

THIRD QUARTER MARKET REPORT JULY – SEPTEMBER 2017

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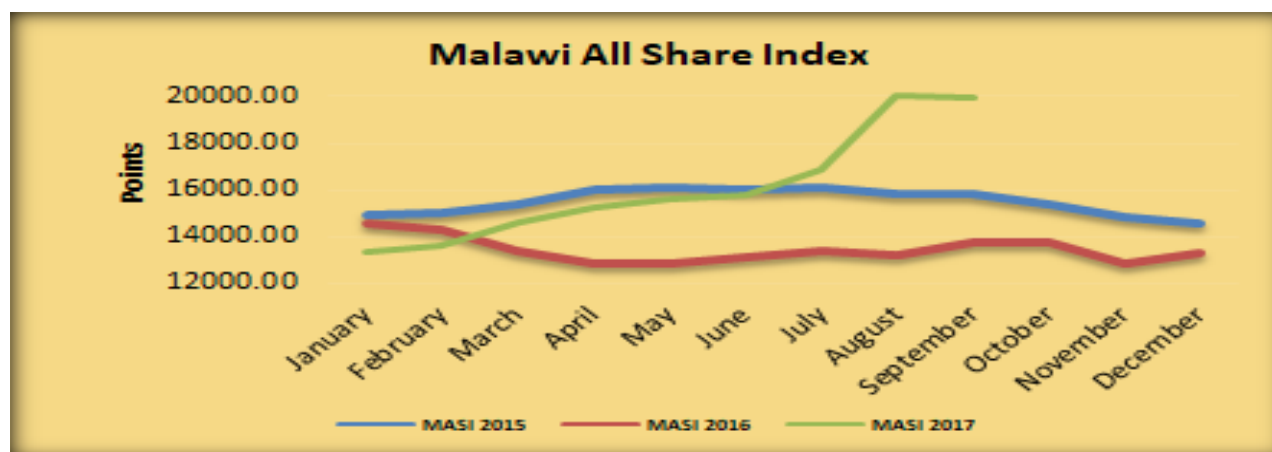
1. TRADING SUMMARY

The market was bullish in Q3 2017 as it registered a positive return on investment of 26.30%(26.30% in US\$ terms) compared to 4.71%(3.75% in US\$ terms) in Q3 2016 and an increase in both total traded value and volume compared to the corresponding period 2016.

FMB Capital Holdings officially listed on MSE on 18th September, 2017.

Index Levels and Return – 3rd Qtr. 2017

INDEX	1 JULY 2017	31 AUG. 2017	30 SEPT. 2017	% Δ 3rd QTR. 2017	% Δ 3rd QTR. 2016	% Δ YTD. 2017
MASI	15772.51	20049.44	19920.42	26.30 ▲	4.71 ▲	49.55 ▲
DSI	12386.77	15780.73	15687.31	26.65 ▲	4.59 ▲	50.02 ▲
FSI	2325.21	2425.75	2425.75	4.32 ▲	14.98 ▲	19.73 ▲



Trading Statistics – 3rd Qtr. 2017

	3rd Qtr. 2017	3rd Qtr. 2016	% Δ
Traded Value (MK)	4,672,746,997.72	1,585,903,378.75	194.64▲
Traded Value (US\$)	6,439,082.44	2,201,416.81	192.50▲
Traded Vol. Shares	357,818,552	81,353,609	339.83▲
No. of Transactions	383	243	57.61 ▲
Index Close (MASI)	19920.42	13744.12	44.94 ▲
Listed companies	14	13	
Traded Companies	14	12	
Not Traded Companies	00	01	
Gainers	12	06	
Decliners	00	02	
Unchanged	02	04	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 357,818,552 shares at a total consideration of MK4,672,746,997.72 (US\$6,439,082.44) in 383 trades. In the corresponding period 2016, the market transacted a total of 81,353,609 shares at a total consideration of MK1,585,903,378.75 (US\$2,201,416.81) in 243 trades. This reflects a **339.83%** increase in terms of share volume and a **194.64%** (**192.50%** in US Dollar terms) increase in share value.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 5,771,267 shares compared to 1,312,155 shares traded in the corresponding third quarter of 2016.

The average daily turnover for the third quarter 2017 was MK75,366,887.06 (US\$103,856.17) compared with MK25,579,086.75 (US\$35,506.72) for the corresponding third quarter 2016, reflecting an increase of **194.64%** (**192.50%** in US Dollar terms).

The month of July registered the highest trades in terms of both value MK1,759,096,772.00 (US\$2,424,150.95) and volume of 230,820,088.

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 15772.51 points registered on 1 July 2017 to 19920.42 points registered on 30th September 2017, giving a return on index of **26.30%**, (**26.30%** in US\$ terms) compared to **4.71%**, (**3.75%** in US\$ terms) registered in Q3 of 2016. The price gains registered on BHL, FMB, ILLOVO, MPICO, NBM, NBS, NICO, NITL, STANDARD, SUNBIRD, TNM and OML were the drivers resulting in an upward movement of the Malawi All Share Index, arising from an increase in both the Domestic Share Index (**26.65%**) and the Foreign Share Index (**4.32%**).

Market capitalization increased both in Kwacha and United States Dollar terms from MK683,948.97 million (US\$942.5266 mln) on 1st July 2017 to MK983,028.70 million (US\$1,354.6781 mln) on 30th September 2017.

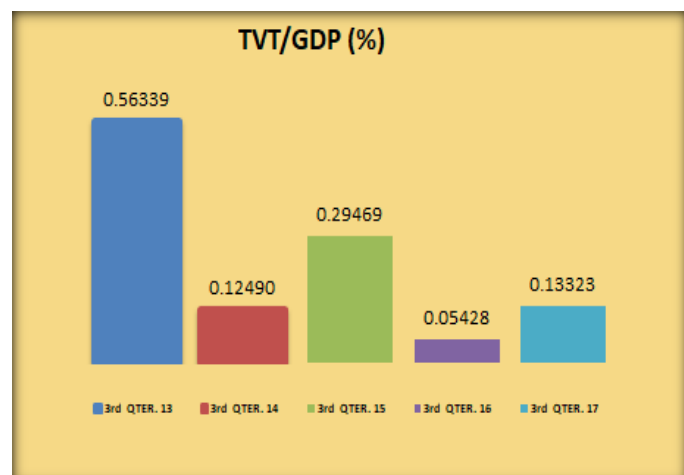
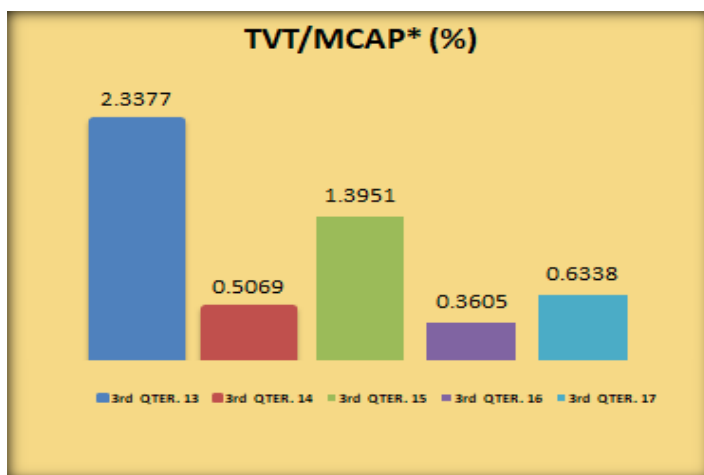
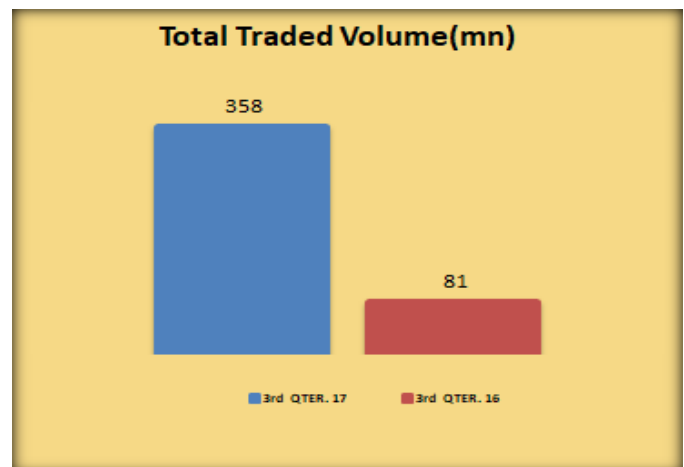
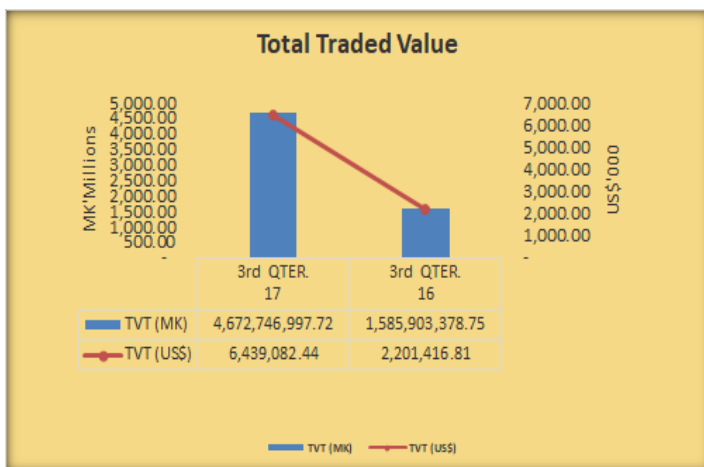
C. Market Liquidity

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 0.63%, higher than 0.36% registered in third quarter 2016. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.13% 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 Five gainers:
Twelve Counters
registered Capital
gains

MSE CODE	COUNTER NAME	% GAIN
NICO	NICO Holdings plc	181.46 ▲
FMB	FMB Bank plc	143.17 ▲
MPICO	MPICO plc	95.13 ▲
NITL	National Investment Trust plc	64.60 ▲
TNM	Telekom Networks Malawi plc	50.05 ▲

B. Top Five Traded
Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
NBS	NBS Bank plc	279,468,937	78.10
NICO	NICO Holdings plc	42,303,261	11.82
TNM	Telekom Networks Malawi plc	12,484,104	3.49
MPICO	MPICO plc	6,268,324	1.75
FMB	FMB Bank plc	5,413,606	1.51

C. Top Five Traded
Stocks by value

MSE CODE	COUNTER NAME	VALUE	% of Total
NBS	NBS Bank plc	1,722,547,513.96	36.86
NICO	NICO Holdings plc	1,097,585,762.32	23.49
NBM	National Bank of Malawi plc	390,588,960.50	8.36
ILLOVO	Illovo Sugar Malawi plc	271,622,116.55	5.81
FMB	FMB Bank plc	208,718,679.13	4.47

3. COMPANY TRADING PERFORMANCE

COUNTER	HIGH (MK)	LOW (MK)	Earnings Yield (%)	P/E	P/BV	MKT CAP (MK'MIn)	MKT CAP (US\$'MIn)
BHL	25.00	20.25	13.63	7.33	0.68	3,229.81	4.45
FMB	50.70	18.60	7.29	13.73	3.31	105,154.61	144.91
FMBCH	45.01	45.01	7.46	13.40	3.23	102,643.54	141.45
ILLOVO	234.81	216.15	4.23	23.66	4.57	167,523.88	230.86
MPICO	15.61	8.00	5.54	18.04	1.28	35,872.52	49.43
NBM	270.00	262.00	13.17	7.59	1.86	126,071.57	173.73
NBS	7.50	6.00	N/A	N/A	3.21	21,829.30	30.08
NICO	34.00	12.08	7.71	12.97	1.10	35,463.40	48.87
NITL	60.08	36.50	N/A	N/A	1.24	8,110.80	11.18
PCL	570.00	570.00	25.11	3.98	0.66	68,545.82	94.46
STANDARD	650.00	570.01	13.80	7.25	2.24	140,800.90	194.03
SUNBIRD	70.00	64.00	7.30	13.70	1.39	18,310.78	25.23
TNM	15.00	9.33	5.84	17.13	6.74	140,566.30	193.71
OML	1,930.00	1,850.00	7.91	12.65	0.96	8,905.48	12.27

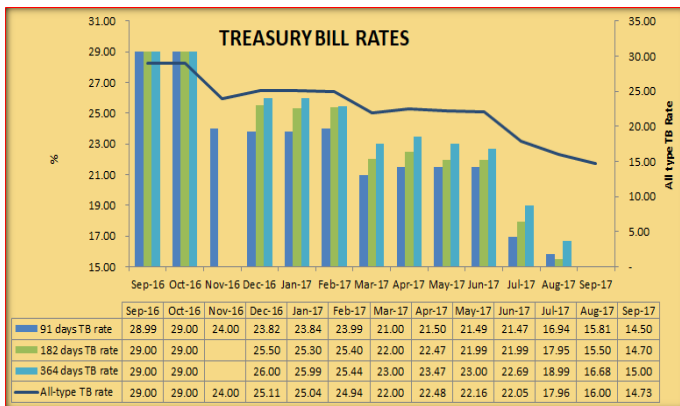
3. COMPANY TRADING PERFORMANCE

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	2025	2500	23.46	10,000	0.00	250,000.00
FMB	1851	4501	143.17	5,413,606	1.51	208,718,679.13
FMBCH	4501	4501	0.00	2,262,525	0.63	101,836,250.25
ILLOVO	21615	23481	8.63	1,218,853	0.34	271,622,116.55
MPICO	800	1561	95.13	6,268,324	1.75	81,128,930.06
NBM	26200	27000	3.05	1,460,144	0.41	390,588,960.50
NBS	600	750	25.00	279,468,937	78.10	1,722,547,513.96
NICO	1208	3400	181.46	42,303,261	11.82	1,097,585,762.32
NITL	3650	6008	64.60	3,454,484	0.97	179,824,499.44
PCL	57000	57000	0.00	3,014	0.00	1,717,980.00
STANDARD	57001	60000	5.26	230,308	0.06	140,443,614.05
SUNBIRD	6400	7000	9.38	3,179,141	0.89	203,603,025.00
TNM	933	1400	50.05	12,484,104	3.49	153,568,116.46
OML PLC	185000	193000	4.32	61,851	0.02	119,311,550.00
				357,818,552	100.00	

4. ECONOMIC REVIEW

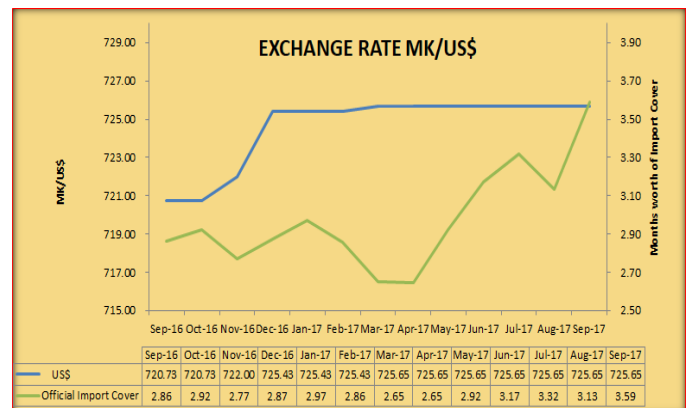
Interest Rates

During the quarter under review, the yields on treasury bills decreased in the 91 Tbill from 21.47% to 14.50%, the 182 Tbill from 21.99% to 14.70% and the 364 Tbill from 22.69% to 15.00%.



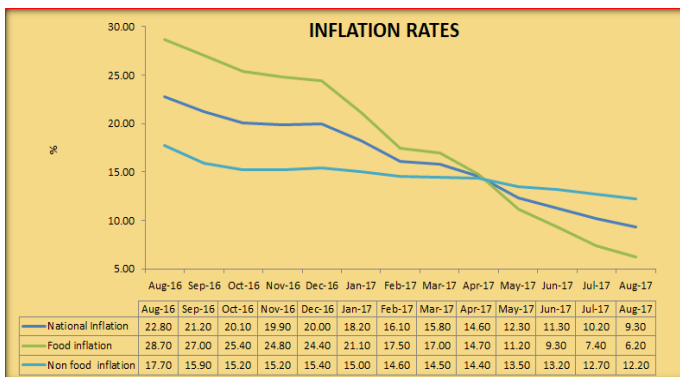
Exchange Rates

The Kwacha was stable against the United States Dollar in the period under review. Gross official reserves improved from 3.17 months of import cover on 30 June 2017 to 3.59 months import cover on 29 September 2017.



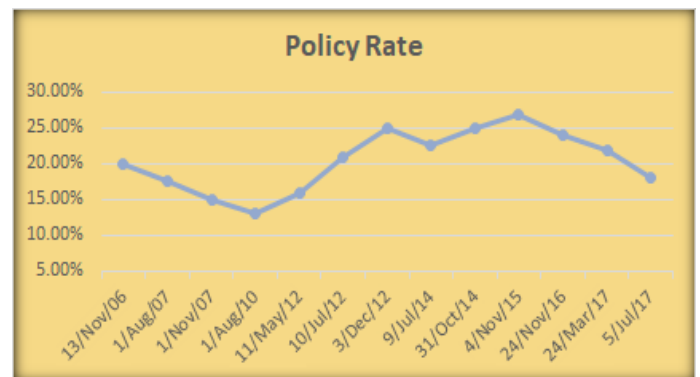
Inflation Rates

Headline inflation eased by 0.9 percentage points from 10.2% in July, 2017 to 9.3% in August, 2017.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 27 and 28 September, 2017 maintained the policy rate at 18%.



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