

MONTHLY MARKET REPORT AUGUST 2018



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>Bond</i>	4
<i>Economic review</i>	5

1. TRADING SUMMARY



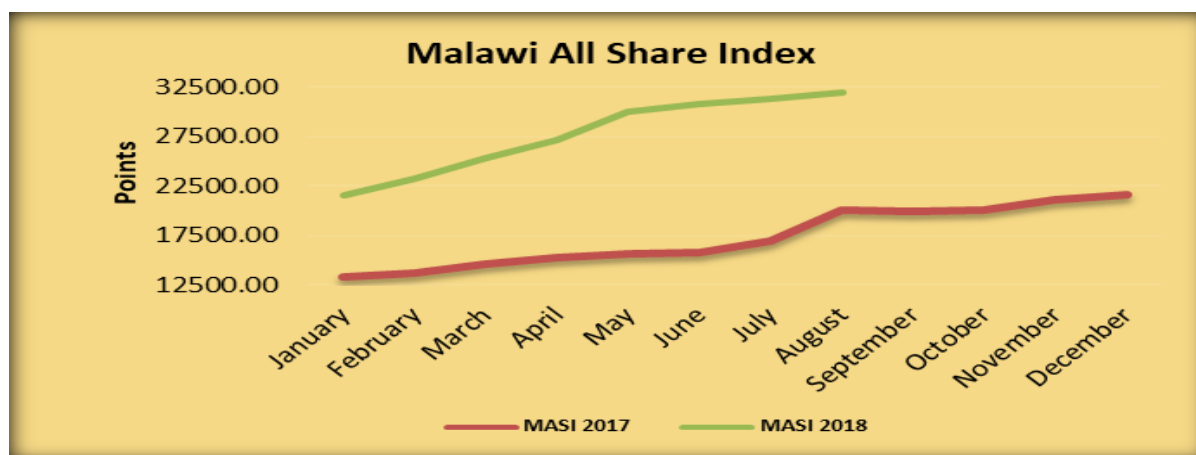
MALAWI STOCK EXCHANGE

The market was marginally bullish as it registered a positive return on index of 2.22% (2.22% in US\$ terms) in August 2018 and an increase in both total value and volume traded.

There were no trades on the listed debt securities.

Index Levels and Return – August 2018

INDEX	AUGUST 2018	JULY 2018	Monthly Δ 2018	Monthly Δ 2017	% Δ YTD. 2018
MASI	31956.43	31263.14	2.22 \blacktriangle	18.80 \blacktriangle	47.96 \blacktriangle
DSI	21145.76	20513.69	3.08 \blacktriangle	18.96 \blacktriangle	29.95 \blacktriangle
FSI	8237.32	8237.32	0.00 \blacksquare	4.32 \blacktriangle	134.05 \blacktriangle



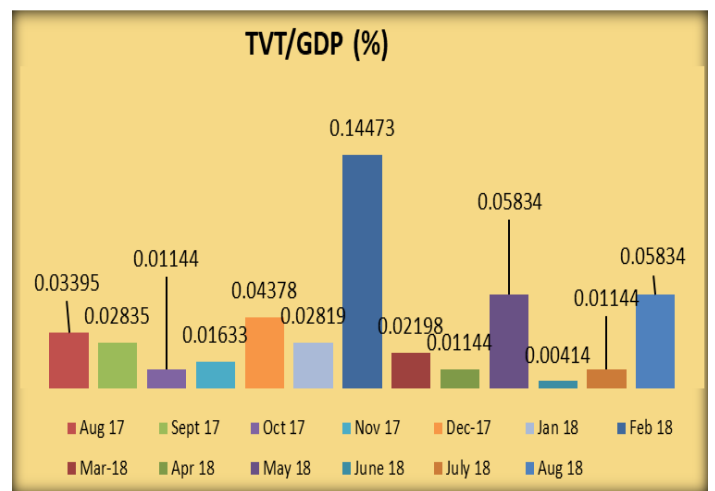
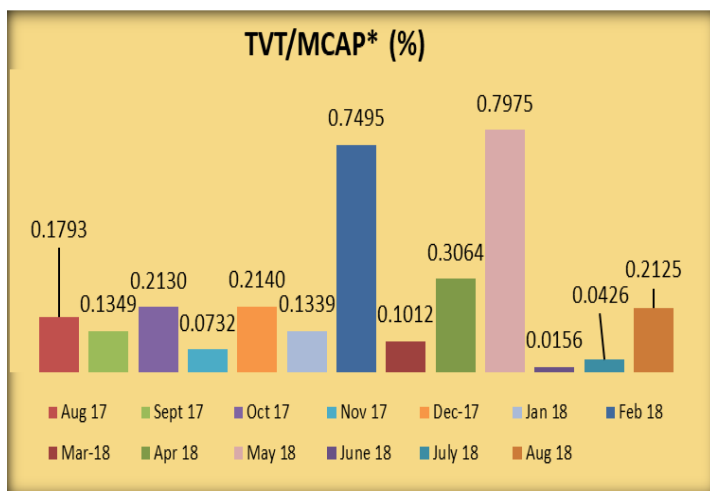
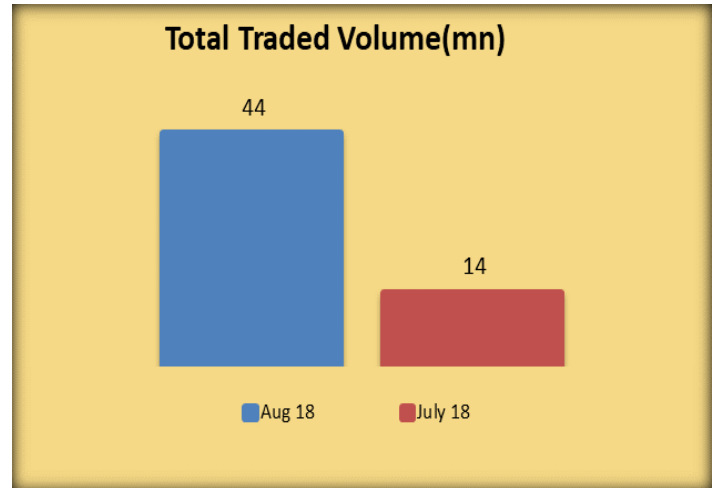
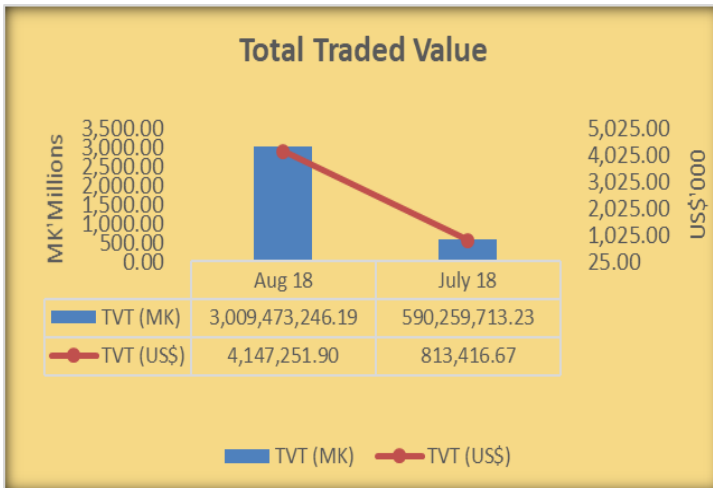
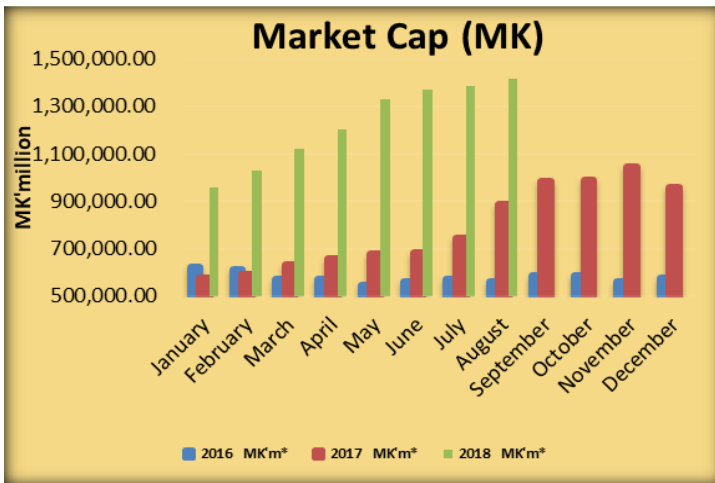
	August 2018	July 2018	Monthly % Δ	August 2017	Y-O-Y % Δ
Traded Value (MK)	3,009,473,246.19	590,259,713.23	409.86 \blacktriangle	1,587,733,421.39	89.55 \blacktriangle
Traded Value (US\$)	4,147,251.90	813,416.67	409.86 \blacktriangle	2,187,731.00	89.57 \blacktriangle
Traded Vol. Shares	43,722,958	13,787,978	217.11 \blacktriangle	43,516,315	0.47 \blacktriangle
No. of Transactions	173	97	78.35 \blacktriangle	148	16.89 \blacktriangle
Index Close (MASI)	31956.43	31263.14	2.22 \blacktriangle	20049.44	59.39 \blacktriangle
Listed companies	13	13		13	
Traded Companies	12	08		12	
Not Traded Companies	01	05		01	
Gainers	03	05		08	
Decliners	01	01		02	
Unchanged	08	02		02	

2. MARKET PERFORMANCE

- A. Trade Performance Analysis**
- The market transacted a total of 43,722,958 shares at a total consideration of MK3,009,473,246.19 (US\$4,147,251.90) in 173 trades. In the previous month, July 2018, the market transacted a total of 13,787,978 shares at a total consideration of MK590,259,713.23 (US\$813,416.67) in 97 trades. This reflects a **217.11%** increase in terms of share volume and a **409.86%** (409.86% in US Dollar terms) increase in share value. Of the total shares traded, 10,000,000 NICO shares were traded as a special bargain.
- Daily average share trades exhibited similar trends where the market registered an average daily volume of 2,082,046 shares compared to 656,570 shares traded in July 2018.
- The average daily turnover for August 2018 was MK143,308,249.82 (US\$197,488.19) compared to MK28,107,605.39 (US\$38,734.13) in July 2018, reflecting an increase of **409.86%** (409.86% 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 31263.14 points registered in July 2018 to 31956.43 points registered in August 2018, giving a return on index of **2.22%** (2.22% in US\$ terms). The price gains registered by BHL, NBM and TNM were enough to offset a share price loss in MPICO resulting into an upward movement of the Malawi All Share Index, arising from an increase in the Domestic Share Index (**3.08%**). The Foreign Share Index was steady at 8237.32 points.
- Market capitalization increased in both Malawi Kwacha and United States Dollar terms from MK1,385,750.21 million (US\$1,909.65 million) in July 2018 to MK1,416,446.92 million (US\$1,951.96 million) in August 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 August 2018 was recorded at 0.21%, higher than 0.04% registered in July 2018. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.06% in August 2018 while during the previous month, July 2018, liquidity was at 0.01%.



2. MARKET PERFORMANCE



3. COMPANY TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

A. Top gainers: Three counters registered capital gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
BHL	MWBHL0010025	Blantyre Hotels plc	15.00 ▲
TNM	MWTNM0010127	Telekom Networks Malawi plc	11.92 ▲
NBM	MWNBM0010071	National Bank of Malawi plc	0.01 ▲

B. Top Losers: One counter registered a capital loss

MSE CODE	ISIN	COUNTER NAME	% LOSS
MPICO	MWMPI0010118	MPICO plc	0.26 ▼

C. Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
MPICO	MWMPI0010118	MPICO plc	11,311,237	25.87
FMBCH	MWFMB0010137	FMB Capital Holdings plc	10,337,064	23.64
TNM	MWTNM0010127	Telekom Networks Malawi plc	10,251,812	23.45
NICO	MWNICO010014	NICO Holdings plc	10,043,960	22.97
STANDARD	MWSTD0010040	Standard Bank Malawi plc	900,000	2.06

D. Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
FMBCH	MWFMB0010137	FMB Capital Holdings plc	1,353,903,713.79	44.99
STANDARD	MWSTD0010040	Standard Bank Malawi plc	603,000,000.00	20.04
NICO	MWNICO010014	NICO Holdings plc	422,373,840.00	14.03
TNM	MWTNM0010127	Telekom Networks Malawi plc	275,031,761.46	9.14
MPICO	MWMPI0010118	MPICO plc	220,007,347.10	7.31

3. COMPANY TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

COUNTER	ISIN	HIGH (MK)	LOW (MK)	Earnings Yield (%)	P/E	P/BV	MKT CAP (MK'Mln)	MKT CAP (US\$'Mln)
BHL	MWBHL0010025	8.05	7.00	7.49	13.35	1.31	6,759.99	9.32
FMBCH	MWFMB0010137	159.99	150.00	6.75	14.81	3.60	373,776.64	515.09
ILLOVO	MWILLV010032	240.00	240.00	4.13	24.18	4.68	171,226.65	235.96
MPICO	MWMPI0010118	19.50	19.45	11.39	8.78	1.62	44,697.02	61.60
NBM	MWNBM0010071	310.02	310.00	13.23	7.56	1.79	144,758.18	199.49
NBS	MWNBS0010101	8.66	8.65	0.00	0.00	2.01	25,205.57	34.73
NICO	MWNICO0010014	54.00	54.00	19.75	5.06	2.50	56,324.22	77.62
NITL	MWNITL010091	75.00	75.00	21.94	4.56	1.18	10,125.00	13.95
PCL	MWPCL0010051	772.00	772.00	42.73	2.34	0.74	92,837.49	127.94
STANDARD	MWSTD0010040	670.00	670.00	7.74	12.93	2.18	157,227.67	216.67
SUNBIRD	MWSTL0010086	145.00	145.00	6.42	15.58	2.02	37,929.47	52.27
TNM	MWTNM0010127	28.01	25.00	4.67	21.43	9.64	280,931.79	387.14
OMU	ZAE000255360	2,513.25	2,513.25	9.65	10.36	1.54	14,647.23	20.18

3. COMPANY TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	7.00	8.05	15.00%	255,355	0.58%	2,046,182.75
FMBCH	159.99	159.99	0.00%	10,337,064	23.64%	1,353,903,713.79
ILLOVO	240.00	240.00	0.00%	101	0.00%	24,240.00
MPICO	19.50	19.45	-0.26%	11,311,237	25.87%	220,007,347.10
NBM	310.00	310.02	0.01%	22,339	0.05%	6,925,344.39
NBS	8.66	8.66	0.00%	337,045	0.77%	2,918,750.70
NICO	54.00	54.00	0.00%	10,043,960	22.97%	422,373,840.00
NITL	75.00	75.00	0.00%	110,242	0.25%	8,268,150.00
PCL	772.00	772.00	0.00%	147,803	0.34%	114,103,916.00
STANDARD	670.00	670.00	0.00%	900,000	2.06%	603,000,000.00
SUNBIRD	145.00	145.00	0.00%	6,000	0.01%	870,000.00
TNM	25.00	27.98	11.92%	10,251,812	23.45%	275,031,761.46
OMU	2,513.25	2,513.25	0.00%	0	0.00%	0.00
				43,722,958	100.00%	3,009,473,246.19

4. BOND TRADING SUMMARY



MALAWI STOCK EXCHANGE

BOND	MATURITY DATE	COUPON FREQUENCY	COUPON RATE (%)	NOMINAL VALUE (MK' MN)
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

There were no trades on the three Treasury Notes and the New Finance Bank Medium Term Notes.

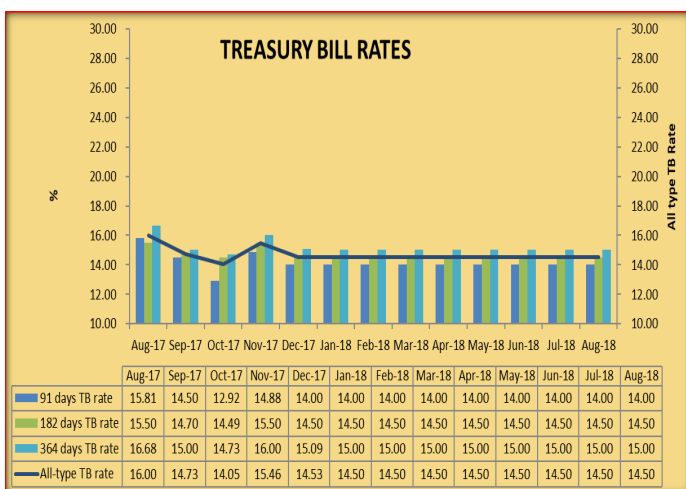
5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

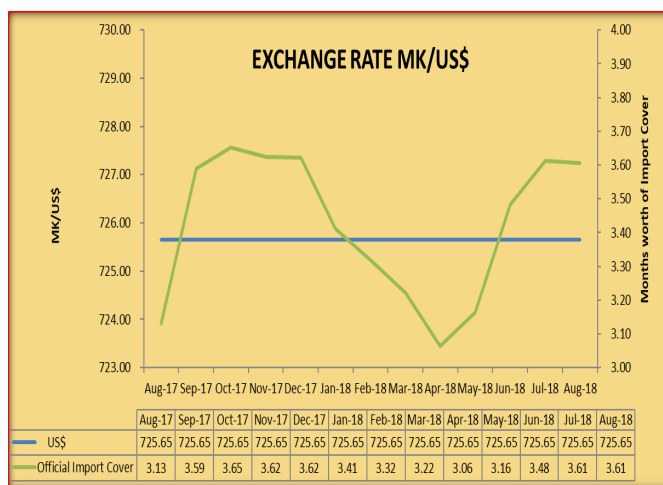
Interest Rates

During the period under review, the yields on the 91 days T-bill, the 182 days T-bill and the 364 days T-bill were steady at 14.0000%, 14.5000% and 15.0000% respectively.



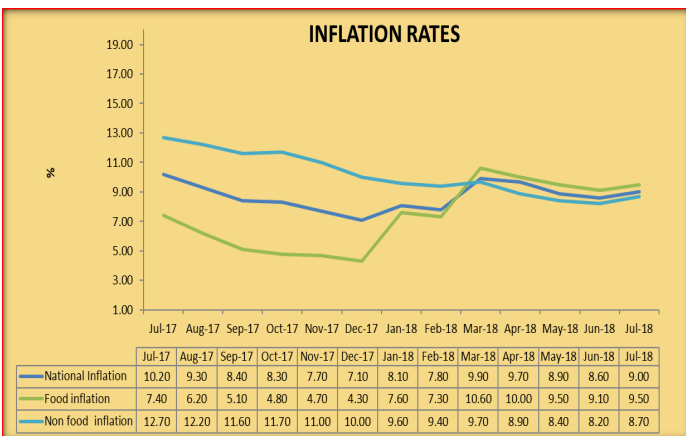
Exchange Rates

The Kwacha was stable against the United States Dollar in the period under review. Gross official reserves were at 3.61 months worth of import cover on 31 August 2018.



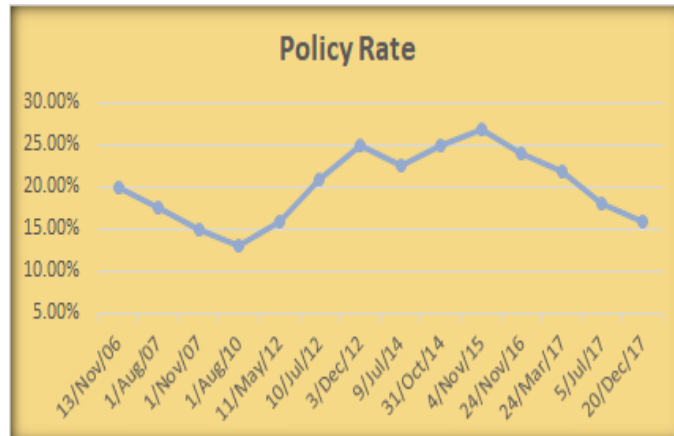
Inflation Rates

Headline inflation inched upwards by 0.4 percentage points from 8.6% in June, 2018 to 9.0% in July, 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
7th 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.

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

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

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