

THIRD QUARTER MARKET REPORT JULY – SEPTEMBER 2018



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MALAWI STOCK EXCHANGE

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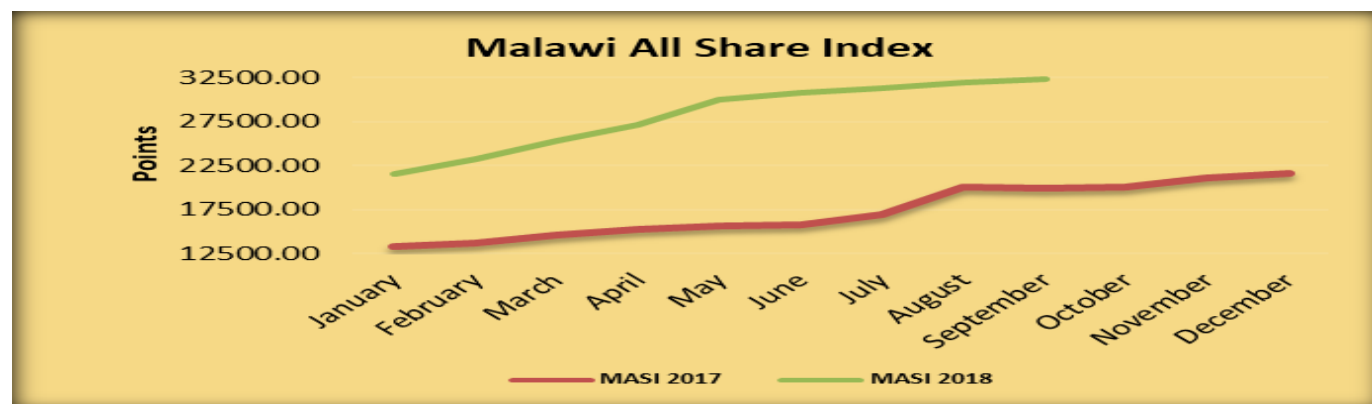
1. TRADING SUMMARY

The market registered a positive return on index of 5.32%(4.95% in US\$ terms) compared to 26.30%(26.30% in US\$ terms) in Q3 2017 and an increase in total traded value despite a decrease in total volume of shares traded compared to the corresponding period 2017.

There were no trades on the listed debt securities.

Index Levels and Return – 3rd Qtr. 2018

INDEX	1 JULY 2018	30 SEPT. 2018	% Δ 3rd QTR. 2018	% Δ 3rd QTR. 2017	% Δ YTD. 2018
MASI	30736.95	32373.19	5.32 ▲	26.30 ▲	49.89 ▲
DSI	20033.47	21621.84	7.93 ▲	26.65 ▲	32.87 ▲
FSI	8237.82	8138.23	1.21 ▼	4.32 ▲	131.24 ▲



Trading Statistics – 3rd Qtr. 2018

	3rd Qtr. 2018	3rd Qtr. 2017	Y-O-Y% Δ
Traded Value (MK)	7,358,084,929.80	4,672,746,997.72	57.47 ▲
Traded Value (US\$)	10,139,590.24	6,439,082.44	57.47 ▲
Traded Vol. Shares	84,606,501	357,818,552	76.35 ▼
No. of Transactions	508	383	32.64 ▲
Index Close (MASI)	32373.19	19920.42	62.51 ▲
Listed companies	13	14	
Traded Companies	13	14	
Not Traded Companies			
	00	00	
Gainers	08	12	
Decliners	01	00	
Unchanged	04	02	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 84,606,501 shares at a total consideration of MK7,358,084,929.80 (US\$10,139,590.24) in 508 trades. In the corresponding period 2017, 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. This reflects a **76.35%** decrease in terms of share volume traded and a **57.47%** (**57.47%** in US Dollar terms) increase in share value traded.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 1,364,621 shares compared to 5,771,267 shares traded in the corresponding third quarter of 2017.

The average daily turnover for the third quarter 2018 was MK118,678,789.19 (US\$163,541.78) compared with MK75,366,887.06 (US\$103,856.17) for the corresponding third quarter 2017, reflecting an increase of **57.47%** (**57.47%** in US Dollar terms).

The month of August registered the highest trades in terms of volume traded of 43,722,958 shares whilst the month of September registered the highest value traded of MK3,758,351,970.38 (US\$5,178,921.67).

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 30736.95 points registered on 1 July 2018 to 32373.19 points registered on 30th September 2018, giving a return on index of **5.32%**, (**4.95%** in US\$ terms) compared to **26.30%**, (**26.65%** in US\$ terms) registered in Q3 of 2017. The price gains registered on BHL(61.57%), MPICO(0.05%), NBM(3.67%), NBS(3.70%), NICO(13.04%), NITL(2.74%), PCL(10.10%) and TNM (20.83%) were enough to offset a share price loss in FMBCH(-1.26%) resulting into an upward movement of the Malawi All Share Index. The Domestic Share Index increased by **7.93%** whilst the Foreign Share Index fell by **1.21%**.

Market capitalization increased both in Kwacha and United States Dollar terms from MK1,370,739.23 million (US\$1,888.97 million) on 1st July 2018 to MK1,434,953.37 million (US\$1,970.40 million) on 30th September 2018.

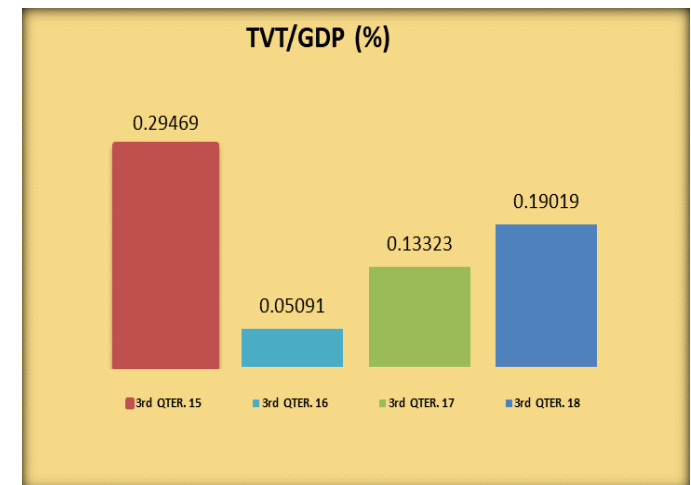
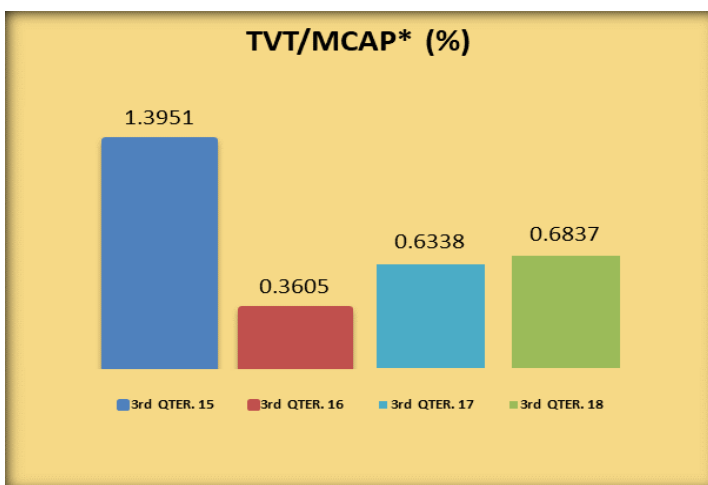
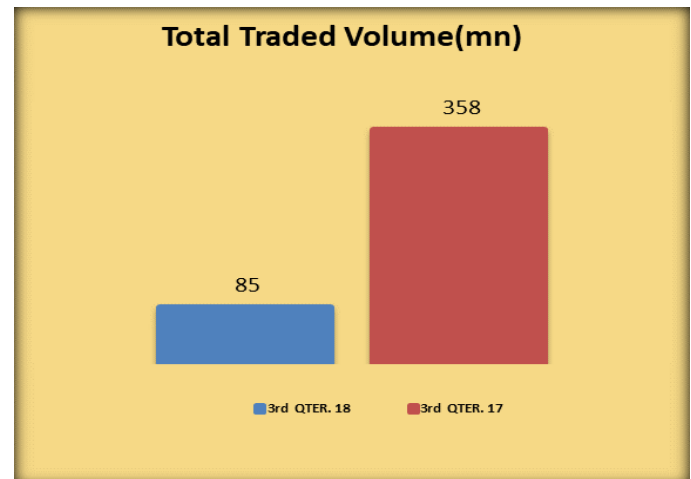
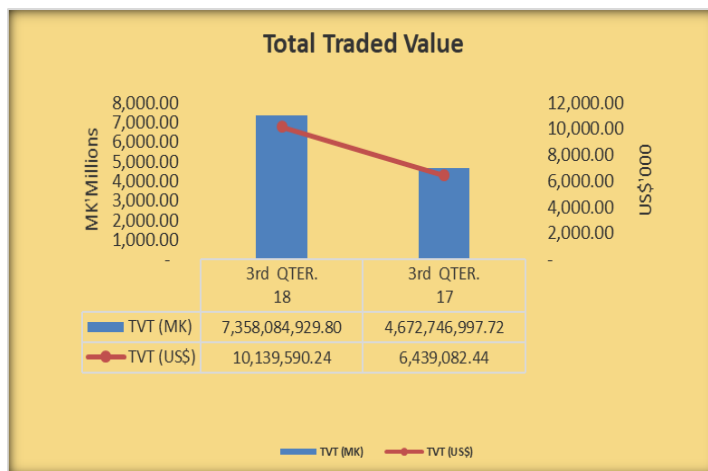
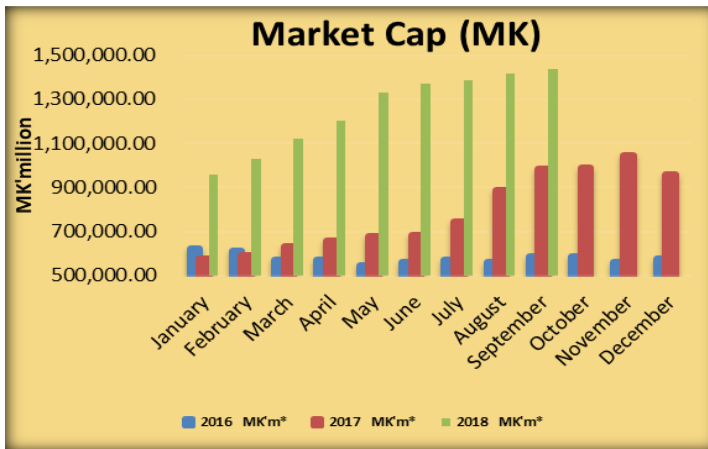
C. Market Liquidity

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 0.68%, higher than 0.63% registered in third quarter 2017. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.19% in the review period while during the corresponding period of 2017 liquidity was at 0.13%.

2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



3. COMPANY TRADING PERFORMANCE

A. Top 5 gainers:
Eight counters
registered Capital
gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
BHL	MWBHL0010025	Blantyre Hotels plc	61.57 ▲
TNM	MWTNM0010127	Telekom Networks Malawi plc	20.83 ▲
NICO	MWNICO0010014	NICO Holdings plc	13.04 ▲
PCL	MWPCL0010051	Press Corporation plc	10.10 ▲
NBS	MWNBS0010101	NBS Bank plc	3.70 ▲

B. Top Losers: One
counter registered
a capital
loss

MSE CODE	ISIN	COUNTER NAME	% LOSS
FMBCH	MWFMB0010137	FMB Capital Holdings plc	1.26 ▼

C. Volume leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
NICO	MWNICO0010014	NICO Holdings plc	21,668,909	25.61
TNM	MWTNM0010127	Telekom Networks Malawi plc	19,744,585	23.34
SUNBIRD	MWSTL0010086	Sunbird Tourism plc	13,109,648	15.49
MPICO	MWMPIC0010118	MPICO plc	11,720,711	13.85
FMBCH	MWFMB0010137	FMB Capital Holdings plc	10,464,243	12.37

D. Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
STANDARD	MWSTD0010040	Standard Bank Malawi plc	1,943,000,000.00	26.41
SUNBIRD	MWSTL0010086	Sunbird Tourism plc	1,809,302,755.00	24.59
FMBCH	MWFMB0010137	FMB Capital Holdings plc	1,374,417,212.61	18.68
NICO	MWNICO0010014	NICO Holdings plc	909,909,373.25	12.37
TNM	MWTNM0010127	Telekom Networks Malawi plc	536,323,682.31	7.29

3. COMPANY TRADING PERFORMANCE



MALAWI STOCK EXCHANGE



SYMBOL SUMMARY

Exchange: MSE
From Date: 1/07/2018
Market: MAINBOARD
To Date: 30/09/2018

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Print Date: 1/10/2018
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Symbol	Open	High	Low	Close	Volume	Value	Trades Count	Market Capitalization
BHL	7.00	11.95	7.00	11.31	1,007,718	9,457,600.43	36	4,517,858,793
FMBCH	160.00	175.00	150.00	157.99	10,464,243	1,374,417,216.58	36	373,823,362,500
ILLOVO	240.00	240.00	240.00	240.00	850,701	204,168,240.00	6	171,226,653,840
MPICO	19.49	19.80	19.45	19.50	11,720,711	227,991,177.09	49	45,271,534,962
NBM	300.00	311.01	300.00	311.01	53,394	16,550,146.42	17	140,079,521,400
NBS	8.66	9.00	8.65	8.95	2,428,768	21,595,089.60	52	25,321,988,197
NICO	46.00	54.00	46.00	52.00	21,663,509	909,617,772.85	38	49,784,351,512
NITL	73.00	86.00	73.00	86.00	307,659	23,129,425.00	19	9,855,000,000
OMU	1,580.22	2,513.26	1,580.22	2,513.25	2,362	5,936,318.71	3	9,209,526,901
PCL	772.00	850.00	772.00	850.00	347,803	276,303,916.00	17	92,837,493,040
STANDARD	670.00	670.00	670.00	670.00	2,900,000	1,943,000,000.00	12	157,227,668,540
SUNBIRD	145.00	145.01	145.00	145.00	13,109,648	1,809,302,755.00	9	37,929,474,100
TNM	24.00	29.00	24.00	29.00	19,744,585	536,323,740.00	214	217,877,765,000

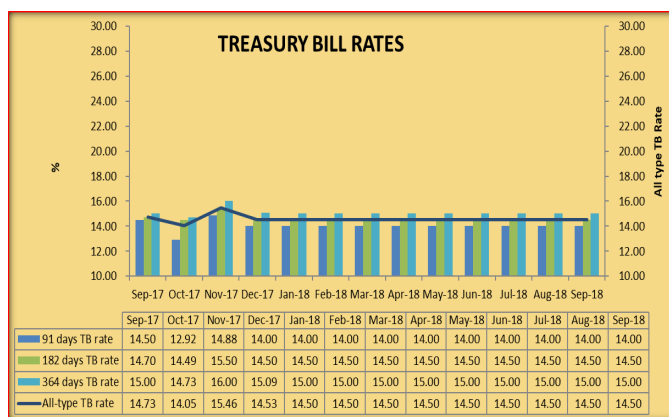
4. BOND TRADING SUMMARY

BOND	MATURITY DATE	COUPON FREQUENCY	COUPON RATE (%)	NOMINAL VALUE (MK' M N)
TN02YR31082019	31 August 2019	Bi-annual	11	20,000.00
TN02YR250120	25 January 2020	Bi-annual	10	5,000.00
TN03YR220221	22 February 2021	Bi-annual	11	3,000.00
NFBN21062021	21 June 2021	Quarterly	18.5	50.00
NFBN2162021	21 June 2021	Quarterly	18.5	1,000.00
NFBN28062021	28 June 2021	Quarterly	17	3,000.00
Total Outstanding Debt Securities				32,050.00

4. ECONOMIC REVIEW

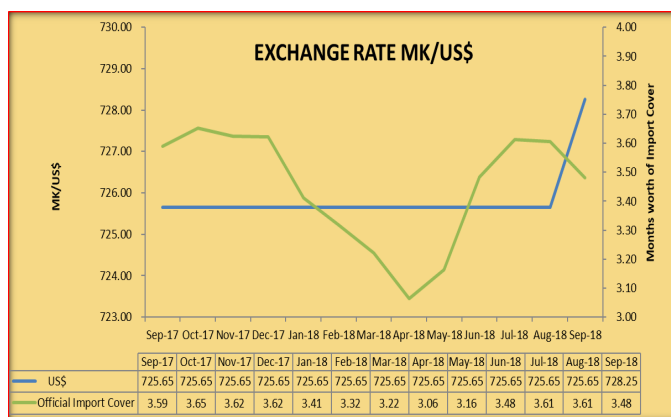
Interest Rates

During the quarter under review, the yields on the 91 days Tbill, the 182 days Tbill and the 364 days Tbill were steady at 14.00%, 14.50% and 15.00% respectively.



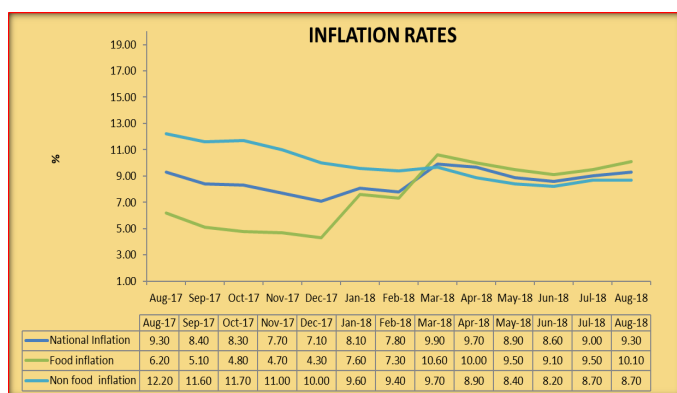
Exchange Rates

The Malawi Kwacha marginally depreciated against the United States Dollar by 0.36% in the period under review. Gross official reserves decreased from 3.61 months of import cover on 30 June 2018 to 3.48 months import cover on 28 September 2018.



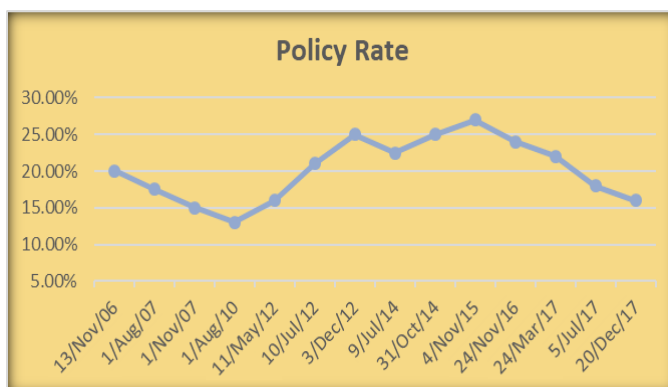
Inflation Rates

Headline inflation inched upwards by 0.3 percentage points from 9.0% in July, 2018 to 9.3% in August, 2018.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 25 and 26 September, 2018 maintained the policy rate at 16%.



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