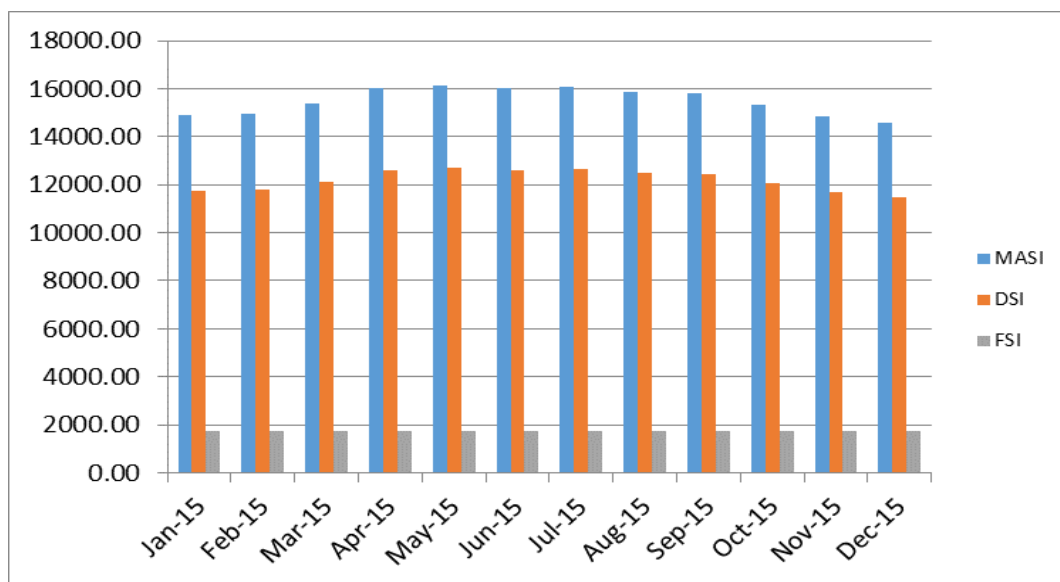




MALAWI STOCK EXCHANGE

ANNUAL MARKET PERFORMANCE REVIEW

2015



MALAWI STOCK EXCHANGE
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MALAWI STOCK EXCHANGE LIMITED

MARKET PERFORMANCE REPORT FOR 02nd JANUARY TO 31st DECEMBER 2015

1.0 TRADING SUMMARY

The market was marginally bearish in 2015 as it registered a negative return on investment of **-2.17%** compared to **18.79%** registered in 2014. It however, recorded an increase in both traded volume and value and with no trades on the three Government bonds listed.

In US Dollar terms, the market registered a negative return on investment of **-29.94%** in 2015 compared to **8.14%** registered in 2014.

Key data for the market is as follows:

YEAR-TO-DATE INDEX LEVEL AND RETURN						
INDEX	JAN, 2015	DEC. 2015	% Δ. 15 (MK)	% Δ. 15 (US\$)	% Δ. 14 (MK)	% Δ. 14 (US\$)
MASI*	14886.12	14562.53	2.17 ▼	29.94 ▼	18.79 ▲	8.14 ▲
DSI**	11720.43	11462.87	2.20 ▼	29.96 ▼	18.99 ▲	8.31 ▲
FSI***	1759.61	1762.13	0.14 ▲	28.29 ▼	2.94 ▲	-6.29 ▲
TOP FIVE MARKET GAINERS IN 2015						
COUNTER	SUNBIRD	MPICO	TNM	NITL	BHL	
CAPITAL GAIN %	187.50	103.98	46.70	32.53	20.00	
TOP FIVE TRADED COUNTERS BY VOLUME IN 2015						
COUNTER	FMB	NICO	TNM	MPICO	NBS	
% TRADED	67.96	16.77	12.55	1.29	0.67	
TOP FIVE TRADED COUNTERS BY VALUE IN 2015						
COUNTER	FMB	NICO	TNM	NBM	PCL	
% TRADED	62.47	23.87	4.19	2.61	2.23	

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

TRADING STATISTICS	YR 2015	YR 2014
Traded Value (MK)	48,592,086,538.82	10,865,168,546.94
Traded Value (US\$)	101,857,955.72	26,670,773.15
Traded Vol. Shares	2,355,317,369	1,724,271,388
No. of Transactions	1,220	1,673
No. of Listed companies	14	14
Traded Companies	14	14
Not Traded Companies	0	0
Gainers	09	13
Decliners	05	0
Unchanged	0	1
Index Close (MASI)	14562.53	14886.12
Index Close (DSI)	11462.87	11720.43
Index Close (FSI)	1762.13	1759.61

2.0 MARKET PERFORMANCE

2.1 Trade Performance Analysis

The market transacted a total of 2,355,317,369 shares at a total consideration of MK48,592,086,538.82 (US\$101,857,955.72) in 1,220 trades. In the corresponding period 2014, the market transacted a total of 1,724,271,388 shares at a total consideration of MK10,865,168,546.94 (US\$26,670,773.15) in 1,673 trades, reflecting a 36.60% increase in terms of share volume and a 347.23% (281.91% in US Dollar terms) increase in value terms. The increases in volume and value were mainly driven by the block transactions in FMB and NICO as a result of internal shareholding restructuring.

Daily average share trades exhibited similar trends as the market registered an average daily volume of 9,497,247 shares compared to 6,952,707 shares traded in 2014, reflecting a 36.60% increase.

The average daily turnover for the year 2015 was MK195,935,832.82 (US\$410,717.56) compared to MK43,811,163.50 (US\$107,543.44) for the year 2014, reflecting an increase of 347.23% (281.91% in US Dollar terms).

The highest sales in terms of volume and value was registered in April at a total of 1,606,464,275 shares and a total turnover of MK31,210,863,821.43 (US\$70,878,247.78).

TABLE 1: MARKET TRADING SUMMARY FOR 02nd JAN. – 31st DECEMBER 2015

MONTH	DEALS	SHARES	VALUE MK	VALUE USD
Jan-15	115	13,253,003	306,518,657.27	671,125.33
Feb-15	112	7,495,950	139,872,357.88	315,425.75
Mar-15	113	19,690,879	229,078,353.13	523,930.86
Apr-15	136	1,606,464,275	31,210,863,821.43	70,878,247.78
May-15	121	79,174,433	906,650,079.35	2,064,734.43
Jun-15	100	16,582,284	289,322,167.98	660,960.52
Jul-15	91	14,086,929	202,182,349.16	428,747.79
Aug-15	106	144,070,611	1,704,768,088.43	3,198,234.94
Sep-15	88	157,121,402	5,166,414,357.76	9,201,213.62
Oct-15	90	14,725,375	308,215,195.79	556,886.07
Nov-15	102	14,731,935	195,400,081.04	333,184.30
Dec-15	46	267,920,293	7,932,801,029.60	13,025,264.33
TOTAL 2015	1,220	2,355,317,369	48,592,086,538.82	101,857,955.72
TOTAL 2014	1,673	1,724,271,388	10,865,168,546.94	26,670,773.15
% CHANGE	27.08 ▼	36.60 ▲	347.23 ▲	281.91 ▲

2.2 Market Capitalisation and Index

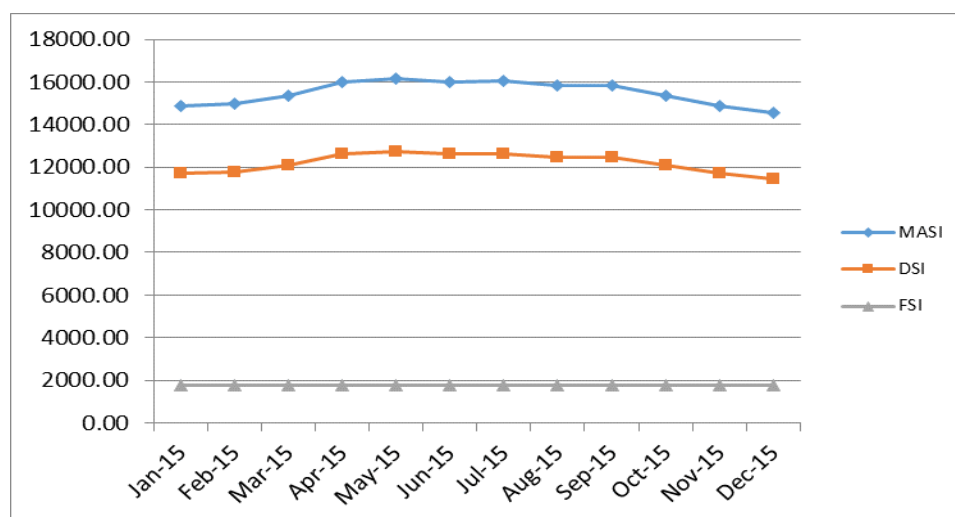
The market registered positive returns of 3.21% and 4.23% in Q1 and Q2 and negative returns of -1.17% and -7.95% in Q3 and Q4 of 2015. The year on year return on Index for year 2015 was -2.17% compared to 18.79% registered in 2014. The Malawi All Share Index (MASI) decreased from 14886.12 points registered on 2nd January 2015 to 14562.53 points registered on 31st December, 2015. The price gains registered by 9 counters (BHL, MPICO, NBM, NITL, PCL, STANDARD, SUNBIRD, TNM and OML) were not enough to offset share price losses registered by 5 counters (FMB, ILLOVO, NBS, NICO and BRITAM) resulting into a decrease in the Malawi All Share Index, arising from the decrease in the Domestic Share index of -2.20%. The Foreign Share index increased by 0.14%.

MARKET CAPITALISATION AND INDEX - 2nd JANUARY – 31st DECEMBER 2015

Month Ending	Mkt. Cap. MKm.	Mkt. Cap US\$m	Mkt. Cap. MKm*	Mkt. Cap US\$m*	MASI
1st QTR	7,487,097.19	15,735.1130	635,935.14	1,336.5008	14886.12
2nd QTR	7,584,023.99	17,181.4298	684,022.31	1,549.6366	16011.65
3rd QTR	7,576,036.66	13,641.9381	676,034.98	1,217.3156	15824.68
4th QTR	7,522,117.08	11,320.9008	622,115.40	936.2932	14562.53
2015	7,522,117.08	11,320.9008	622,115.40	936.2932	14562.53
2014	7,489,097.19	15,735.1130	635,935.14	1,336.5008	14886.12
2013	7,179,933.27	16,576.3538	527,163.53	1,217.0655	12531.04
% Δ 14-15	0.47 ▲	28.05 ▼	2.17 ▼	29.94 ▼	2.17 ▼

* Excludes non-Malawi register Old Mutual plc shares

FIG 1: MSE INDICES – 2nd JANUARY – 31st DECEMBER 2015



2.3 Market Liquidity

The turnover velocity as measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP***) was 7.81% in 2015 compared to 1.70% recorded in 2014. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 1.52% in the review period while in 2014 liquidity was at 0.45%.

MARKET LIQUIDITY – 2nd JANUARY – 31st DECEMBER 2015

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
1st QTR	241.66	20.526	0.02180	0.1062	0.229614
2nd QTR	244.79	22.078	1.04599	4.7377	9.665067
3rd QTR	236.72	21.123	0.22102	1.0463	1.790127
4th QTR	235.04	19.439	0.26361	1.3561	1.688485
2015	235.04	19.439	1.51831	7.8108	13.373293
2014	306.79	26.143	0.44507	1.7025	0.450540
2013	387.73	28.468	0.71990	2.5288	25.065646

* Excludes non-Malawi register Old Mutual plc shares

2.4 Company Trading Performance

Top 5 Gainers

MSE CODE	COUNTER NAME	% GAIN
SUNBIRD	Sunbird Tourism Limited	187.50 ▲
MPICO	MPICO Limited	103.98 ▲
TNM	TNM	46.70 ▲
NITL	National Investments Trust Limited	32.53 ▲
BHL	Blantyre Hotel Limited	20.00 ▲

9 counters registered a capital gain during the review period.

Top 5 Losers

MSE CODE	COUNTER NAME	% LOSS
FMB	FMB Bank	26.16 ▼
ILLOVO	Illovo Sugar Malawi	21.82 ▼
NBS	NBS Bank	14.81 ▼
NICO	NICO Holdings Limited	13.85 ▼
REAL	REAL Insurance	13.04 ▼

Top 5 Traded Stocks by Volume

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
FMB	FMB Bank	1,600,753,264	67.96
NICO	NICO Holdings Limited	394,931,359	16.77
TNM	TNM	295,478,787	12.55
MPICO	MPICO Limited	30,361,167	1.29
NBS	NBS Bank	15,725,189	0.67

Top 5 Traded Stocks by Value

MSE CODE	COUNTER NAME	MK	% OF TOTAL
FMB	FMB Bank	30,357,373,817.56	62.47
NICO	NICO Holdings Limited	11,598,492,172.00	23.87
TNM	TNM	2,033,743,019.97	4.19
NBM	National Bank of Malawi	1,270,364,425.74	2.61
PCL	Press Corporation Limited	1,085,522,007.05	2.23

COMPANY TRADING SUMMARY FOR 2nd JANUARY – 31st DECEMBER 2015

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	800	960	20.00	182,900	0.01	1,515,340.00
FMB	1896	1400	-26.16	1,600,753,264	67.96	30,357,373,817.56
ILLOVO	29420	23000	-21.82	1,399,570	0.06	404,866,100.40
MPICO	402	820	103.98	30,361,167	1.29	217,261,693.18
NBM	24100	25800	7.05	5,048,648	0.21	1,270,364,425.74
NBS	2700	2300	-14.81	15,725,189	0.67	479,778,844.57
NICO	3250	2800	-13.85	394,931,359	16.77	11,598,492,172.00
NITL	4150	5500	32.53	3,806,748	0.16	181,384,046.95
PCL	45310	53500	18.08	2,116,885	0.09	1,085,522,007.05
REAL	230	200	-13.04	2,890,602	0.12	6,075,789.90
STANDARD BANK	42500	44000	3.53	2,009,112	0.09	876,135,295.00
SUNBIRD	800	2300	187.50	564,691	0.02	11,653,652.50
TNM	409	600	46.70	295,478,787	12.55	2,033,743,019.97
OML	140000	140200	0.14	48,447	0.00	67,920,334.00
TOTAL				2,355,317,369	100.00	48,592,086,538.82

3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha depreciated by **-28.39%** against the US Dollar from its trading position of MK475.8210/US\$ registered in January to MK664.4451/US\$ traded in December, 2015. The import cover, however, registered a marginal improvement from 3.17 months registered in January to 3.19 months registered in December, 2015.

The Kwacha depreciated as a result of a strengthening United States Dollar and speculative trading tendencies by most authorized dealer banks who created an artificial demand for the United States Dollar (US\$) during the lean period. It is expected to depreciate further in the short term until the second quarter when the tobacco auction season starts.

The Kwacha moved during the twelve months period from 2nd January to 31st December, 2015 as follows: -

EXCHANGE RATES – 2nd JANUARY – 31st DECEMBER 2015

CURRENCY	1 st Jan. 2015	Sept. 2015	31 st Dec. 2015	Annual % Change
MK/US Dollar	475.8210	555.3490	664.4451	28.39 ▼
MK/GBP	738.4398	842.1151	985.3847	25.06 ▼
MK/ZAR	41.0210	41.2811	43.3840	5.45 ▼
MK/EUR	575.4513	624.5631	726.6230	20.80 ▼

Source: National Bank of Malawi

- 3.2 The year on year headline inflation inched upwards by 3.7 points to 24.9% in December, 2015 from 21.2% in January, 2015 on account of an increase in food inflation in the review period.

The urban and rural inflation rates for the month of December, 2015 were 19.1% and 29.1% respectively.

KEY MACROECONOMIC INDICATORS					
	Dec. 2013	Jan. 2014	Dec. 2014	Jan. 2015	Dec. 2015
Inflation Rate	23.5	25.9	24.2	21.2	24.9
Policy Rate	25.0	25.0	25.0	25.0	27.0
Prime Rate	35.0	40.0	37.0	37.0	34.0
TB YIELD					
91 Days T-Bill	36.47	32.99	26.96	26.96	
182 Days T-Bill	35.92	34.48	26.87	26.99	
364 Days T-Bill	37.93	36.00	27.02	26.97	
Import Cover(Months)	2.13	2.13	3.13	3.17	3.19

Source: National Statistical Office and Reserve Bank of Malawi