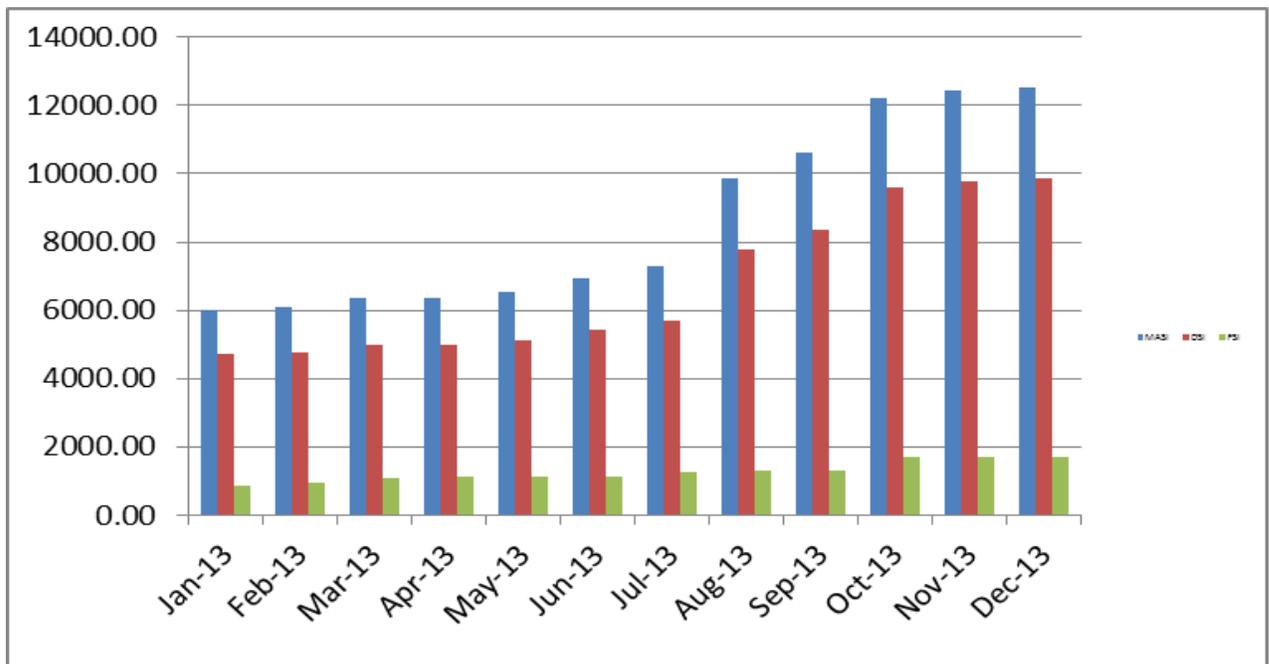




MALAWI STOCK EXCHANGE

# ANNUAL MARKET PERFORMANCE REVIEW

## 2013



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# MALAWI STOCK EXCHANGE LIMITED

## MARKET PERFORMANCE REPORT FOR 1<sup>st</sup> JANUARY TO 31<sup>st</sup> DECEMBER 2013

### 1.0 TRADING SUMMARY

The market was buoyant and registered a return on investment of 108.31% compared to 12.03% registered in 2012 and an increase in both traded volume and value.

In US Dollar terms, the market registered a return on investment of 97.26% in 2013 compared to -44.34% registered in 2012.

Key data for the market is as follows:

YEAR-TO-DATE INDEX LEVEL AND RETURN					
INDEX	JAN, 2013	DEC. 2013	% Δ. 13 (MK)	% Δ. 13 ( US\$)	% Δ. 12 (MK)
MASI*	6015.51	12531.04	108.31 ▲	97.26 ▲	12.03 ▲
DSI**	4725.51	9850.19	108.45 ▲	97.39 ▲	11.49 ▲
FSI***	854.67	1709.34	100.00 ▲	143.42 ▲	59.63 ▲
TOP MARKET GAINER IN 2013					
COUNTER	NBM	Standard Bank	OML	ILLOVO	
CAPITAL GAIN %	290.20	211.94	100.00	87.15	
TOP FOUR TRADED COUNTERS BY VOLUME IN 2013					
COUNTER	TNM	NICO	FMB	MPICO	
% TRADED	89.79	7.15	0.60	0.56	
TOP FOUR TRADED COUNTERS BY VALUE IN 2013					
COUNTER	TNM	NICO	PCL	NBM	
% TRADED	37.96	25.99	12.66	10.39	

\* Malawi All Share Index \*\* Domestic Share Index \*\*\* Foreign Share Index

TRADING STATISTICS	YR 2013	YR 2012
Traded Value (MK)	13,331,021,444.05	3,973,446,152.07
Traded Value (US\$)	34,556,325.81	16,183,918.70
Traded Vol. Shares	4,409,235,132	667,221,045
No. of Transactions	1,261	1,041
No. of Listed companies	14	14
Traded Companies	14	14
Not Traded Companies	0	0
Gainers	12	9
Decliners	2	3
Unchanged	0	2
Index Close (MASI)	12531.04	6015.51
Index Close (DSI)	9850.19	4725.51
Index Close (FSI)	1709.34	854.67

## 2.0 MARKET PERFORMANCE

### 2.1 Trade Performance Analysis

The market transacted a total of 4,409,237,082 shares at a total consideration of MK13,331,050,694.05 (US\$34,556,393.34) in 1,261 trades. In the corresponding period 2012, the market transacted a total of 667,221,045 shares at a total consideration of MK3,973,446,152.07 (US\$16,183,918.70) in 1,041 trades, reflecting a 560.84% increase in terms of share volume and a 235.50% (113.52% in US Dollar terms) increase in value.

Daily average share trades exhibited similar trends as the market registered an average daily volume of 17,779,174 shares compared to 2,690,407 shares traded in 2012, reflecting a 560.84% increase.

The average daily turnover for the year 2013 was MK53,754,118.73 (US\$139,340.02) compared to MK16,021,960.29 (US\$65,257.74) for the year 2012, reflecting an increase of 235.50% (113.52% in US Dollar terms).

The highest sales in terms of volume and value were registered in March and November at a total of 2,076,225,070 shares and a total turnover of MK4,331,791,529.25 (US\$10,417,572.80) respectively.

**TABLE 1: MARKET TRADING SUMMARY FOR 1<sup>st</sup> JAN. – 31<sup>st</sup> DECEMBER 2013**

MONTH	DEALS	SHARES	VALUE MK	VALUE US\$
Jan-13	68	20,116,394	167,718,107.40	477,645.62
Feb-13	51	4,996,571	90,277,942.32	248,244.95
Mar-13	60	2,076,225,070	2,694,655,757.04	6,722,504.48
Apr-13	92	72,164,760	381,929,273.80	934,205.18
May-13	74	917,047,544	1,617,542,291.96	4,282,486.69
Jun-13	102	41,107,731	105,232,309.10	318,598.16
Jul-13	126	415,482,537	934,744,095.86	2,807,641.48
Aug-13	123	412,336,193	1,470,085,448.29	4,353,221.51
Sep-13	171	61,993,884	362,504,304.73	1,017,344.83
Oct-13	155	62,938,188	959,642,474.18	2,472,730.41
Nov-13	138	317,216,892	4,331,791,529.25	10,417,572.80
Dec-13	101	7,609,368	214,897,910.12	504,129.69
<b>TOTAL 2013</b>	<b>1,261</b>	<b>4,409,235,132</b>	<b>13,331,021,444.05</b>	<b>34,556,325.81</b>
<b>TOTAL 2012</b>	<b>1,041</b>	<b>667,221,045</b>	<b>3,973,446,152.07</b>	<b>16,183,918.70</b>
<b>% CHANGE</b>	<b>21.13 ▲</b>	<b>560.84 ▲</b>	<b>235.50 ▲</b>	<b>113.52 ▲</b>

## 2.2 Market Capitalisation and Index

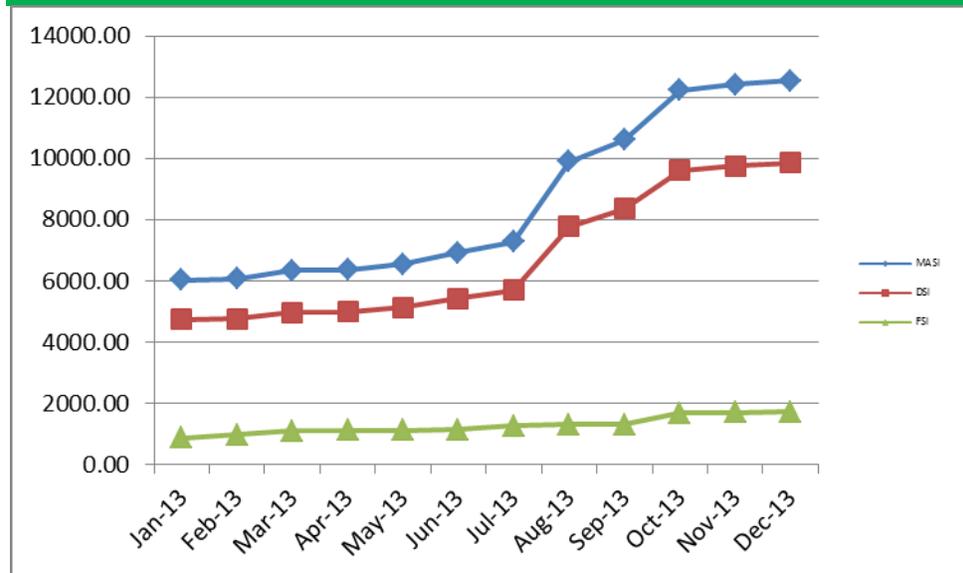
The market registered a positive return on index throughout all the four quarters in the year under review of 5.47%, 8.98%, 53.18% and 18.16% respectively. The year on year return on Index for year 2013 was 108.31% higher than 12.03% registered in 2012. The Malawi All Share Index (MASI) increased from 6015.51 points registered in January 2013 to 12531.04 points registered on 31<sup>st</sup> December, 2013. The price gainers registered by 12 counters (BHL, FMB, ILLOVO, NBM, NBS, NICO, NITL, PCL, STANDARD Bank, Sunbird Tourism Ltd, TNM and OML) were the major drivers in the increase in the Malawi All Share Index, arising from the increase in both the Domestic and Foreign Share Indices which have registered positive return on indices of 108.45% and 100.00%, respectively.

### MARKET CAPITALISATION AND INDEX - 1<sup>st</sup> JAN. – 31<sup>st</sup> DECEMBER 2013

Month Ending	Mkt. Cap. MKm.	Mkt. Cap US\$m	Mkt. Cap. MKm*	Mkt. Cap US\$m*	MASI
1st QTR	4,519,858.92	11,019.4771	267,838.70	652.9944	6015.51
2nd QTR	4,690,537.67	17,019.3675	291,896.07	1,059.1294	6914.45
3rd QTR	5,492,130.28	14,680.7658	447,692.54	1,196.7068	10604.97
4th QTR	7,179,933.27	16,576.3538	529,002.28	1,221.3106	12531.04
<b>2013</b>	7,179,933.27	16,576.3538	529,002.28	1,221.3106	12531.04
<b>2012</b>	3,562,267.61	10,570.5270	253,946.93	753.5517	6015.51
<b>2011</b>	2,681,021.48	16,372.5003	226,666.95	1,384.2130	5369.42
<b>% Δ 12-13</b>	<b>101.56▲</b>	<b>56.82 ▲</b>	<b>108.31▲</b>	<b>62.07 ▲</b>	<b>108.31▲</b>

\* Excludes non-Malawi register Old Mutual plc shares

### FIG 1: MSE INDICES – 1<sup>st</sup> JANUARY – 31<sup>st</sup> DECEMBER 2013



## 2.3 Market Liquidity

The turnover velocity as measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP\***) was 2.52% in 2013 compared to 1.57% recorded in 2012. 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 in 2012 liquidity was at 0.11%.

### MARKET LIQUIDITY – 1<sup>st</sup> JANUARY – 31<sup>st</sup> DECEMBER 2013

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
1st QTR	335.23	19.865	0.06533	1.1024	11.944775
2nd QTR	253.56	15.779	0.04487	0.7210	5.856717
3rd QTR	296.58	24.176	0.05039	0.6181	5.058021
4th QTR	387.73	28.567	0.07669	1.0409	2.204206
<b>2013</b>	<b>387.73</b>	<b>28.57</b>	<b>0.19</b>	<b>2.52</b>	<b>25.07</b>
<b>2012</b>	<b>279.79</b>	<b>19.95</b>	<b>0.11</b>	<b>1.57</b>	<b>3.79</b>
<b>2011</b>	<b>366.45</b>	<b>30.98</b>	<b>0.26</b>	<b>3.15</b>	<b>9.13</b>

\* Excludes non-Malawi register Old Mutual plc shares

## 2.4 Company Trading Performance

### Top 5 Gainers

MSE CODE	COUNTER NAME	% GAIN
NBM	National Bank of Malawi	290.20
STANDARD BANK	Standard Bank	211.94
OML	Old Mutual plc	100.00
ILLOVO	Illovo Sugar Malawi Limited	87.15
FMB	FMB Bank	76.47

12 counters registered a capital gain during the review period.

### Top 2 Decliners

MSE CODE	COUNTER NAME	% LOSS
MPICO	MPICO	-16.67
REAL	Real Insurance	-16.67

2 Counters registered a capital loss in year 2013.

## Top 5 Traded Stocks by Volume

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
TNM	TNM	3,959,069,267	89.79
NICO	NICO Holdings Ltd	315,304,562	7.15
FMB	FMB Bank	26,606,192	0.60
MPICO	MPICO Ltd	24,570,443	0.56
NBS	NBS Bank	20,430,421	0.46

## Top 5 Traded Stocks by Value

MSE CODE	COUNTER NAME	MK	% OF TOTAL
TNM	TNM	5,060,182,538.40	37.96
NICO	NICO Holdings Ltd	3,464,332,576.75	25.99
PCL	Press Corporation Ltd	1,687,549,232.95	12.66
NBM	National Bank of Malawi	1,385,614,613.97	10.39
ILLOVO	Illovo Sugar Malawi Limited	439,038,617.60	3.29

## COMPANY TRADING SUMMARY FOR 1<sup>st</sup> JAN. – 31<sup>st</sup> DECEMBER 2013

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	700	800	14.29	208,985	0.00	1,562,895.00
FMB	850	1500	76.47	26,606,192	0.60	383,174,459.81
ILLOVO	15335	28700	87.15	2,133,708	0.05	439,038,617.60
MPICO	240	200	-16.67	24,570,443	0.56	50,451,741.90
NBM	5510	21500	290.20	15,746,559	0.36	1,385,614,613.97
NBS	1100	1600	45.45	20,430,421	0.46	227,039,665.73
NICO	1430	1780	24.48	315,304,562	7.15	3,464,332,576.75
NITL	1700	2950	73.53	10,133,057	0.23	202,308,977.82
PCL	18800	28500	51.60	6,609,066	0.15	1,687,549,232.95
REAL	120	100	-16.67	11,116,778	0.25	11,117,582.80
STANDARD BANK	12823	40000	211.94	806,024	0.02	255,051,607.50
SUNBIRD	650	700	7.69	16,460,350	0.37	111,742,174.57
TNM	140	214	52.86	3,959,069,267	89.79	5,060,182,538.40
OML	68000	136000	100.00	41,670	0.00	51,884,103.00
<b>TOTAL</b>				<b>4,409,237,082</b>	<b>100.00</b>	<b>13,331,050,787.80</b>

### 3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha depreciated by 22.20 percent against the US Dollar from its trading position of MK337.00/US\$ registered in January to MK433.1491/US\$ traded in December, 2013. The import cover, however, registered an improvement from 0.86 months registered in January to 2.13 months registered in December, 2013.

The Kwacha is premised to continue depreciating in the first quarter of 2014 and stabilises towards the second quarter once the tobacco auction season starts.

The Kwacha moved during the twelve months period from 1<sup>st</sup> January to 31<sup>st</sup> December, 2013 as follows: -

#### EXCHANGE RATES – 1<sup>st</sup> JANUARY – 31<sup>st</sup> DECEMBER 2013

CURRENCY	1 <sup>st</sup> Jan. 2013	Sept. 2013	31 <sup>st</sup> Dec. 2013	Annual % Change
MK/US Dollar	337.0000	374.1038	433.1431	-22.20
MK/GBP	560.5989	603.5194	713.7209	-21.45
MK/ZAR	42.0194	37.6382	42.9449	-2.16
MK/EUR	463.6794	504.4742	597.2119	-22.36
Import Cover (In Months)	0.86	2.38	2.13	

Source: National Bank of Malawi & Reserve Bank of Malawi

- 3.2 The year on year headline inflation eased by 12.4 points to 22.7% in November, 2013 from 35.1% in January, 2013 on account of an overall decrease in both food and non-food inflation between the months of April and October 2013.

The urban and rural inflation rates for the month of November, 2013 were 31.6% and 18.2% respectively.

KEY MACROECONOMIC INDICATORS					
	Dec. 2011	Jan. 2012	Dec. 2012	Jan. 2013	Dec. 2013
Inflation Rate	9.8	10.3	34.6	35.1	22.9 (Nov)
RBM Bank Rate	13.0	13.0	25.0	25.0	25.0
Prime Rate	22.5	22.5	35.0	35.0	35.0
<b>TB YIELD</b>					
91 Days T-Bill	6.84	0.00	20.11	24.33	36.47
182 Days T-Bill	0.00	0.00	24.78	24.71	35.92
364 Days T-Bill	0.00	0.00	0.00	0.00	37.93

Source: National Statistical Office and Reserve Bank of Malawi