

## SECOND QUARTER MARKET REPORT APRIL – JUNE 2018



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MALAWI STOCK EXCHANGE

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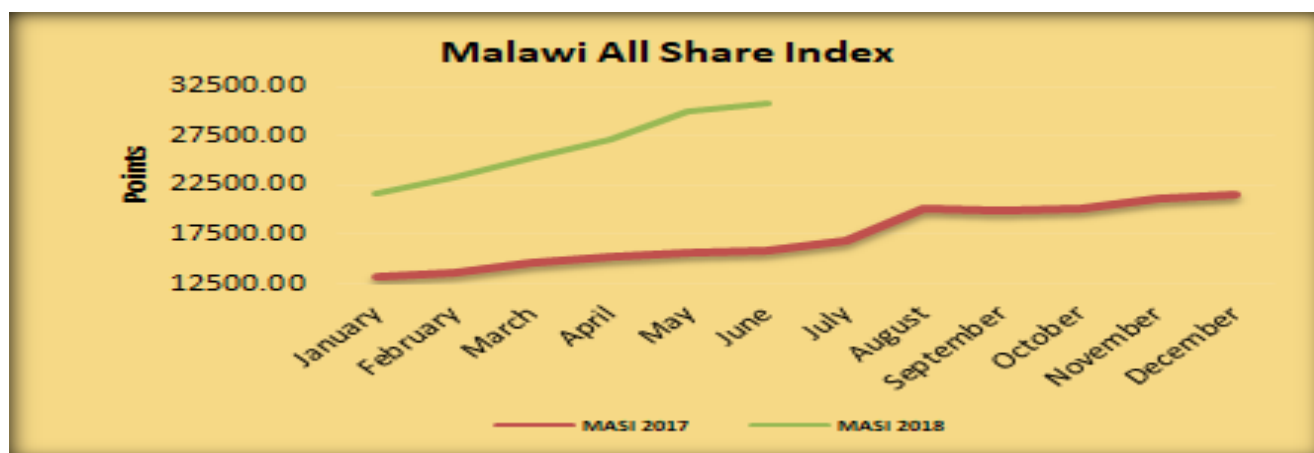
## 1. TRADING SUMMARY

The market was bullish in Q2 2018 as it registered a positive return on index of 21.55%(21.55% 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 – 2<sup>nd</sup> Qtr. 2018

INDEX	APRIL, 2018	JUNE, 2018	% Δ 2nd QTR. 2018	% Δ 2nd QTR. 2017	% Δ YTD. 2018
MASI	25286.79	30736.95	21.55 ▲	8.20 ▲	42.31 ▲
DSI	18009.73	20033.47	11.24 ▲	8.30 ▲	23.11 ▲
FSI	5197.43	8237.82	58.50 ▲	0.71 ▲	134.07 ▲



### Trading Statistics – 2<sup>nd</sup> Qtr. 2018

	2 <sup>nd</sup> Qtr. 2018	2 <sup>nd</sup> Qtr. 2017	% Δ
Traded Value (MK)	14,503,419,000.79	3,196,657,294.76	353.71 ▲
Traded Value (US\$)	19,987,016.88	4,405,203.82	353.71 ▲
Traded Vol. Shares	353,101,240	106,582,351	231.29 ▲
No. of Transactions	402	245	64.08 ▲
Index Close (MASI)	30736.95	15772.51	94.88 ▲
Listed companies	13	13	
Traded Companies	13	12	
Not Traded	00	01	
<b>Gainners</b>	<b>09</b>	<b>10</b>	
<b>Decliners</b>	<b>02</b>	<b>01</b>	
Unchanged	<b>02</b>	<b>01</b>	

## 2. MARKET PERFORMANCE

### A. Trade Performance Analysis

The market transacted a total of 353,101,240 shares at a total consideration of MK14,503,419,000.79 (US\$19,987,016.88) in 402 trades. In the corresponding period 2017, 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. This reflects a **231.29%** increase in terms of share volume and a **353.71%** (**353.71%** in US Dollar terms) increase in share value.

Old Mutual limited (OMU) listed on 26 June, 2018 and Old Mutual plc (OML) delisted on 29 June, 2018.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 5,695,181 shares compared to 1,719,070 shares traded in the corresponding second quarter of 2017.

The average daily turnover for the second quarter 2018 was MK233,926,112.92 (US\$322,371.24) compared with MK51,558,988.63 (US\$71,051.67) for the corresponding second quarter 2017, reflecting an increase of **353.71%** (**353.71%** in US Dollar terms).

The month of May registered the highest in terms of both value of MK10,613,139,506.15 (US\$14,625,963.41) and volume of 265,730,032 shares.

### 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 25286.79 points registered on 1 April 2018 to 30736.95 points registered on 29<sup>th</sup> June 2018, giving a return on index of **21.55%**, (**21.55%** in US\$ terms) compared to **8.20%**, (**8.20%** in US\$ terms) registered in Q2 of 2017. The price gains registered by FMBCH, MPICO, NBM, NITL, PCL, STANDARD, SUNBIRD, TNM and OML were enough to offset share price losses registered by NBS and NICO resulting into an upward movement of the Malawi All Share Index, arising from an increase in both the Domestic Share Index (**11.24%**) and the Foreign Share Index (**58.50%**).

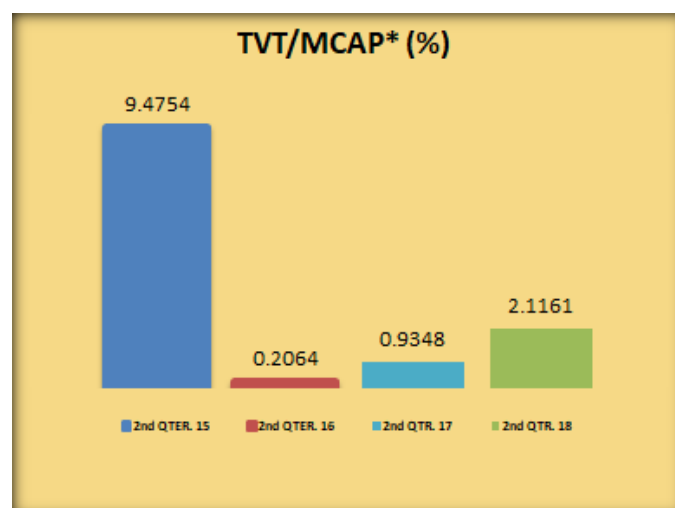
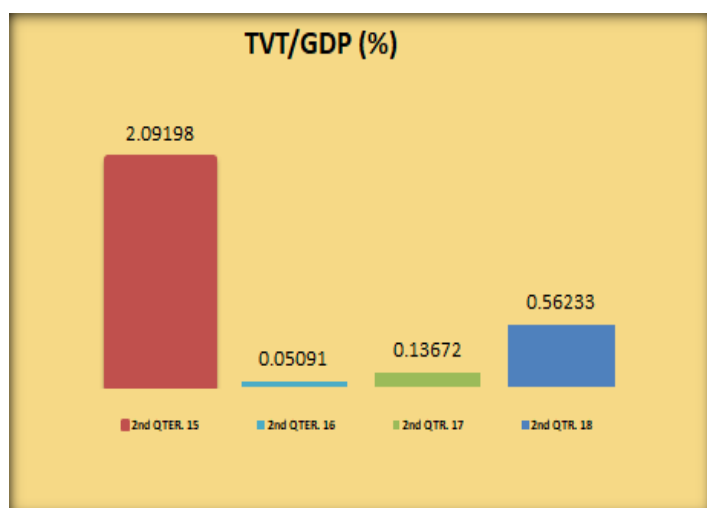
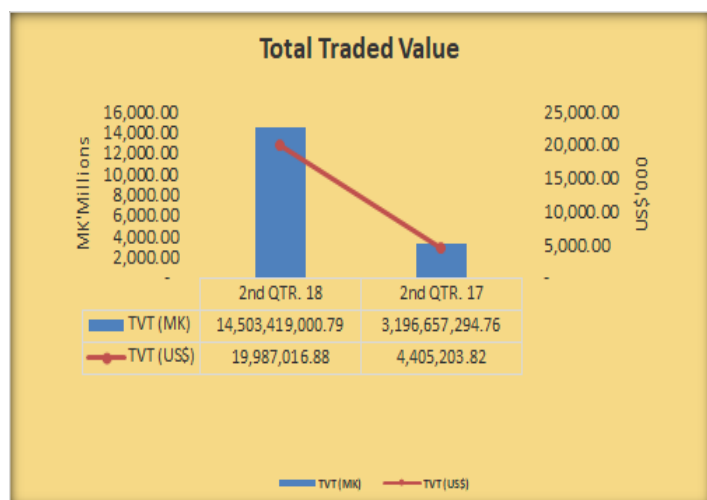
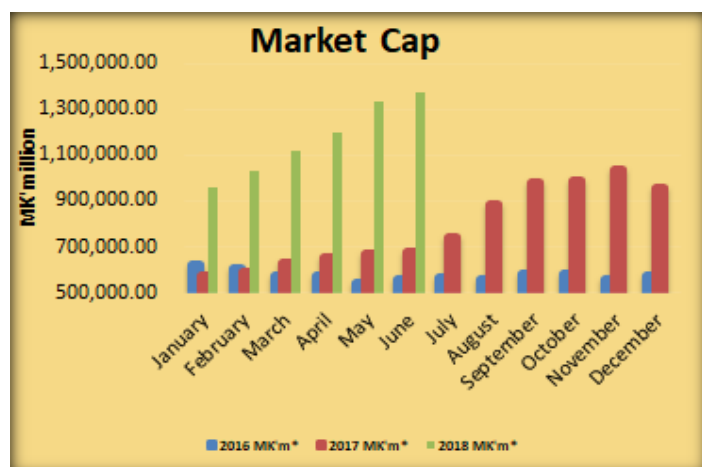
Market capitalization increased in both Kwacha and United States Dollar terms from MK1,120,104.50 million (US\$1,543.5776 million) in April 2018 to MK1,370,739.23 million (US\$1,888.9687 million) in June 2018.

### 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 2.12%, higher than 0.93% registered in second quarter 2017. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.56% in the review period while during the corresponding period of 2017 liquidity was at 0.14%.



## 2. MARKET PERFORMANCE



### 3. COMPANY TRADING PERFORMANCE

A. Top gainers: Nine  
Counters registered  
gains

MSE CODE	COUNTER NAME	% GAIN
FMBCH	FMB Capital Holdings plc	60.00 ▲
NITL	National Investment Trust plc	32.73 ▲
SUNBIRD	Sunbird Tourism plc	31.76 ▲
PCL	Press Corporation plc	28.24 ▲
OML	Old Mutual plc	26.27 ▲

B. Top Losers: Two  
Counter registered  
losses

MSE CODE	COUNTER NAME	% LOSS
NICO	NICO Holdings plc	4.17 ▼
NBS	NBS Bank plc	0.46 ▼

C. Top Five Traded  
Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
TNM	Telekom Networks Malawi plc	192,197,456	54.43
NICO	NICO Holdings plc	60,260,334	17.07
MPICO	MPICO plc	35,708,635	10.11
SUNBIRD	Sunbird Tourism plc	26,453,678	7.49
FMBCH	FMB Capital Holdings plc	21,096,450	5.97

D. Top Five Traded  
Stocks by value

MSE CODE	COUNTER NAME	VALUE	% of Total
TNM	Telekom Networks Malawi plc	3,873,094,572.70	26.70
SUNBIRD	Sunbird Tourism plc	3,049,830,424.00	21.03
NICO	NICO Holdings plc	2,649,967,092.30	18.27
FMBCH	FMB Capital Holdings plc	2,511,395,414.76	17.32
ILLOVO	Illovo Sugar Malawi plc	1,065,460,400.00	7.35

### 3. COMPANY TRADING PERFORMANCE

COUNTER	HIGH (MK)	LOW (MK)	Earnings Yield (%)	P/E	P/BV	MKT CAP (MK'MIn)	MKT CAP (US\$'MIn)
BHL	7.00	7.00	8.62	11.60	1.14	5,878.25	8.10
FMBCH	160.01	100.00	6.75	14.81	3.60	373,800.00	515.12
ILLOVO	240.00	240.00	4.13	24.18	4.68	171,226.65	235.96
MPICO	19.70	18.96	11.37	8.79	1.62	44,788.94	61.72
NBM	300.00	280.00	13.67	7.32	1.73	140,079.52	193.04
NBS	8.70	8.66	N/A	N/A	2.01	25,205.57	34.73
NICO	48.00	46.00	23.18	4.31	2.13	47,979.89	66.12
NITL	73.00	55.00	22.54	4.44	1.15	9,855.00	13.58
PCL	772.00	602.00	42.73	2.34	0.74	92,837.49	127.94
STANDARD	670.00	610.00	7.74	12.93	2.18	157,227.67	216.67
SUNBIRD	150.00	110.05	14.99	6.67	2.02	37,929.47	52.27
TNM	24.01	18.00	5.44	18.38	8.27	240,970.80	332.07
OML	2,980.00	2,360.00	8.19	12.21	1.40	13,750.43	18.95
OMU	2,513.25	2,513.25	15.35	6.52	0.97	9,209.53	12.69

### 3. COMPANY TRADING PERFORMANCE

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	700	700	0.00	572,302	0.16	11,512,370.00
FMBCH	10000	16000	60.00	21,096,450	5.97	2,511,395,414.76
ILLOVO	24000	24000	0.00	5,106,085	1.45	1,065,460,400.00
MPICO	1830	1949	6.50	35,708,635	10.11	698,675,300.48
NBM	28000	30000	7.14	230,676	0.07	68,281,956.19
NBS	870	866	-0.46	9,169,047	2.60	79,712,395.34
NICO	4800	4600	-4.17	60,260,334	17.07	2,649,967,092.30
NITL	5500	7300	32.73	1,826,029	0.52	122,117,590.53
PCL	60200	77200	28.24	135,523	0.04	103,498,740.00
STANDARD	61000	67000	9.84	325,236	0.09	211,752,752.63
SUNBIRD	11005	14500	31.76	26,453,678	7.49	3,049,830,424.00
TNM	2000	2400	20.00	192,197,456	54.43	3,873,094,572.70
OMU	251325	251325	0.00	0	0.00	0.00
OML PLC	236000	298000	26.27	19,789	0.01	58,119,991.86
				<b>353,101,240</b>	<b>100.00</b>	<b>14,503,419,000.79</b>



#### 4. BOND TRADING PERFORMANCE



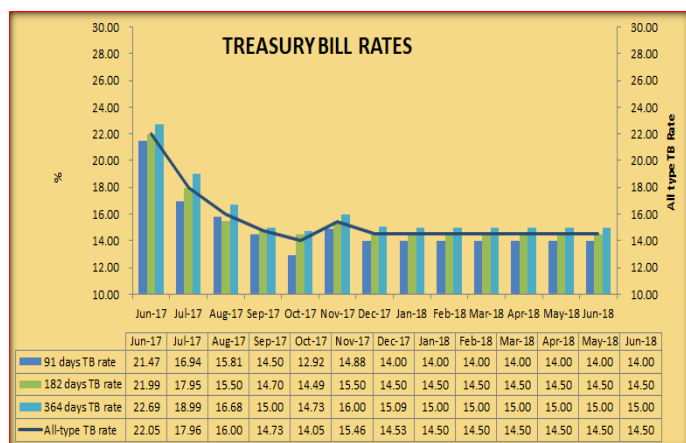
MALAWI STOCK EXCHANGE

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

## 5. ECONOMIC REVIEW

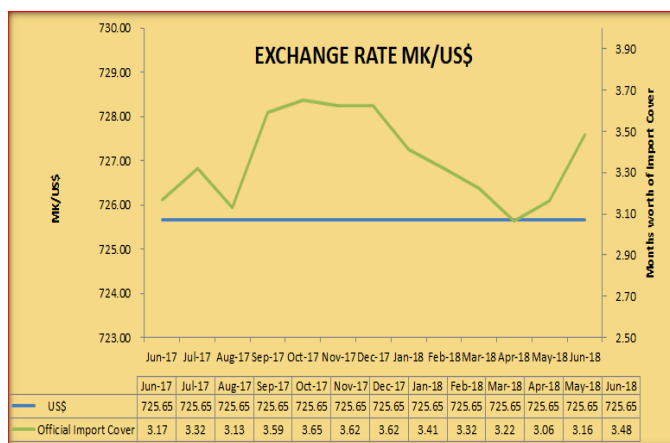
### Interest Rates

During the quarter under review, the yield on the 91 Tbill decreased from 14.0000% to 13.9997% whilst the yields on 182 Tbill and the 364 Tbill were steady at 14.5000% and 15.0000% respectively.



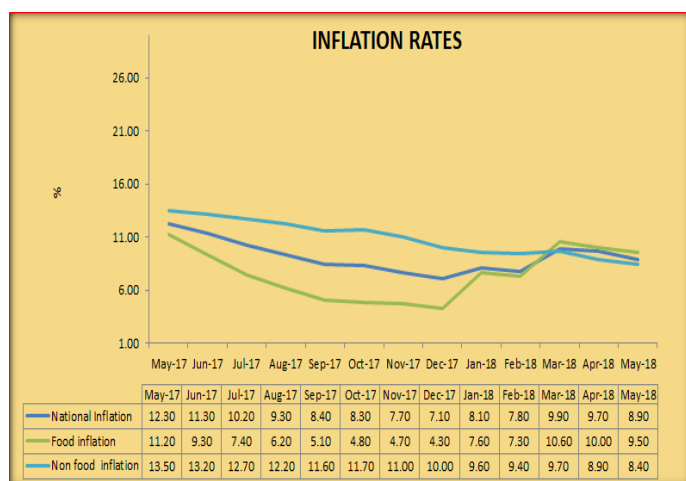
### Exchange Rates

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



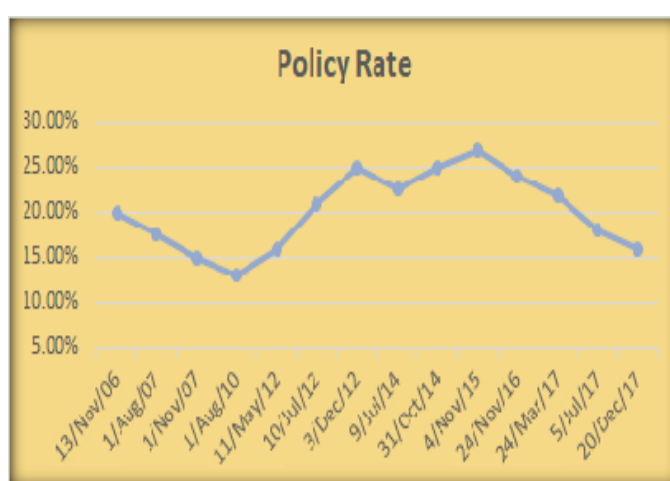
### Inflation Rates

Headline inflation eased by 0.8 percentage points from 9.7% in April, 2018 to 8.9% in May, 2018.



### Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 03 and 04 July, 2018 decided to maintain the policy rate at 16%.





MALAWI STOCK EXCHANGE

# We have gone

# Digital



## Online from 7<sup>th</sup> June, 2018

*MSE Malawi's global portal.*

### What you should **Expect**



- Only dematerialized shares will be traded on the MSE
- Safe from theft, damage, forgery and loss
- No limit on the number of shares that can be traded on the MSE
- Quicker transaction processes due to reduced paperwork
- Shorter settlement period
- More trading hours



*Contact your Stockbroker to dematerialize your share certificates and start trading on the Automated Trading System.*

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