2015	June. 2015
Inflation Rate	22.5	24.2	18.8	19.5	19.5(May)
Policy Rate	25.0	25.0	25.0	25.0	25.0
Prime Rate	40.0	37.0	37.0	37.0	37.0
TB YIELD					
91 Days T-Bill	21.72	26.96	24.22	25.33	24.77
182 Days T-Bill	26.76	26.87	24.85	25.18	24.91
364 Days T-Bill	26.00	27.02	25.17	25.41	25.14
Import Cover (Months)	2.50	3.07	3.54	3.32	3.45

Source: Reserve Bank of Malawi and National Statistical Office