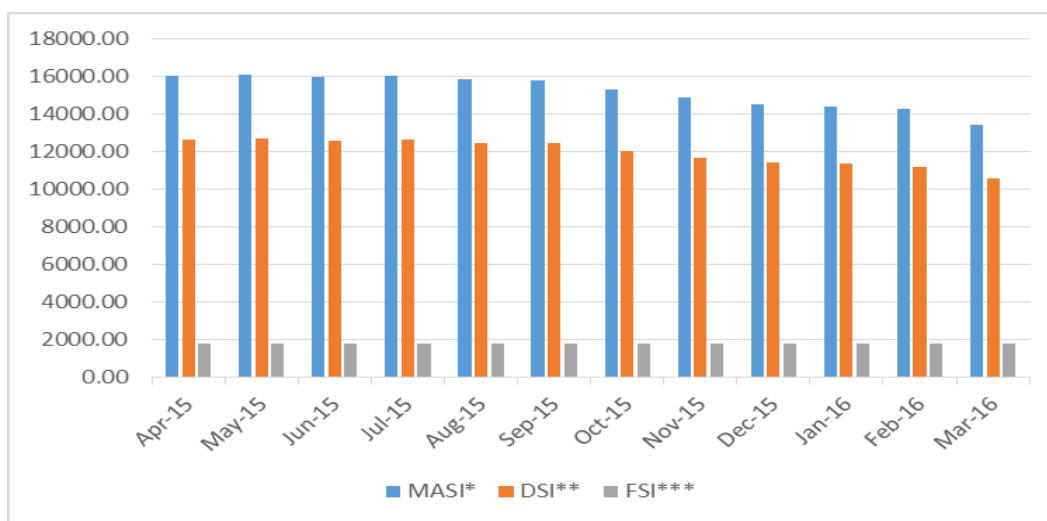




MALAWI STOCK EXCHANGE

## FIRST QUARTER MARKET REPORT JANUARY – MARCH 2016



### MALAWI STOCK EXCHANGE

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# MALAWI STOCK EXCHANGE LIMITED

## MARKET PERFORMANCE REPORT FOR THE PERIOD 4<sup>th</sup> JANUARY TO 31<sup>st</sup> MARCH 2016

### 1.0 TRADING SUMMARY

The market was bearish in Q1 2016 as it registered a negative return on investment of **7.85%** compared to **3.21%** registered in Q1 2015 and a decrease in both traded volume and value.

There were no trades on the two government bonds.

#### Index Levels and Return – 1<sup>st</sup> Qtr. 2016

INDEX	4 <sup>th</sup> JAN. 2016	31 <sup>st</sup> MAR. 2016	% Δ 1 <sup>st</sup> QTR. 2016	% Δ 1 <sup>st</sup> QTR. 2015	% Δ YTD. 16
MASI	14562.53	13419.95	<b>7.85 ▼</b>	<b>3.21 ▲</b>	<b>7.85 ▼</b>
DSI	11462.87	10554.04	<b>7.93 ▼</b>	<b>3.25 ▲</b>	<b>7.93 ▼</b>
FSI	1792.13	1762.13	<b>0.00 ■</b>	<b>0.14 ▲</b>	<b>0.00 ■</b>

#### Trading Statistics – 1<sup>st</sup> Qtr. 2016

	1 <sup>st</sup> Qtr. 2016		1 <sup>st</sup> Qtr. 2015	% Δ
Traded Value (MK)	295,881,824.83		675,469,368.28	<b>56.20 ▼</b>
Traded Value (US\$)	410,965.31		1,510,481.94	<b>72.79 ▼</b>
Traded Vol. Shares	9,693,004		40,439,832	<b>76.03 ▼</b>
No. of Transactions	218		340	<b>35.88 ▼</b>
Index Close (MASI)	13419.95		15364.50	<b>12.66 ▼</b>
Index Close (DSI)	10554.04		12100.77	<b>12.78 ▼</b>
Index Close (FSI)	1762.13		1762.13	<b>0.00 ■</b>
Listed companies	14		14	
Traded Companies	14		14	
Not Traded companies	00		00	
Gainers	<b>02</b>		<b>09</b>	
Decliners	<b>07</b>		<b>01</b>	
Unchanged	05		04	

## 2.0 MARKET PERFORMANCE

### 2.1 Trade Performance Analysis

The market transacted a total of 9,693,004 shares at a total consideration of MK295,881,824.83 (US\$410,965.31) in 218 trades. In the corresponding period 2015, the market transacted a total of 40,439,832 shares at a total consideration of MK675,469,368.28 (US\$1,510,481.94) in 340 trades. This reflects a **76.03%** decrease in terms of share volume traded and a **56.20%** (**72.79%** in US Dollar terms) decrease in share value traded.

Daily average share trades exhibited similar trends; the market registered an average daily volume of 156,339 shares compared to 652,255 shares traded in the corresponding first quarter of 2015.

The average daily turnover for the first quarter 2016 was MK4,772,287.50 (US\$6,628.47) compared to MK10,894,667.23 (US\$24,362.61) for the corresponding period 2015, reflecting a decrease of **56.20%** (**72.79%** in US Dollar terms).

The months of February and March registered the highest value of MK106,507,786.33 and biggest traded volume 5,067,001 respectively.

#### TRADING SUMMARY FOR 4<sup>th</sup> JANUARY – 31<sup>ST</sup> MARCH 2016

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
January	2,795,087	99,852,436.20	143,759.67
February	1,830,916	106,507,786.33	141,811.08
March	5,067,001	89,521,602.30	125,394.56
<b>1<sup>st</sup> Qtr. 2016</b>	<b>9,693,004</b>	<b>295,881,824.83</b>	<b>410,965.31</b>
<b>1<sup>st</sup> Qtr. 2015</b>	<b>40,439,832</b>	<b>675,469,368.28</b>	<b>1,510,481.94</b>
<b>% CHANGE</b>	<b>76.03% ▼</b>	<b>56.20% ▼</b>	<b>72.79% ▼</b>

### 2.2 Market Capitalisation and Index

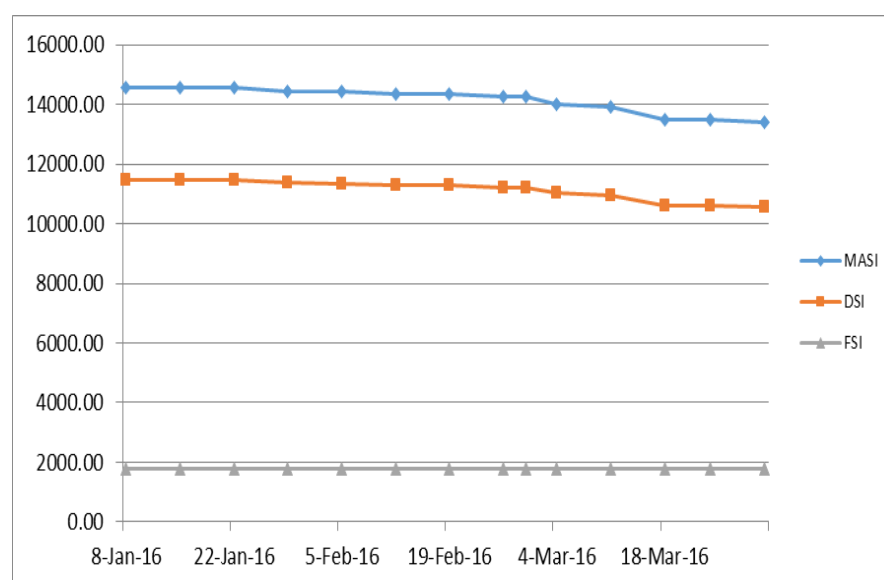
The market registered a negative return on index as reflected in the decrease in the Malawi All Share Index (MASI) from 14562.53 points registered in January 2016 to 13419.95 points registered on 31<sup>st</sup> March 2016, giving a return on index of **-7.85%** (**-9.72%** in US\$ terms) compared to **3.21%** (**11.53%** in US\$ terms) registered in quarter I of 2015. The price gains registered by 2 counters (BHL and SUNBIRD) were not enough to offset share price losses registered by 7 counters (FMB, ILLOVO, MPICO, NBS, NICO, NITL and TNM) resulting into a downward movement of the Malawi All Share Index, arising from a decrease in the Domestic Share Index (**-7.93%**). The Foreign Share Index was steady at 1762.13 points.

## MARKET CAPITALISATION AND INDEX - 1<sup>st</sup> Quarter 2016

Month Ending	Mkt. Cap. MKm.	Mkt. Cap US\$m	Mkt. Cap. MKm*	Mkt. Cap US\$m*	MASI
January	7,522,117.08	11,251.5571	622,115.40	930.5581	14562.53
February	7,509,345.98	10,124.5809	609,344.30	821.5570	14263.58
March	7,473,305.73	10,951.2624	573,304.05	840.1106	13419.95
<b>1st Qtr. 16</b>	<b>7,473,305.73</b>	<b>10,951.2624</b>	<b>573,304.05</b>	<b>840.1106</b>	<b>13419.95</b>
<b>1st Qtr. 15</b>	<b>7,528,915.58</b>	<b>17,098.0568</b>	<b>656,374.50</b>	<b>1,490.6169</b>	<b>15364.50</b>

\* Excludes non-Malawi register Old Mutual plc shares

### FIG 1: MSE INDICES – FIRST QUARTER 2016



## 2.3 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 the quarter under review was recorded at 0.21%, lower than 0.41% registered in first quarter 2015. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.04% in the review period while during the corresponding period of 2015 liquidity was at 0.09%.

**Table 3: Market Liquidity – 1<sup>st</sup> Quarter 2016**

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
January	235.04	19.439	0.00312	0.0161	0.015870
February	234.64	19.040	0.00333	0.0175	0.010396
March	233.51	17.914	0.00280	0.0156	0.028770
<b>1<sup>st</sup> Qtr. 16</b>	<b>233.51</b>	<b>17.914</b>	<b>0.03698</b>	<b>0.2064</b>	<b>0.220144</b>
<b>1<sup>st</sup> Qtr. 15</b>	<b>243.01</b>	<b>21.186</b>	<b>0.08721</b>	<b>0.4116</b>	<b>0.918456</b>

\* Excludes non-Malawi register Old Mutual plc shares

## 2.4 Company Trading Performance

### Top Gainers

MSE CODE	COUNTER NAME	% GAIN
SUNBIRD	Sunbird Tourism Limited	30.43 ▲
BHL	Blantyre Hotels Limited	2.08 ▲

2 Counters registered capital gains in the review period

### Top 4 Decliners

MSE CODE	COUNTER NAME	% LOSS
FMB	FMB Bank	31.43 ▼
NBS	NBS Bank	21.74 ▼
TNM	Telekom Networks Malawi	16.67 ▼
NICO	NICO Holdings Limited	14.29 ▼

7 Counters registered capital losses in the review period

### Top 4 Traded Stocks by Volume

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
MPICO	MPICO Limited	3,775,647	38.95
TNM	Telekom Networks Malawi	2,958,887	30.53
BRITAM	Britam Insurance Company Limited	1,017,815	10.50
SUNBIRD	Sunbird Tourism Limited	578,677	5.97

### Top 4 Traded Stocks by Value

MSE CODE	COUNTER NAME	MK	% OF TOTAL
STANDARD	Standard Bank Malawi	91,276,680.00	30.85
NBM	National Bank of Malawi	87,898,278.00	29.71
PCL	Press Corporation Limited	33,685,740.00	11.38
MPICO	MPICO Limited	30,188,516.00	10.20

## Company Trading Statistics

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	960	980	2.08	168,296	1.74	1,649,300.80
BRITAM	200	200	0.00	1,017,815	10.50	2,035,630.00
FMB	1400	960	-31.43	343,130	3.54	3,835,470.00
ILLOVO	23000	20000	-13.04	1,824	0.02	372,800.00
MPICO	820	780	-4.88	3,775,647	38.95	30,188,516.00
NBM	25800	25800	0.00	340,691	3.51	87,898,278.00
NBS	2300	1800	-21.74	104,640	1.08	2,045,585.50
NICO	2800	2400	-14.29	20,550	0.21	535,400.00
NITL	5500	5000	-9.09	108,565	1.12	5,433,575.00
PCL	53500	53500	0.00	62,964	0.65	33,685,740.00
STANDARD	44000	44000	0.00	207,447	2.14	91,276,680.00
SUNBIRD	2300	3000	30.43	578,677	5.97	15,321,337.95
TNM	600	500	-16.67	2,958,887	30.53	16,176,369.58
OML PLC	140200	140200	0.00	3,871	0.04	5,427,142.00
				<b>9,693,004</b>	<b>100.00</b>	<b>295,881,824.83</b>

### 3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha appreciated against the British Pound but depreciated against other major trading currencies. It is premised to appreciate with an inflow of tobacco proceeds once the tobacco auction opens having stabilized in the first week of April.

#### EXCHANGE RATES – 4<sup>th</sup> January – 31<sup>st</sup> March 2016

CURRENCY	JAN' 2016	MAR' 2016	% CHANGE
MK/US Dollar	668.5401	682.4150	2.03 ▼
MK/GBP	985.8961	978.7879	0.73 ▲
MK/ZAR	43.7456	45.7205	4.32 ▼
MK/EUR	725.9008	772.0724	5.98 ▼

Source: National Bank of Malawi

- 3.2 The year on year headline inflation eased by 0.1 percentage points to 23.4% in February 2016 from 23.5% in January 2016 on account of a drop in non-food inflation from 18.5% to 17.9% between January 2016 and February 2016.

The urban and rural inflation rates for the month of February 2016 were 17.6% and 27.1% respectively.

KEY MACROECONOMIC INDICATORS					
	Mar. 2015	Dec. 2015	Jan. 2016	Feb. 2016	Mar. 2016
Inflation Rate	18.2	24.6	23.5	23.4	23.4(Feb)
Policy Rate	25.0	27.0	27.0	27.0	27.0
Prime Rate	37.0	34.0	34.0	34.0	34.0
<b>TB YIELD</b>					
91 Days T-Bill	24.30		24.91		27.69
182 Days T-Bill	24.52				28.04
364 Days T-Bill	24.82				28.46
Import Cover(Months)	3.42	3.19	3.11	2.66	3.02

Source: National Statistical Office and Reserve Bank of Malawi

Import cover went down by 2.89% from 3.11 months in January 2016 to 3.02 months in March 2016.