

SECOND QUARTER MARKET REPORT APRIL – JUNE 2019



**Old Reserve Bank Building, Victoria Avenue
P/Bag 270
Blantyre
Malawi**

**Telephone: (265) 01 824 233; Fax: (265) 01 823 636
E-mail: info@mse-mw.com
Website: www.mse.co.mw**

CONTENTS



MALAWI STOCK EXCHANGE

<i>Trading Summary</i>	1
<i>Market performance</i>	2
<i>Trade performance analysis</i>	2
<i>Market capitalization and index</i>	2
<i>Market liquidity</i>	2
<i>Company trading performance</i>	3
<i>Bonds/Treasury Notes</i>	4
<i>Economic review</i>	5

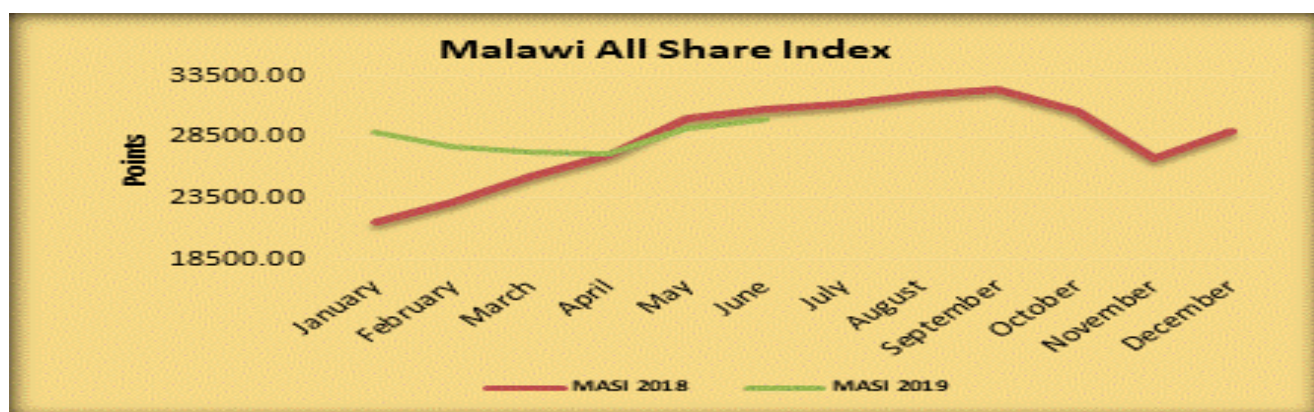
1. TRADING SUMMARY

The market was bullish in Q2 2019 as it registered a positive return on index of 9.71%(4.05% in US\$ terms). It also registered an increase in total traded value despite a decrease in total volume of shares traded.

There were no trades on the listed debt securities.

Index Levels and Return – 2nd Qtr. 2019

INDEX	APRIL, 2019	JUNE, 2019	% Δ 2nd QTR. 2019	% Δ 2nd QTR. 2018	% Δ YTD. 2019
MASI	27303.65	29956.00	9.71 ▲	21.55 ▲	3.36 ▲
DSI	20483.29	22877.77	11.69 ▲	11.24 ▲	7.32 ▲
FSI	4521.94	4520.31	0.04 ▼	58.50 ▲	14.15 ▼



Trading Statistics – 2nd Qtr. 2019

	2 nd Qtr. 2019	2 nd Qtr. 2018	Y-O-Y % Δ
Traded Value (MK)	15,135,991,829.52	14,503,419,000.79	4.36 ▲
Traded Value (US\$)	20,404,866.73	19,987,016.88	2.09 ▲
Traded Vol. Shares	206,786,591	353,101,240	- 41.44
No. of Transactions	921	402	129.10 ▲
Index Close (MASI)	29956.00	30736.95	- 2.54
Listed Debt Securities	12	03	
Traded Debt Securities	00	00	
Listed companies	14	13	
Traded Companies	14	13	
Not Traded	00	00	
Gainers	08	09	
Decliners	04	02	
Unchanged	02	02	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 206,786,591 shares at a total consideration of MK15,135,991,829.52 (US\$20,404,866.73) in 921 trades. In the corresponding period 2018, 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. This reflects a **-41.44%** decrease in terms of share volume and a **4.36%** (**2.09%** in US Dollar terms) increase in share value. Of the shares traded, 20,000,000 NBS, 1,091,000 PCL, 54,000 OMU, 13,000,000 NICO and 1,471,563 SUNBIRD traded as negotiated deals.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 3,335,268 shares compared to 5,695,181 shares traded in the corresponding second quarter of 2018.

The average daily turnover for the second quarter 2019 was MK244,128,900.48 (US\$329,110.75) compared with MK233,926,112.92 (US\$322,371.24) for the corresponding second quarter 2018, reflecting an increase of **4.36%** (**2.09%** in US Dollar terms).

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 27303.65 points registered on 1 April 2019 to 29956.00 points registered on 28th June 2019, giving a return on index of **9.71%**, (**4.05%** in US\$ terms) compared to **21.55%**, (**21.55%** in US\$ terms) registered in Q2 of 2018. The price gains registered by MPICO(49.20%), NBM(17.46%), PCL(16.67%), TNM(15.73%) NICO(15.56%), STANDARD(10.72%), ILLOVO(5.00%) and NITL(0.01%), were enough to offset share price losses registered by ICON(-9.09%), NBS(-9.09%), BHL(-0.08%), and OMU(-0.53%) resulting into an upward movement of the Malawi All Share Index. The Domestic Share index inched upwards by 11.69% whilst the Foreign Share Index fell by -0.04%.

Market capitalization increased in both Kwacha and United States Dollar terms from MK1,275,935.00 million (US\$1,745.00 million) in April 2019 to MK1,412,128.98 million (US\$1,831.60 million) in June 2019.

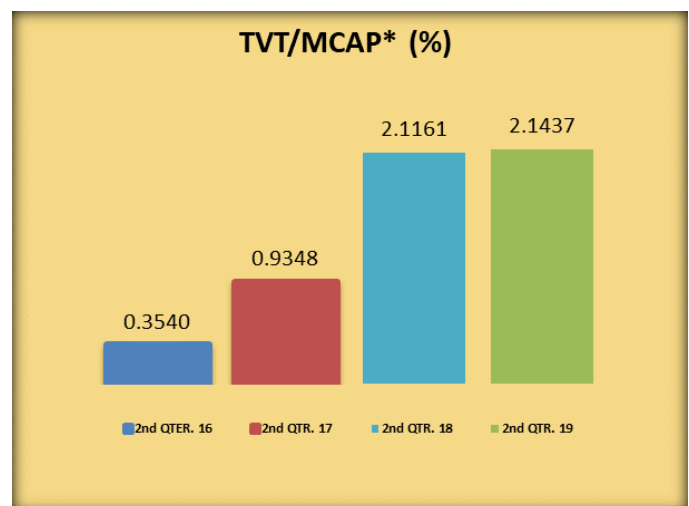
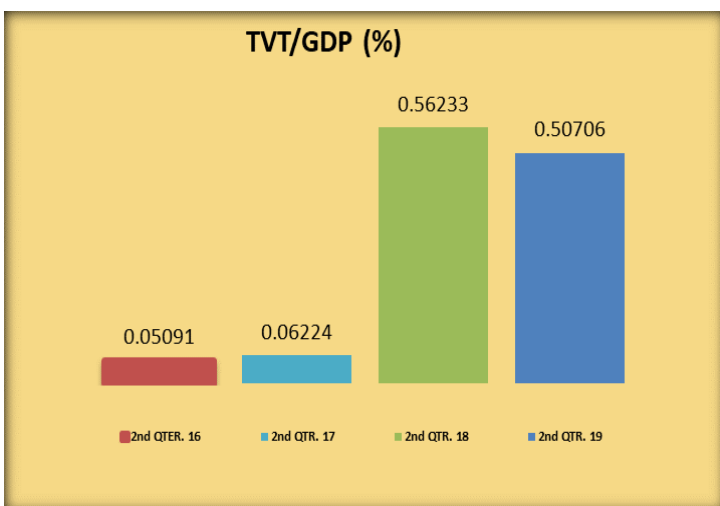
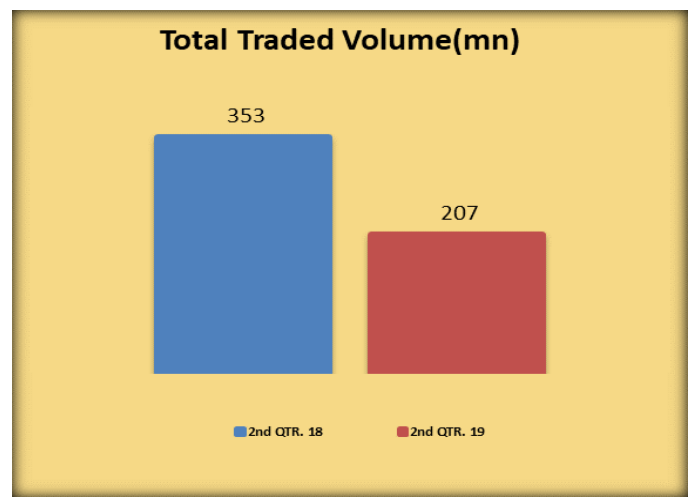
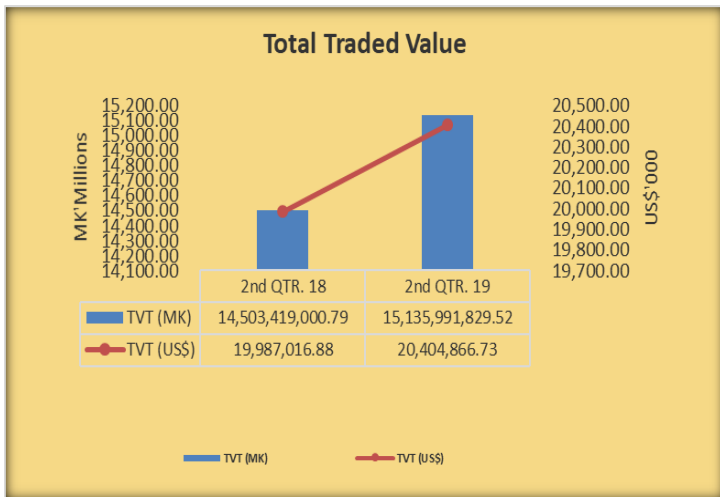
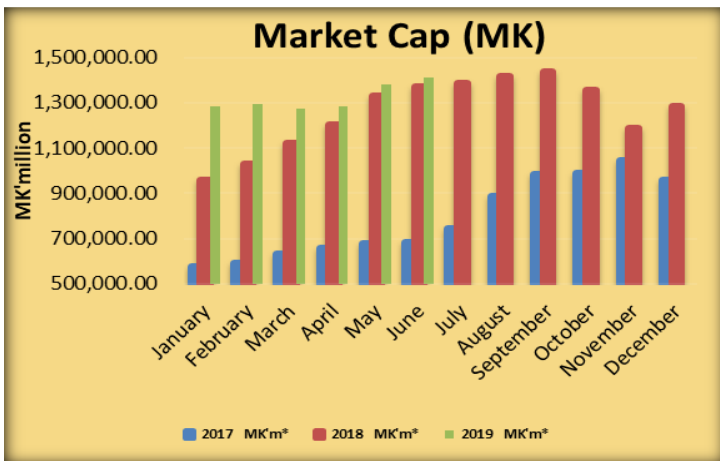
C. Market Liquidity

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 2.14%, lower than 2.21% registered in second quarter 2018. The decrease in **TVT/MCAP** ratio is a result of an increase in number of shares in OMU from JSE to MSE. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.51% in the review period while during the corresponding period of 2018 liquidity was at 0.56%. Market capitalization as a percentage of GDP was at 23.65% in Q2 2019 whilst in Q2 2018 it was at 26.57% .

2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



3. COMPANY TRADING PERFORMANCE

A. Top gainers: Eight Counters registered gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
MPICO	MWMPI0010116	MPICO plc	49.20 ▲
NBM	MWNBM0010071	National Bank of Malawi plc	17.46 ▲
PCL	MWPCL0010053	Press Corporation plc	16.67 ▲
TNM	MWTNM0010126	Telekom Networks Malawi plc	15.73 ▲
NICO	MWNICO0010014	NICO Holdings plc	15.56 ▲

B. Top Losers: Four Counter registered losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
ICON	MWICON001146	ICON Properties plc	-9.09
NBS	MWNBS0010101	NBS Bank plc	-9.09
OMU	ZAE000255360	Old Mutual Limited	-0.53
BHL	MWBHL0010029	Blantyre Hotels plc	-0.08

C. Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
TNM	MWTNM0010126	Telekom Networks Malawi plc	82,918,367	40.10
NICO	MWNICO0010014	NICO Holdings plc	38,219,897	18.48
MPICO	MWMPI0010116	MPICO plc	29,056,127	14.05
NBS	MWNBS0010101	NBS Bank plc	24,117,772	11.66
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	9,653,933	4.67

D. Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
PCL	MWPCL0010053	Press Corporation plc	6,497,076,150.00	42.92
TNM	MWTNM0010126	Telekom Networks Malawi plc	2,382,756,595.65	15.74
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	1,951,857,620.00	12.90
NICO	MWNICO0010014	NICO Holdings plc	1,707,028,130.72	11.28
MPICO	MWMPI0010116	MPICO plc	554,732,537.00	3.66

3. COMPANY TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

Symbol	Open	High	Low	Close	Volume	Value	Trades	Market Capitalization
BHL	12.96	12.96	12.50	12.95	3,453,767	44,714,187.50	26	10,874,771,629.75
FMBCH	85.00	85.00	84.99	85.00	2,431,971	206,717,358.00	41	208,951,250,000.00
ICON	11.00	11.00	9.99	10.00	2,057,194	20,590,106.00	47	66,800,000,000.00
ILLOVO	200.00	210.00	200.00	210.00	9,653,933	1,951,858,020.00	38	149,823,322,110.00
MPICO	13.07	19.50	13.07	19.50	29,056,127	554,732,537.50	99	44,811,925,470.00
NBM	315.01	370.01	315.01	370.00	1,198,040	401,779,265.92	49	172,764,743,060.00
NBS	9.90	9.90	9.00	9.00	24,117,772	217,419,844.00	67	26,195,160,204.00
NICO	41.97	48.50	39.00	48.50	38,219,897	1,701,027,555.72	106	50,587,493,156.00
NITL	75.00	75.01	75.00	75.01	2,850,101	213,771,275.00	40	10,126,350,000.00
OMU	2,513.23	2,513.23	2,500.00	2,500.00	78,479	180,268,108.64	20	27,826,582,500.00
PCL	1,200.00	1,400.00	1,200.00	1,400.00	5,412,065	6,497,076,150.00	102	168,358,148,000.00
STANDARD	569.00	630.00	499.00	630.00	81,586	43,546,839.00	30	147,840,942,060.00
SUNBIRD	138.00	138.00	138.00	138.00	5,257,292	713,733,790.00	15	36,098,396,040.00
TNM	25.05	29.00	25.04	28.99	82,918,367	2,382,756,562.45	230	291,072,645,500.00
TOTAL					206,786,591	15,129,991,599.73	910	1,412,131,729,729.75

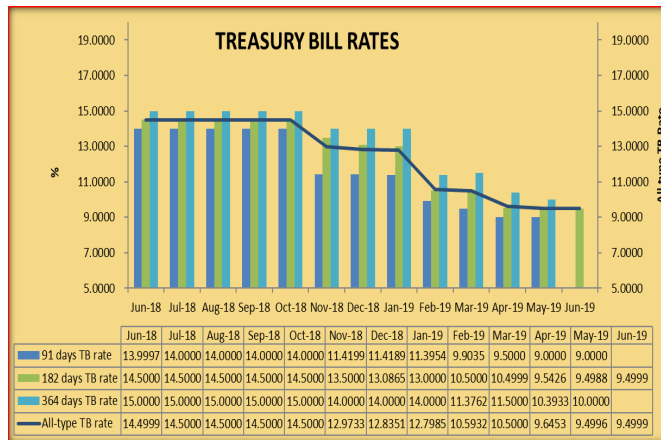
4. BOND TRADING PERFORMANCE

BOND	MATURITY DATE	COUPON FREQUENCY	COUPON RATE (%)	NOMINAL VALUE (MK' M N)
TN02YR31082019	31 August 2019	Bi-annual	11	20,000.0000
TN02YR250120	25 January 2020	Bi-annual	10	5,000.0000
TN03YR220221	22 February 2021	Bi-annual	11	3,000.0000
NFBN21062021	21 June 2021	Quarterly	12	50.0000
NFBN2162021	21 June 2021	Quarterly	18.5	1,000.0000
NFBN28062021	28 June 2021	Quarterly	12	3,000.0000
TN02YR040920	04 September 2020	Bi-annual	13	64,659.6800
TN03YR111021	11 October 2021	Bi-annual	14	13,776.0000
TN03YR270821	27 August 2021	Bi-annual	14	22,570.0000
TN05YR211123	21 November 2023	Bi-annual	15	39,105.0000
TN02YR310121	31 January 2021	Bi-annual	10	23,791.2530
TN07YR271225	27 December 2025	Bi-annual	15.5	48,087.0410
Total Outstanding Debt Securities				244,038.9740

5. ECONOMIC REVIEW

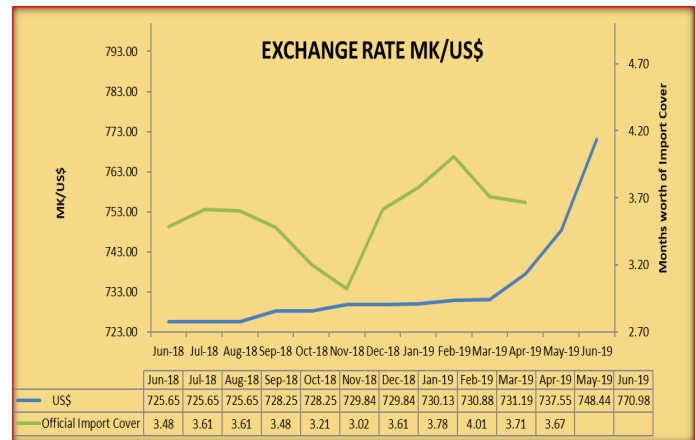
Interest Rates

During the quarter under review, the yield on the 182 days Tbill fell by 0.0427% from 9.5426% to 9.4999%. There were no applications for the 91 and 364 days Tbills at an auction held on 25 June 2019.



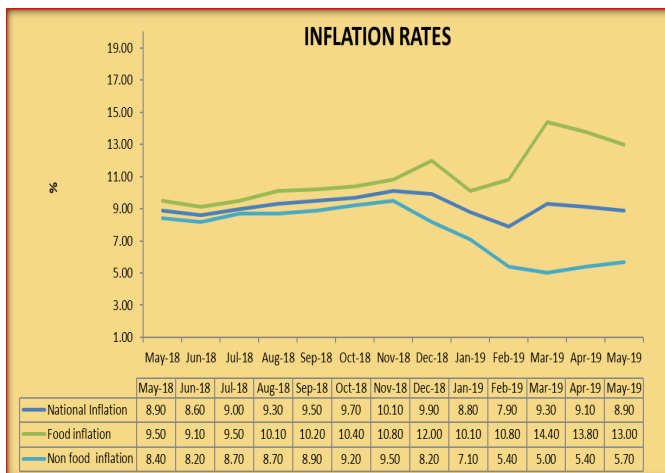
Exchange Rates

The Kwacha depreciated against the United States Dollar in the period under review. Gross official reserves were at 3.67 months worth of import cover on 30 April 2019.



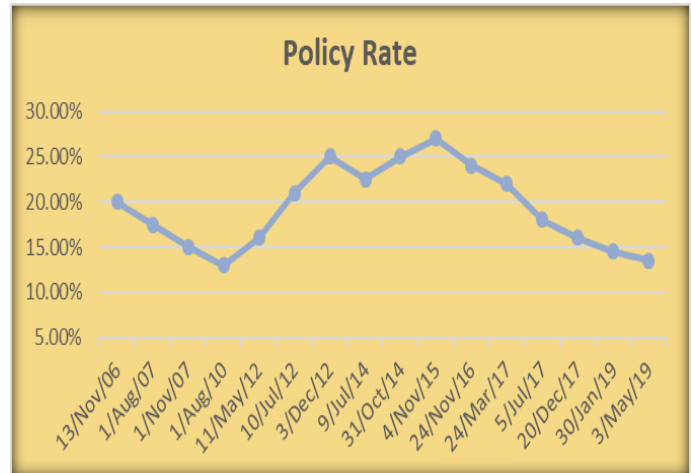
Inflation Rates

Headline inflation eased by 0.2 percentage points from 9.1% in April, 2019 to 8.9% in May, 2019.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 2 and 3 May 2019 reduced the policy rate from 14.5% to 13.5%.



CONTACTS AND ADDRESSES OF MSE STOCK BROKERS

Stockbrokers Malawi Limited
NBM Business Complex
P.O Box 31180
Blantyre
Tel: +265 1 836 213
Fax: +265 1 824 353
Email: sml@smlmw.com

Continental Capital Limited
1st Floor, Unit House
P.O Box 1444
Blantyre
Tel: +265 1 830 638
Email: capital@continental.mw
capital@cdh-malawi.com

Cedar Capital Ltd (Formerly African Alliance Securities)
4th Floor, Livingstone Towers
P.O Box 3340
Blantyre
Tel: +265 1 831 995
Fax: +265 1 831 859
Email: kamphonia@cedarcapital.mw

Alliance Stockbrokers Limited
Old Air Malawi Building
P.O Box 510
Blantyre
Tel: +265 1 830 704
Email: asl@aclmw.com