

SECOND QUARTER MARKET REPORT APRIL – JUNE 2016



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MALAWI STOCK EXCHANGE

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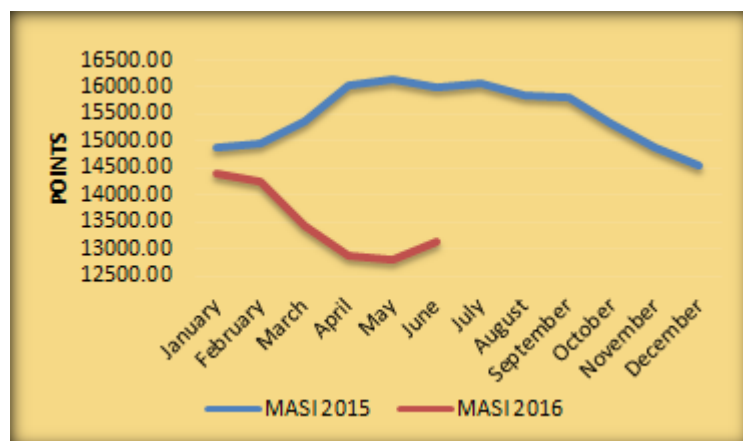
1. TRADING SUMMARY

The market was bearish in Q2 2016 as it registered a negative return on investment of **2.19%** (**-6.31%** in US\$ terms) and a decrease in both total traded value and volume. BRITAM officially delisted on 18th April, 2016.

There were no trades on the government bonds.

Index Levels and Return – 2nd Qtr. 2016

INDEX	1 APRIL, 2016	30 JUNE, 2016	% Δ 2nd QTR. 2016	% Δ 2nd QTR. 2015	% Δ YTD. 2016
MASI	13419.95	13126.13	2.19 ▼	4.23 ▲	9.86 ▼
DSI	10554.04	10320.33	2.26 ▼	4.10 ▲	9.97 ▼
FSI	1762.13	1762.13	0.00 ■	0.00 ■	0.00 ■



Trading Statistics – 2nd Qtr. 2016

	2 nd Qtr. 2016	2 nd Qtr. 2015	% Δ
Traded Value (MK)	991,629,152.41	32,406,836,068.76	96.94 ▼
Traded Value (US\$)	1,429,143.59	73,603,942.73	98.06 ▼
Traded Vol. Shares	91,040,874	1,702,220,992	94.65 ▼
No. of Transactions	241	357	32.49 ▼
Index Close (MASI)	13126.13	16011.65	18.02 ▼
Listed companies	13	14	
Traded Companies	13	14	
Not Traded Companies	00	00	
Gainers	05	09	
Decliners	05	00	
Unchanged	03	05	

2. MARKET PERFORMANCE



A. Trade Performance Analysis

The market transacted a total of 91,040,874 shares a total consideration of MK991,629,152.41 (US\$1,429,143.59) in 241 trades. In the corresponding period 2015, the market transacted a total of 1,702,220,992 shares at a total consideration of MK32,406,836,068.76 (US\$73,603,942.73) in 357 trades. This reflects a **-94.65%** decrease in terms of share volume and a **-96.94%** (**-98.06%** in US Dollar terms) decrease in share value.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 1,468,401 shares compared to 27,455,177 shares traded in the corresponding second quarter of 2015.

The average daily turnover for the second quarter 2016 was MK15,994,018.59 (US\$23,050.70) compared with MK522,690,904.33 (US\$1,187,160.37) for the corresponding second quarter 2015, reflecting a decrease of **96.94%** (**-98.06%** in US Dollar terms).

The month of April registered the highest in terms of both value MK528,512,298.00 (US\$774,054.23) and volume of 54,962,804.

B. Market Capitalization and Index

The market registered a negative return on index as reflected in the downward movement of the Malawi All Share Index (MASI) from 13419.95 points registered on 1 April 2016 to 13126.13 points registered on 30th June 2016, giving a return on index of **-2.19%**, (**-6.31%** in US\$ terms) compared to **4.23%**, (**3.98%** in US\$ terms) registered in Q2 of 2015. The price gains registered BHL, FMB, STANDARD, SUNBIRD, and TNM were not enough to offset share price loses registered by ILLOVO, MPICO, NBS, NICO and NITL resulting into a downward movement of the Malawi All Share Index, arising from a decrease in the Domestic Share Index (**-2.26%**). The Foreign Share Index was steady at 1762.13 points.

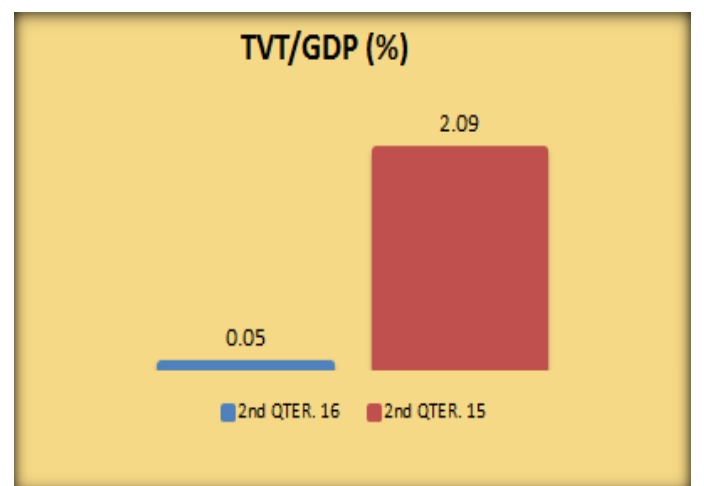
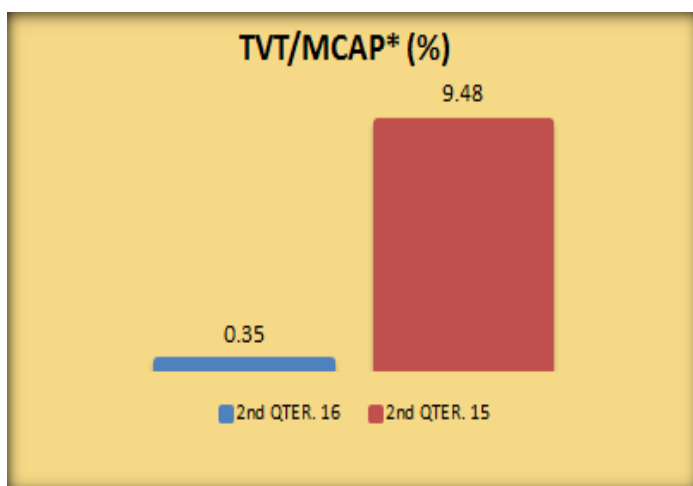
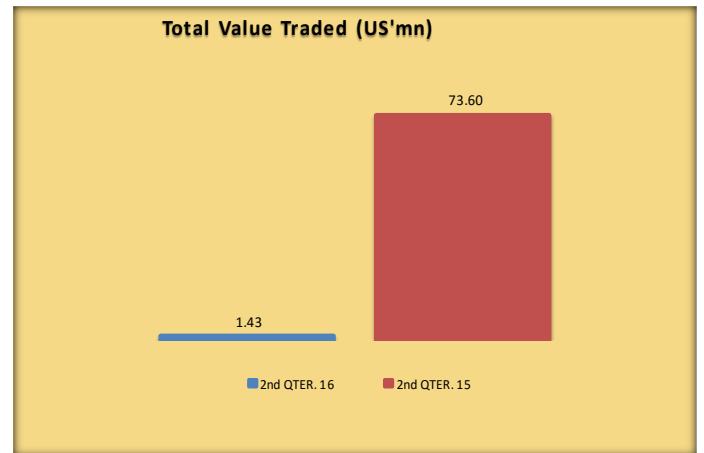
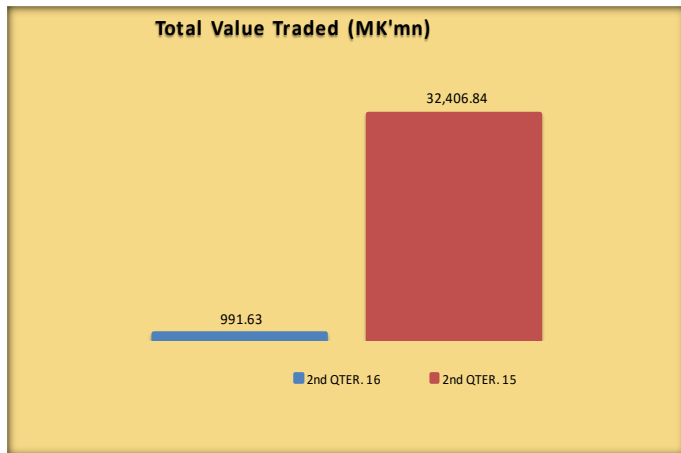
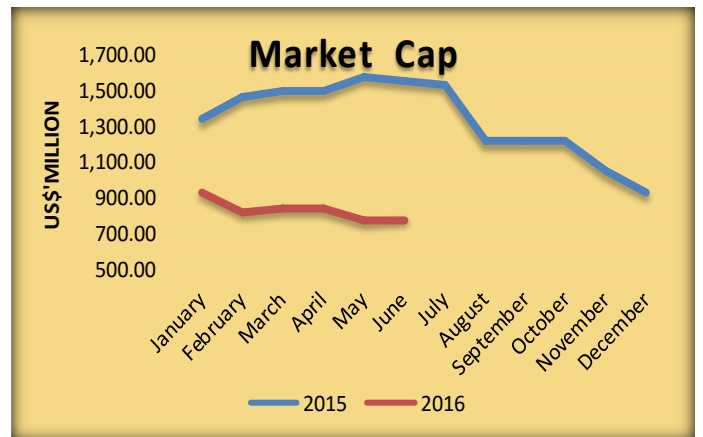
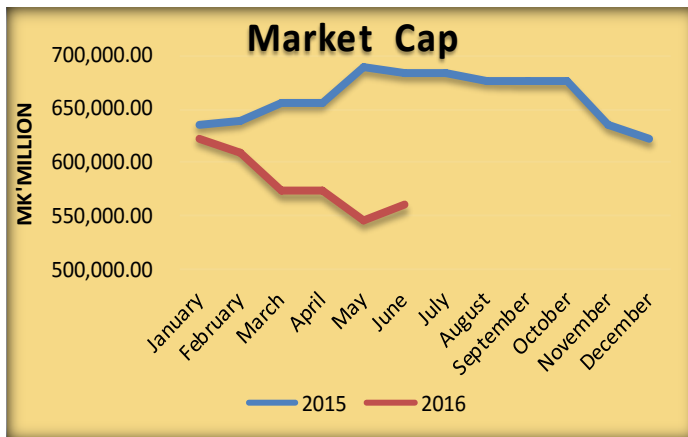
C. Market Liquidity

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 0.35%, lower than 9.48% registered in second quarter 2015. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.05% in the review period while during the corresponding period of 2015 liquidity was at 2.09%.

2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



3. COMPANY TRADING PERFORMANCE

A. Top gainers: Five
Counters registered
gains

MSE CODE	COUNTER NAME	% GAIN
BHL	Blantyre Hotels Limited	31.63 ▲
TNM	Telekom Networks Malawi	18.00 ▲
FMB	FMB Bank	10.42 ▲
STANDARD	Standard Bank Malawi	9.09 ▲
SUNBIRD	Sunbird Tourism Malawi	6.67 ▲

B. Top Losers: Five
Counters registered
losses

MSE CODE	COUNTER NAME	% LOSS
NBS	NBS Bank	61.11 ▼
MPICO	MPICO Limited	23.08 ▼
ILLOVO	Illovo Sugar Malawi	15.00 ▼
NITL	National Investments Trust Limited	10.10 ▼
NICO	NICO Holdings Limited	8.33 ▼

C. Top Five Traded
Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
TNM	Telekom Networks Malawi	68,986,286	75.78
FMB	FMB Bank	18,064,182	19.84
NBS	NBS Bank	1,477,903	1.62
ILLOVO	Illovo Sugar Malawi	1,412,736	1.55
NBM	National Bank of Malawi	348,145	0.38

C. Top Five Traded
Stocks by value

MSE CODE	COUNTER NAME	VALUE	% of Total
TNM	Telekom Networks Malawi	346,161,604.22	34.91
ILLOVO	Illovo Sugar Malawi	250,598,940.00	25.27
FMB	FMB Bank	189,179,642.08	19.08
NBM	National Bank of Malawi	89,765,227.00	9.05
PCL	Press Corporation Limited	57,734,525.00	5.82

3. COMPANY TRADING PERFORMANCE

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	980	1290	31.63	10,000	0.01	120,750.00
FMB	960	1060	10.42	18,064,182	19.84	189,179,642.08
ILLOVO	20000	17000	-15.00	1,412,736	1.55	250,598,940.00
MPICO	780	600	-23.08	314,449	0.35	1,854,572.16
NBM	25800	25800	0.00	348,145	0.38	89,765,227.00
NBS	1800	700	-61.11	1,477,903	1.62	12,433,315.55
NICO	2400	2200	-8.33	108,500	0.12	2,393,750.00
NITL	5000	4495	-10.10	11,552	0.01	521,362.40
PCL	53500	53500	0.00	107,915	0.12	57,734,525.00
STANDARD	44000	48000	9.09	69,194	0.08	30,489,640.00
SUNBIRD	3000	3200	6.67	125,300	0.14	3,769,600.00
TNM	500	590	18.00	68,986,286	75.78	346,161,604.22
OML PLC	140200	140200	0.00	4,712	0.01	6,606,224.00
				91,040,874	100.00	991,629,152.41

4. BOND TRADING PERFORMANCE

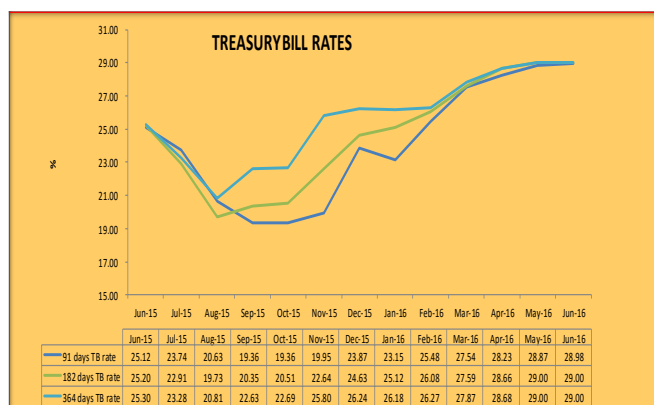
BOND	MATURITY DATE	COUPON DATE	COUPON RATE (%)	NOMINAL VALUE (MK' M N)
MW5YN	31 December, 2016	30 June & 31 Dec	10	822.04
MW3YNR	30 June, 2017	30 June & 31 Dec	15	106,870.00
Total Outstanding Treasury bonds				107,692.04

The first coupon payments for 2016 were paid on 30th June, 2016.

5. ECONOMIC REVIEW

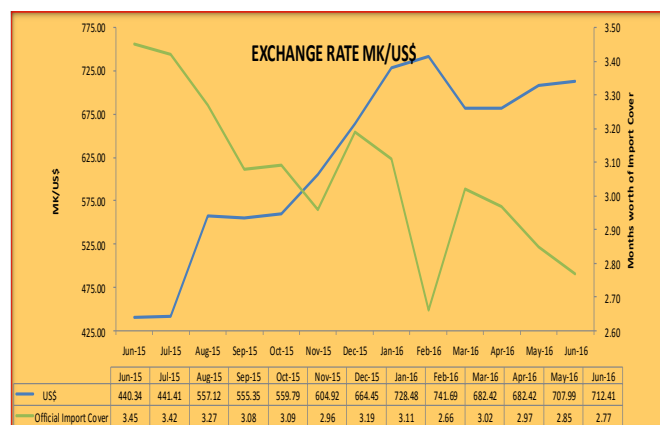
Interest Rates

During the quarter under review, the yields on treasury bills increased in all tenors as follows; 91 Tbill from 27.54% to 28.98%, 182 Tbill from 27.59% to 29.00% and the 364 Tbill from 27.87% to 29.00%.



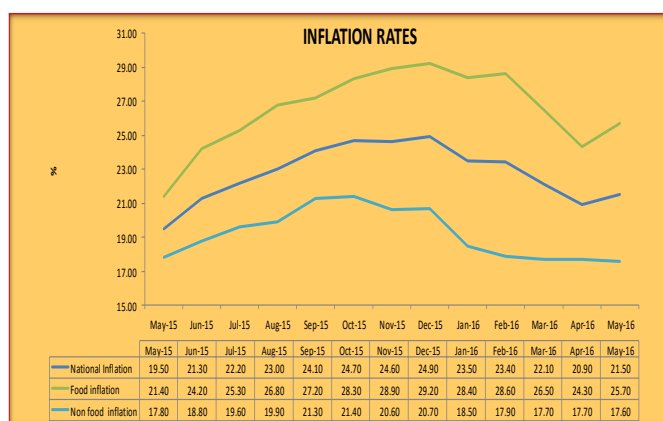
Exchange Rates

The Kwacha depreciated against the United States Dollar by 4.21% in the period under review.



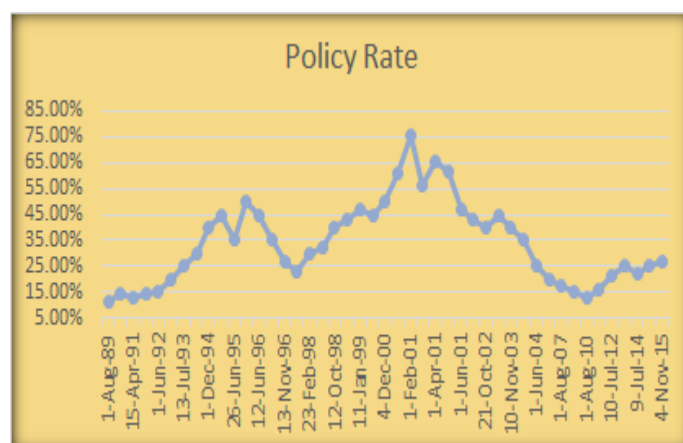
Inflation Rates

Headline inflation inched upwards by 0.6 percentage points from 20.9% in April, 2016 to 21.5% in May, 2016.



Monetary Policy Rate

The monetary policy rate remained at 27%.



Tobacco market

Tobacco type	Volume (Kgs)		Proceeds (USD)		Average Price (USD/Kg)	
	2016	2015	2016	2015	2016	2015
Burley	66,290,465	98,378,558	91,478,679.69	163,350,229.58	1.37	1.66
Flue cured	9,721,083	6,933,963	24,574,434.73	18,384,614.91	2.52	2.65
Dark fired	1,670,764	827,619	3,380,467.28	1,800,483.91	2.02	2.16
Total	78,182,312	106,140,141	119,373,581.70	183,535,328.40	1.53	1.73

Source: AHL Group

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