

SECOND QUARTER MARKET REPORT APRIL – JUNE 2017



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MALAWI STOCK EXCHANGE

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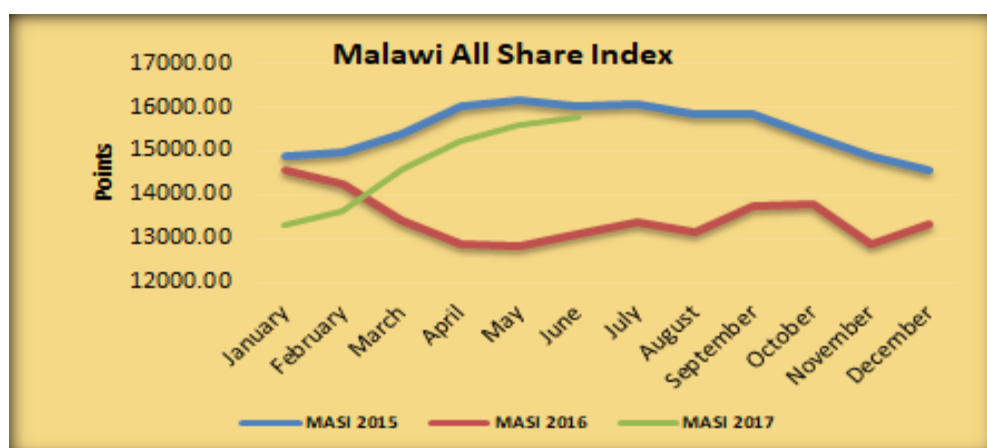
1. TRADING SUMMARY

The market was bullish in Q2 2017 as it registered a positive return on investment of 8.20%(8.20% in US\$ terms) and an increase in both total traded value and volume.

There were no trades on the government bond.

Index Levels and Return – 2nd Qtr. 2017

INDEX	APRIL, 2017	JUNE, 2017	% Δ 2nd QTR. 2017	% Δ 2nd QTR. 2016	% Δ YTD. 2017
MASI	14577.62	15772.51	8.20 ▲	2.19 ▼	18.41 ▲
DSI	11437.62	12386.77	8.30 ▲	2.26 ▼	18.46 ▲
FSI	2308.87	2325.21	0.71 ▲	0.00 ■	14.76 ▲



Trading Statistics – 2nd Qtr. 2017

	2 nd Qtr. 2017	2 nd Qtr. 2016	% Δ
Traded Value (MK)	3,196,657,294.76	991,629,152.41	222.36 ▲
Traded Value (US\$)	4,405,203.82	1,429,143.59	208.24 ▲
Traded Vol. Shares	106,582,351	91,040,874	17.07 ▲
No. of Transactions	245	241	1.66 ▲
Index Close (MASI)	15772.51	13126.13	20.16 ▲
Listed companies	13	13	
Traded Companies	12	13	
Not Traded	01	00	
Gainers	10	05	
Decliners	01	05	
Unchanged	01	03	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 106,582,351 shares at a total consideration of MK3,196,657,294.76 (US\$4,405,203.82) in 245 trades. In the corresponding period 2016, the market transacted a total of 91,040,874 shares at a total consideration of MK991,629,152.41 (US\$1,429,143.59) in 241 trades. This reflects a **17.07%** increase in terms of share volume and a **222.36%** (**208.24%** in US Dollar terms) increase in share value.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 1,719,070 shares compared to 1,468,401 shares traded in the corresponding second quarter of 2016.

The average daily turnover for the second quarter 2017 was MK51,558,988.63 (US\$71,051.67) compared with MK15,994,018.59 (US\$23,050.70) for the corresponding second quarter 2016, reflecting an increase of **222.36%** (**208.24%** in US Dollar terms).

The month of May registered the highest in terms of both value MK1,343,060,713.98 (US\$1,850,825.92) and volume of 71,859,658.

B. Market Capitalization and Index

The market registered a positive return on index as reflected in the upward movement of the Malawi All Share Index (MASI) from 14577.62 points registered on 1 April 2017 to 15772.51 points registered on 30th June 2017, giving a return on index of **8.20%**, (**8.20%** in US\$ terms) compared to **-2.19%**, (**-6.31%** in US\$ terms) registered in Q2 of 2016. The price gains registered by FMB, ILLOVO, NBM, NICO, NITL, PCL, STANDARD, SUNBIRD, TNM and OML were enough to offset a share price loss registered by MPICO resulting into an upward movement of the Malawi All Share Index, arising from an increase in both the Domestic Share Index (**8.30%**) and the Foreign Share Index (**0.71%**).

Market capitalization increased in both Kwacha and United States Dollar terms from K632,134.64 million (US\$871.1231 mln) in April 2017 to K683,948.97 million (US\$942.5266 mln) in June 2017.

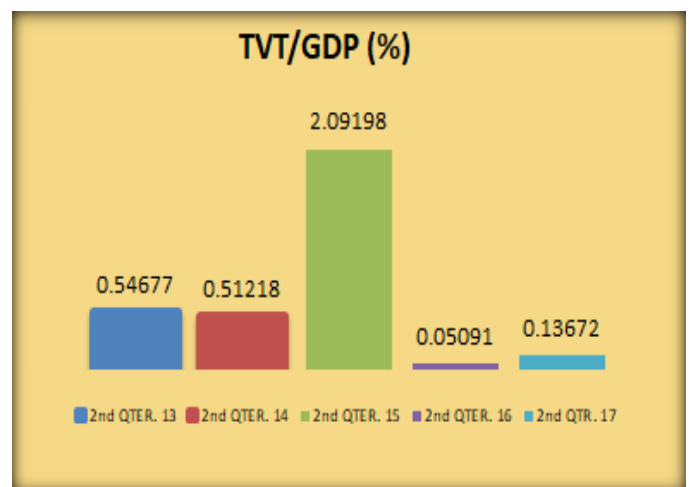
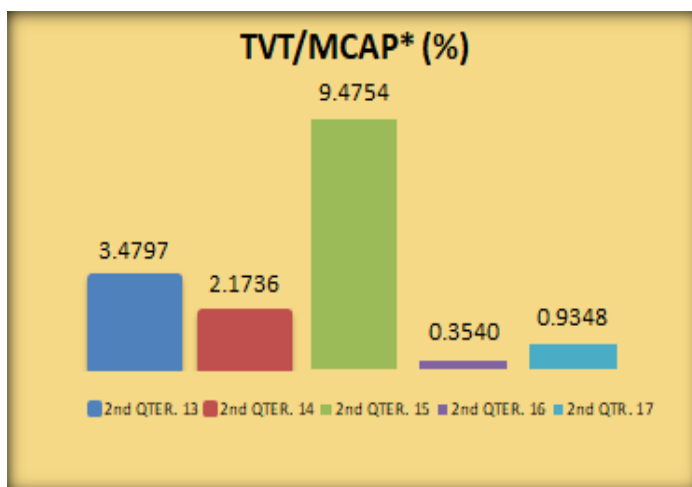
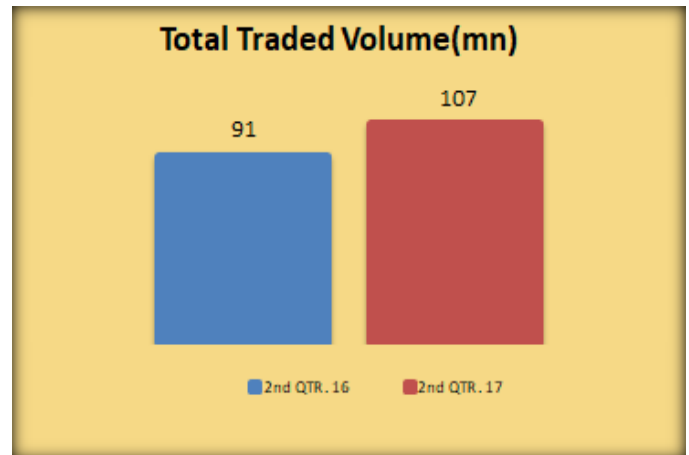
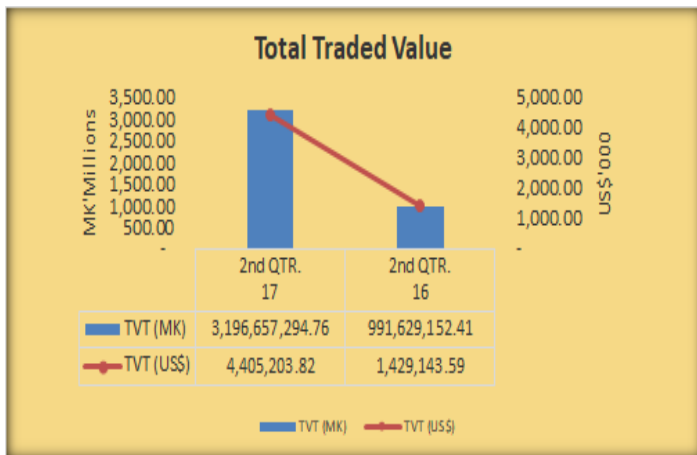
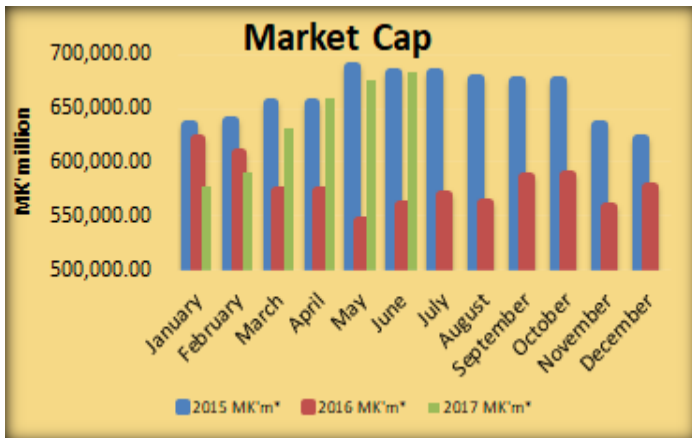
C. Market Liquidity

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 0.93%, higher than 0.35% registered in second quarter 2016. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.14% in the review period while during the corresponding period of 2016 liquidity was at 0.05%.

2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



3. COMPANY TRADING PERFORMANCE

A. Top gainers: Ten
Counters registered
gains

MSE CODE	COUNTER NAME	% GAIN
TNM	Telekom Networks Malawi plc	33.29 ▲
NITL	National Investments Trust plc	21.67 ▲
NICO	NICO Holdings plc	20.80 ▲
FMB	FMB Bank	15.69 ▲
SUNBIRD	Sunbird Tourism Malawi plc	9.40 ▲

B. Top Losers: One
Counter registered
a loss

MSE CODE	COUNTER NAME	% LOSS
MPICO	MPICO plc	6.98 ▼

C. Top Five Traded
Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
TNM	Telekom Networks Malawi plc	50,032,051	46.94
FMB	FMB Bank	23,860,218	22.39
NICO	NICO Holdings plc	14,999,158	14.07
SUNBIRD	Sunbird Tourism Malawi plc	4,788,000	4.49
MPICO	MPICO plc	3,866,390	3.63

C. Top Five Traded
Stocks by value

MSE CODE	COUNTER NAME	VALUE	% of Total
NBM	National Bank of Malawi plc	957,684,077.10	29.96
TNM	Telekom Networks Malawi plc	460,582,657.24	14.41
ILLOVO	Illovo Sugar Malawi	413,122,612.84	12.92
FMB	FMB Bank	382,202,916.50	11.96
SUNBIRD	Sunbird Tourism Malawi plc	305,243,919.00	9.55

3. COMPANY TRADING PERFORMANCE

COUNTER	HIGH (MK)	LOW (MK)	Earnings Yield (%)	P/E	P/BV	MKT CAP (MK'MIn)	MKT CAP (US\$'MIn)
BHL	20.25	20.25	16.83	5.94	0.55	2,616.15	3.61
FMB	18.51	16.00	17.72	5.64	1.36	43,243.99	59.59
ILLOVO	216.15	215.01	4.59	21.78	4.21	154,211.01	212.51
MPICO	8.60	8.00	10.82	9.24	0.66	18,384.38	25.33
NBM	262.00	240.00	13.57	7.37	1.80	122,336.12	168.59
NBS	6.00	6.00	N/A	N/A	0.64	4,365.86	6.02
NICO	13.00	10.00	21.73	4.61	0.39	12,599.94	17.36
NITL	36.50	30.00	N/A	N/A	0.75	4,927.50	6.79
PCL	570.00	540.00	25.11	3.98	0.66	68,545.82	94.46
STANDARD	570.01	550.00	14.52	6.89	2.13	133,763.20	184.33
SUNBIRD	64.00	58.50	7.98	12.53	1.27	16,741.29	23.07
TNM	9.35	7.00	8.76	11.42	4.49	93,677.40	129.09
OML	1,850.00	1,837.00	8.25	12.12	0.92	8,536.34	11.76

3. COMPANY TRADING PERFORMANCE

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	2025	2025	0.00	0	0.00	0.00
FMB	1600	1851	15.69	23,860,218	22.39	382,202,916.50
ILLOVO	21501	21615	0.53	1,914,314	1.80	413,122,612.84
MPICO	860	800	-6.98	3,866,390	3.63	32,732,068.00
NBM	24000	26200	9.17	3,681,111	3.45	957,684,077.10
NBS	600	600	0.00	2,045,445	1.92	12,271,670.00
NICO	1000	1208	20.80	14,999,158	14.07	158,233,765.69
NITL	3000	3650	21.67	608,959	0.57	20,631,295.00
PCL	54000	57000	5.56	364,612	0.34	207,729,540.00
STANDARD	55000	57001	3.64	417,123	0.39	237,033,759.39
SUNBIRD	5850	6400	9.40	4,788,000	4.49	305,243,919.00
TNM	700	933	33.29	50,032,051	46.94	460,582,657.24
OML PLC	183700	185000	0.71	4,970	0.00	9,189,014.00
				106,582,351	100.00	

4. BOND TRADING PERFORMANCE

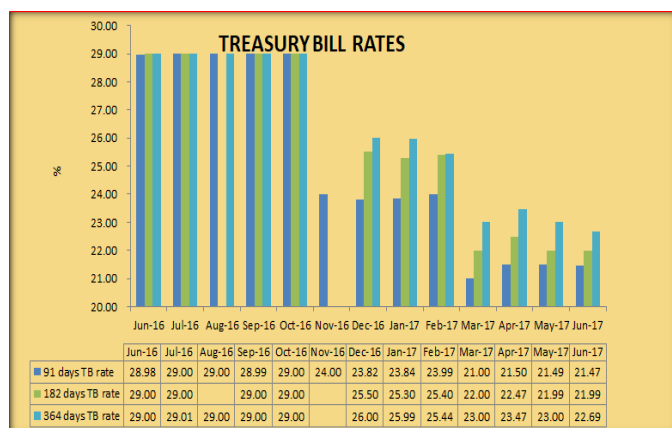
BOND	MATURITY DATE	COUPON DATE	COUPON RATE (%)	NOMINAL VALUE (MK' MN)
MW3YNR	30 June, 2017	30 June & 31 Dec	15	106,870.00
Total Outstanding Treasury bonds				106,870.00

The remaining listed Government bond matured on 30th June, 2017.

5. ECONOMIC REVIEW

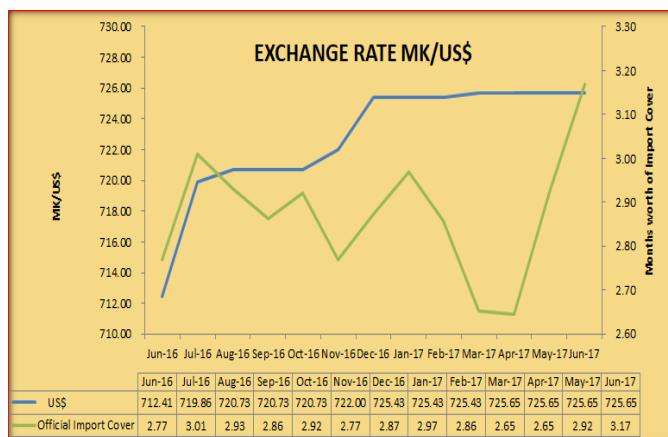
Interest Rates

During the quarter under review, the yields on treasury bills decreased in all tenors as follows; 91 Tbill from 21.50% to 21.47%, 182 Tbill from 22.47% to 21.99% and the 364 Tbill from 23.47% to 22.69%.



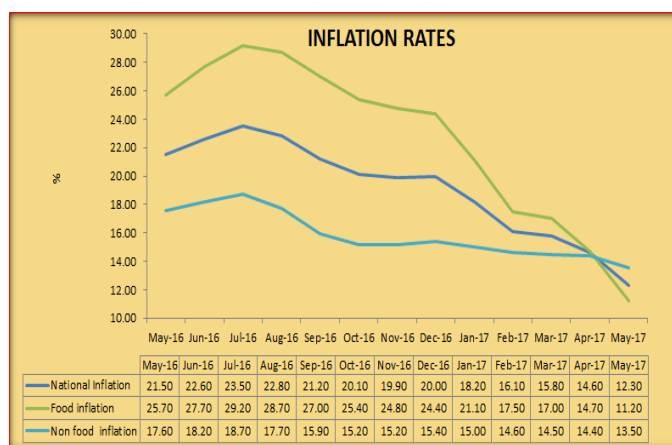
Exchange Rates

The Kwacha was stable against the United States Dollar in the period under review.



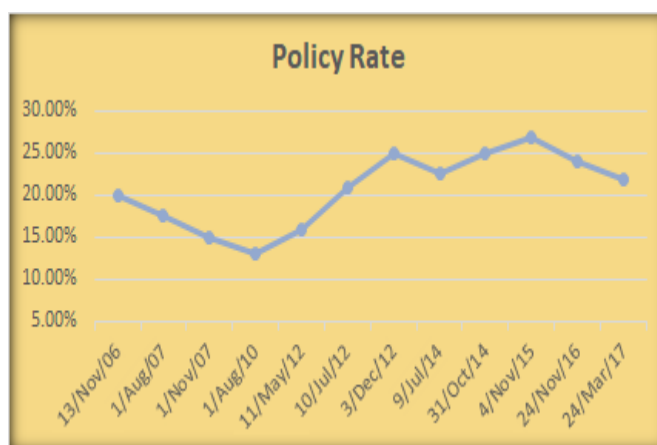
Inflation Rates

Headline inflation eased by 2.3 percentage points from 14.6% in April, 2017 to 12.3% in May, 2017.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 23 and 24 March, 2017 reduced the policy rate from 24% to 22%.



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