

FIRST QUARTER MARKET REPORT JANUARY – MARCH 2018

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MALAWI STOCK EXCHANGE

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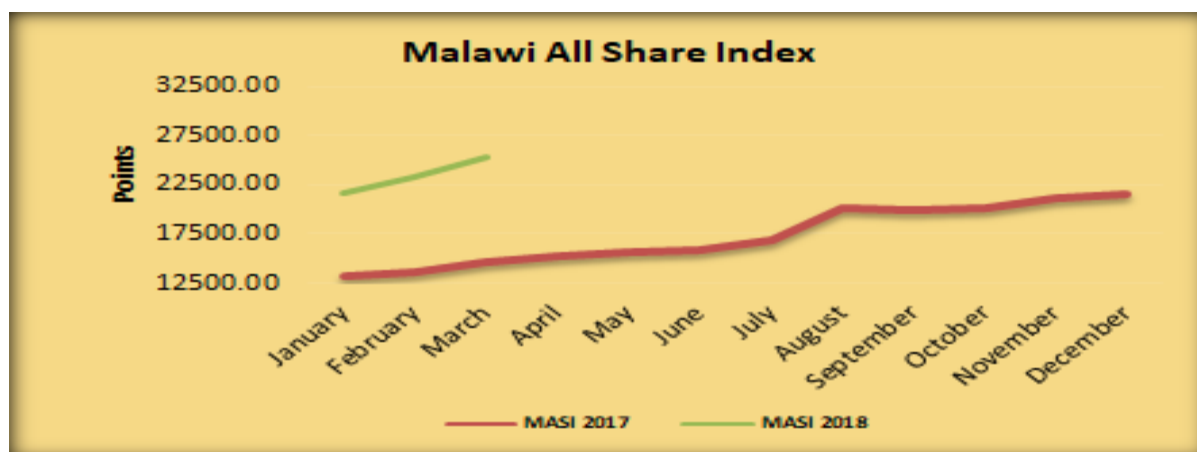
1. TRADING SUMMARY

The market was buoyant in Q1 2018 as it registered a positive return on index of 17.08% (17.08% in US\$ terms) and an increase in both total traded value and volume.

There were no trades on the Government Treasury Notes.

Index Levels and Return – 1st Qtr. 2018

INDEX	JAN., 2018	MAR., 2018	% Δ 1st QTR. 2018	% Δ 1st QTR. 2017	% Δ YTD. 2018
MASI	21598.07	25286.79	17.08 ▲	9.44 ▲	17.08 ▲
DSI	16272.64	18009.73	10.67 ▲	9.38 ▲	10.67 ▲
FSI	3519.43	5197.43	47.68 ▲	13.96 ▲	47.68 ▲



Trading Statistics – 1st Qtr. 2018

	1st Qtr. 2018	1st Qtr. 2017	% Δ
Traded Value (MK)	10,148,122,135.99	727,638,207.36	1294.67 ▲
Traded Value (US\$)	13,984,671.78	1,003,043.01	1294.22 ▲
Traded Vol. Shares	321,380,401	37,416,181	758.93 ▲
No. of Transactions	386	270	42.96 ▲
Index Close (MASI)	25286.79	14577.62	73.46 ▲
Listed companies	13	13	
Traded Companies	12	13	
Not Traded Companies	01	00	
Gainers	09	07	
Decliners	01	03	
Unchanged	02	03	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 321,380,401 shares at a total consideration of MK10,148,122,135.99 (US\$13,984,671.78) in 386 trades. In the corresponding period 2017, the market transacted a total of 37,416,181 shares at a total consideration of MK727,638,207.36 (US\$1,003,043.01) in 270 trades. This reflects a **758.93%** increase in terms of share volume and a **1294.67%** (**1294.22%** in US Dollar terms) increase in share value. Of the shares traded, 131,787,578 NBS shares were traded as a Special Bargain.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 5,183,555 shares compared to 603,487 shares traded in the corresponding first quarter of 2017.

The average daily turnover for the first quarter 2018 was MK163,679,389.29 (US\$225,559.22) compared with MK11,736,100.12 (US\$16,178.11) for the corresponding first quarter 2017, reflecting an increase of **1294.67%** (**1294.22%** in US Dollar terms).

The month of February registered the highest value traded of MK7,696,394,315.30 (US\$10,606,029.73) and volume traded of 245,801,275.

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 21598.07 points registered on 1 January 2018 to 25286.79 points registered on 31 March 2018, giving a return on index of **17.08%**, (**17.08%** in US\$ terms) compared to **9.44%**, (**9.38%** in US\$ terms) registered in Q1 of 2017. The price gains registered on FMBCH, MPICO, NBM, NBS, NICO, PCL, SUNBIRD, TNM and OML were enough to offset a share price loss registered by NITL resulting into an upward movement of the Malawi All Share Index, arising from an increase in both the Domestic Share Index by **10.67%** from 16272.64 points to 18009.73 points and the Foreign Share Index by **47.68%** from 3519.43 points to 5197.43 points.

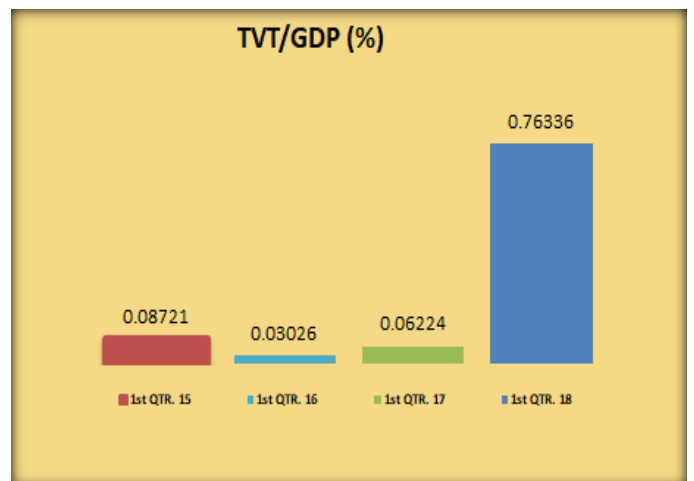
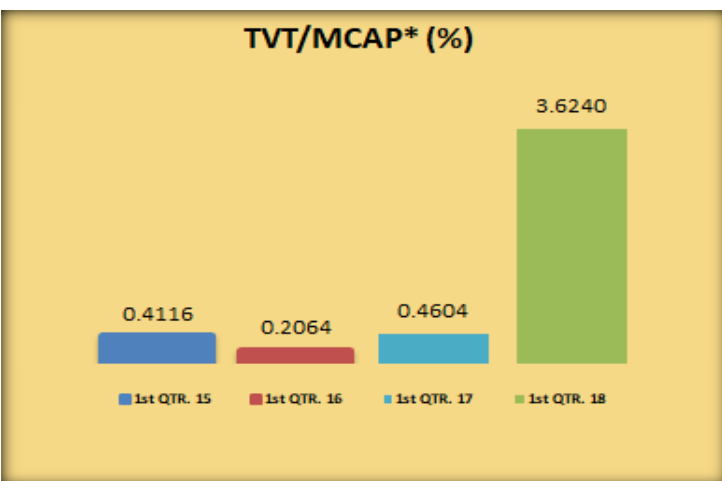
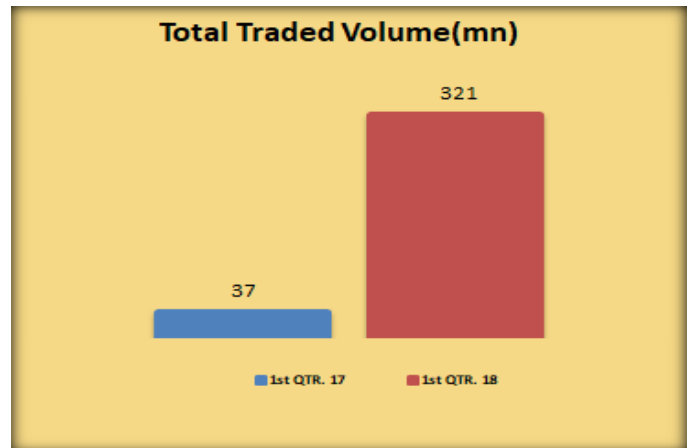
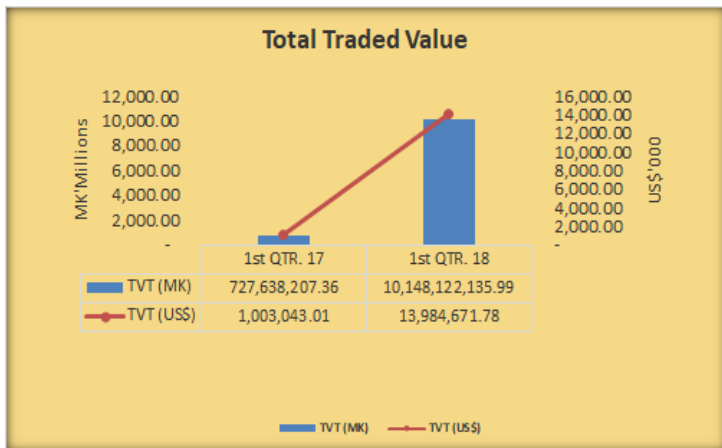
Market capitalization increased in both Kwacha and United States Dollar terms from K956,709.04 million (US\$1,318.41 million) in January 2018 to K1,120,104.50 million (US\$1,543.58 million) in March 2018.

C. Market Liquidity

The turnover velocity as 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 3.62%, higher than 0.46% registered in first quarter 2017. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.76% in the review period while during the corresponding period of 2017 liquidity was at 0.08%.



2. MARKET PERFORMANCE



3. COMPANY TRADING PERFORMANCE

A. Top 5 gainers: Nine counters registered capital gains

MSE CODE	COUNTER NAME	% GAIN
FMBCH	FMB Capital Holdings plc	49.25 ▲
NICO	NICO Holdings plc	41.18 ▲
TNM	Telekom Networks Malawi plc	37.93 ▲
OML	Old Mutual plc	20.41 ▲
MPICO	MPICO plc	17.23 ▲

B. Top Losers: One counter registered a capital loss

MSE CODE	COUNTER NAME	% LOSS
NITL	National Investments Trust plc	8.42 ▼

C. Top Five Traded Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
NBS	NBS Bank plc	148,615,007	46.24
FMBCH	FMB Capital Holdings plc	90,918,627	28.29
NICO	NICO Holdings plc	29,901,566	9.30
MPICO	MPICO plc	25,318,957	7.88
TNM	Telekom Networks Malawi plc	23,651,742	7.36

C. Top Five Traded Stocks by value

MSE CODE	COUNTER NAME	VALUE	% of Total
FMBCH	FMB Capital Holdings plc	6,457,155,130.88	63.63
NICO	NICO Holdings plc	1,039,429,398.34	10.24
NBS	NBS Bank plc	1,001,980,839.70	9.87
MPICO	MPICO plc	428,915,262.57	4.23
TNM	Telekom Networks Malawi plc	424,142,895.08	4.18

3. COMPANY TRADING PERFORMANCE

COUNTER	HIGH (MK)	LOW (MK)	Earnings Yield (%)	P/E	P/BV	MKT CAP (MK'MIn)	MKT CAP (US\$'MIn)
BHL	28.00	28.00	12.17	8.21	0.76	3,617.39	4.99
FMBCH	100.00	67.00	3.28	30.50	5.33	233,625.00	321.95
ILLOVO	240.00	240.00	4.13	24.18	4.68	171,226.65	235.96
MPICO	18.30	15.61	4.73	21.15	1.50	42,054.27	57.95
NBM	280.00	270.08	12.70	7.87	1.93	130,740.89	180.17
NBS	8.70	8.50	N/A	N/A	3.72	25,321.99	34.90
NICO	48.00	34.00	5.46	18.31	1.56	50,065.97	68.99
NITL	60.06	55.00	29.92	3.34	0.86	7,425.00	10.23
PCL	602.00	600.00	23.78	4.21	0.70	72,394.00	99.76
STANDARD	610.00	609.99	8.50	11.77	1.98	143,147.58	197.27
SUNBIRD	110.05	96.00	19.75	5.06	1.53	28,787.16	39.67
TNM	20.00	14.50	6.53	15.32	6.89	200,809.00	276.73
OML	2,360.00	1,960.00	6.47	15.47	1.17	10,889.60	15.01

3. COMPANY TRADING PERFORMANCE

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	2800	2800	0.00	0	0.00	0.00
FMBCH	6700	10000	49.25	90,918,627	28.29	6,457,155,130.88
ILLOVO	24000	24000	0.00	640,951	0.20	153,828,240.00
MPICO	1561	1830	17.23	25,318,957	7.88	428,915,262.57
NBM	27008	28000	3.67	1,388,480	0.43	377,348,458.92
NBS	850	870	2.35	148,615,007	46.24	1,001,980,839.70
NICO	3400	4800	41.18	29,901,566	9.30	1,039,429,398.34
NITL	6006	5500	-8.42	552,362	0.17	30,960,163.50
PCL	60000	60200	0.33	101,124	0.03	60,676,424.00
STANDARD	61000	61000	0.00	270,625	0.08	165,080,598.00
SUNBIRD	9600	11005	14.64	17,814	0.01	1,960,045.00
TNM	1450	2000	37.93	23,651,742	7.36	424,142,895.08
OML PLC	196000	236000	20.41	3,146	0.00	6,644,680.00
				321,380,401	100.00	10,148,122,135.99

4. BOND TRADING PERFORMANCE

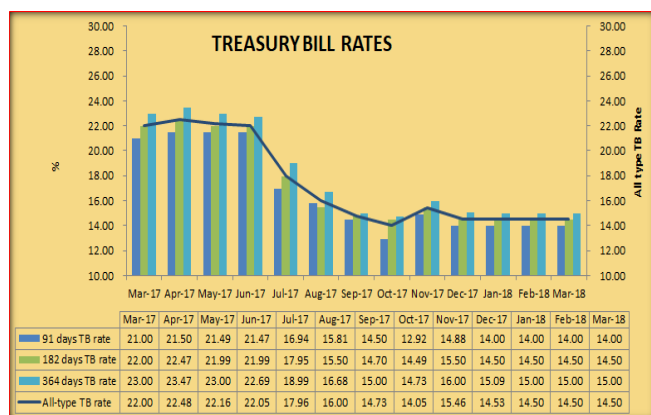
BOND	MATURITY DATE	COUPON DATE	COUPON RATE (%)	NOMINAL VALUE (MK' M N)
TN02YR31082019	31 August 2019	February & August	11	20,000.00
TN02YR250120	25 January 2020	June & December	10	5,000.00
TN03YR220221	22 February 2021	July & January	11	3,000.00
Total Outstanding Treasury notes				28,000.00

There were no trades on the three Treasury Notes in the period under review which were priced at an average yield of 18.88%, 17.79% and 18.53% respectively, by the current holders. There is however, a willing buyer for Treasury Note S/N TN02YR250120 at a price of MK86.8287 (18.49% Yield).

5. ECONOMIC REVIEW

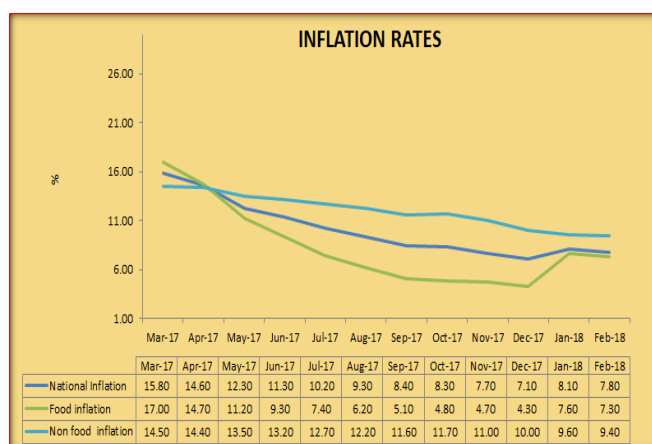
Interest Rates

During the quarter under review, the yields on treasury bills were steady in all tenors as follows; 91 Tbill at 14.00%, 182 Tbill at 14.50% and the 364 Tbill at 15.00%.



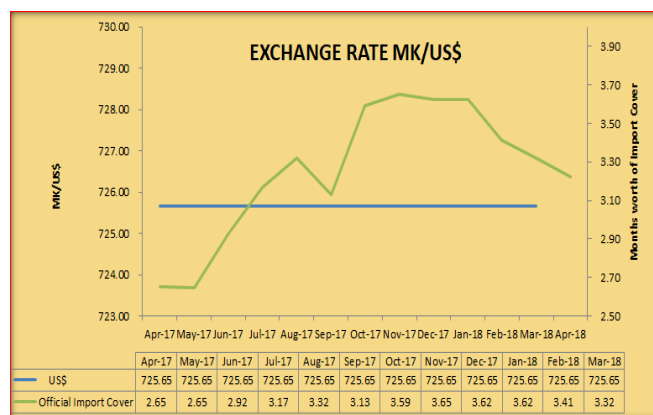
Inflation Rates

Headline inflation eased by 0.3 percentage point from 8.3% in January, 2018 to 7.8% in February, 2018.



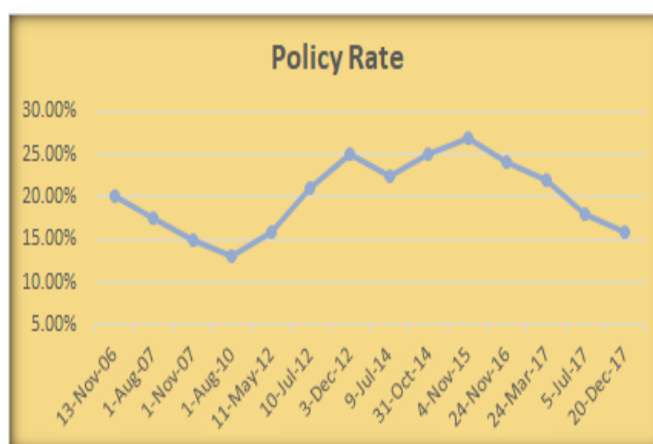
Exchange Rates

The Kwacha was stable against the United States Dollar in the period under review. Gross official reserves marginally decreased from 3.62 months of import cover on 1 January 2018 to 3.22 months of import cover on 28 March 2018.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 27 and 28 March, 2018 decided to maintain the policy rate at 16%.



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