



MALAWI STOCK EXCHANGE

# FIRST QUARTER MARKET REPORT

JANUARY – MARCH 2014

MALAWI STOCK EXCHANGE  
OLD RESERVE BANK BUILDING, VICTORIA AVENUE  
PRIVATE BAG 270  
BLANTYRE

TEL. : (265) 01 824 233  
FAX : (265) 01 823 636  
E-mail : [mse@mse-mw.com](mailto:mse@mse-mw.com)  
WEBSITE: [www.mse.co.mw](http://www.mse.co.mw)

# MALAWI STOCK EXCHANGE LIMITED

## MARKET PERFORMANCE REPORT FOR 1<sup>st</sup> JANUARY TO 31<sup>st</sup> MARCH 2014

### 1.0 TRADING SUMMARY

The market registered a positive return on index of 2.01% lower than 5.47% registered in first quarter 2013 and a decrease in both traded volume and value in the first quarter 2014 compared to the first quarter 2013.

### Index Levels and Return – 1<sup>st</sup> Qtr. 2014

INDEX	02 <sup>nd</sup> JAN. 2014	31 <sup>st</sup> MAR. 2014	% Δ 1 <sup>st</sup> QTR. 2014	% Δ 1 <sup>st</sup> QTR. 2013
MASI	12531.04	10782.98	2.01 ▲	5.54 ▲
DSI	9850.19	10050.98	2.04 ▲	5.11 ▲
FSI	1709.34	1709.34	0.00 ■	27.94 ▲

### Trading Statistics – 1<sup>st</sup> Qtr. 2014

	1 <sup>st</sup> Qtr. 2014	1 <sup>st</sup> Qtr. 2013	% Δ
Traded Value (MK)	920,496,961.68	2,952,651,806.76	68.82 ▼
Traded Value (US\$)	2,173,602.17	7,448,395.05	70.82 ▼
Traded Vol. Shares	49,026,736	2,101,338,035	97.67 ▼
No. of Transactions	339	179	89.39 ▲
Index Close (MASI)	12782.98	6344.58	101.48▲
Index Close (DSI)	10050.98	4966.77	102.36▲
Index Close (FSI)	1709.34	1093.47	56.32 ▲
Listed companies	14	14	
Traded Companies	13	12	
Not Traded Companies	01	02	
Gainers	08	04	
Decliners	01	05	
Unchanged	04	03	

## 2.0 MARKET PERFORMANCE

### 2.1 Trade Performance Analysis

From 02<sup>nd</sup> January to 31<sup>st</sup> March, 2014 a total of 49,026,736 shares were transacted at a total consideration of MK920,496,961.68 (US\$2,173,602.17) in 339 trades. In the corresponding period 2013, the market transacted a total of 2,101,338,035 shares at a total consideration of MK2,952,651,806.76 (US\$7,448,395.05) in 179 trades. This reflects a **97.67%** decrease in terms of share volume and a **68.82%** (**70.82%** in US Dollar terms) decrease in share value.

Daily average share trades exhibited similar trends; the market registered an average daily volume of 790,754 shares compared to 33,892,549 shares traded in the corresponding first quarter of 2013.

The average daily turnover for the first quarter 2014 was MK14,846,725.19 (US\$35,058.10) compared to MK47,623,416.24 (US\$120,135.40) for the corresponding period 2013, reflecting a decrease of **68.82%** (**70.82%** in US Dollar terms).

The month of February registered the biggest traded volume and highest value of 23,478,741 and MK589,751,300.92(US\$1,389,384.74) respectively.

#### TRADING SUMMARY FOR 02<sup>nd</sup> JANUARY – 31<sup>ST</sup> MARCH 2014

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
January	7,255,289	140,412,156.07	323,615.98
February	23,478,741	589,751,300.92	1,389,384.74
March	18,292,706	190,333,504.69	460,601.45
<b>1<sup>st</sup> Qtr. 2014</b>	<b>49,026,736</b>	<b>920,496,961.68</b>	<b>2,173,602.17</b>
<b>1<sup>st</sup> Qtr. 2013</b>	<b>2,101,338,035</b>	<b>2,952,651,806.76</b>	<b>7,448,395.05</b>
<b>% CHANGE</b>	<b>97.67% ▼</b>	<b>68.82% ▼</b>	<b>70.82% ▼</b>

### 2.2 Market Capitalisation and Index

The market registered a positive return on index as reflected in the increase in The Malawi All Share Index (MASI) from 12531.04 points registered in January to 12782.98 points registered on 31<sup>st</sup> March 2014, giving a return on index of 2.01% (7.79% in US\$ terms) compared to 5.47%, (-7.94% in US\$ terms) registered in quarter III of 2013. The price gains registered by 8 counters (ILLOVO, NBM, NICO, NITL, PCL, REAL, SUNBIRD and TNM) were the major drivers in the upward movement of the Malawi All Share Index, arising from an increase in the Domestic Share Index (2.4%). The Foreign Share Index was steady at 1709.34 points.

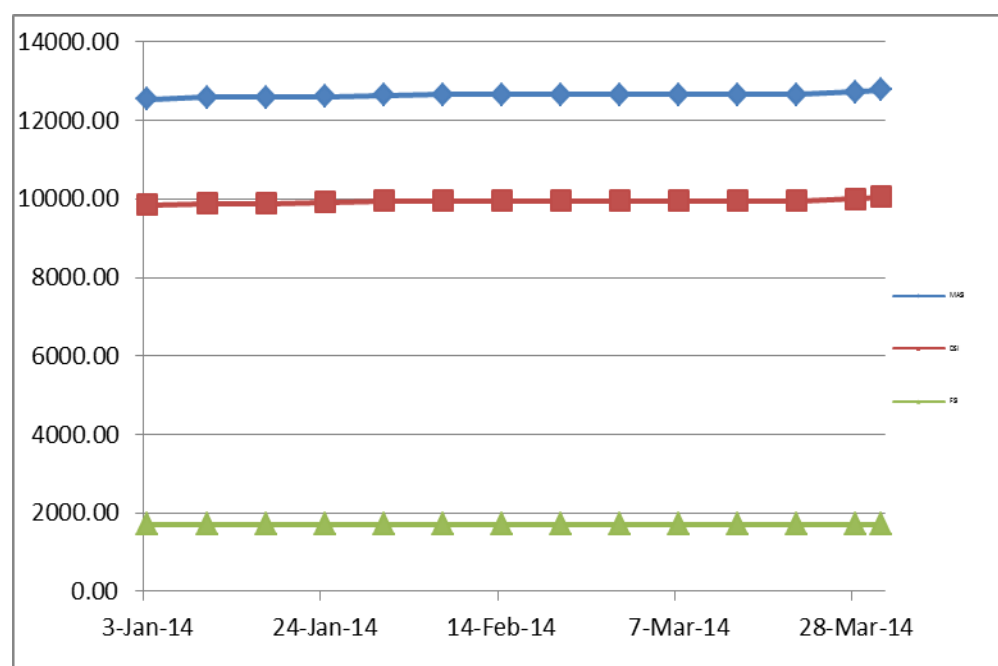
## MARKET CAPITALISATION AND INDEX - 1<sup>st</sup> Quarter 2014

Month Ending	Mkt. Cap. MKm.	Mkt. Cap US\$m	Mkt. Cap. MKm*	Mkt. Cap US\$m*	MASI
January	7,179,933.27	16,576.3538	527,163.53	1,217.0655	12531.04
February	7,186,819.09	17,086.9746	532,675.38	1,266.4589	12661.60
March	7,191,925.47	17,544.6622	537,781.76	1,311.9156	12782.98
<b>1st Qtr. 14</b>	<b>7,191,925.47</b>	<b>17,544.6622</b>	<b>537,781.76</b>	<b>1,311.9156</b>	<b>12782.98</b>
<b>1st Qtr. 13</b>	<b>4,519,858.92</b>	<b>11,019.4771</b>	<b>266,662.45**</b>	<b>650.1266**</b>	<b>6344.58</b>

\* Excludes non-Malawi register Old Mutual plc shares

\*\* Restated (having taken into account the consolidated OML plc Malawi register shares)

## FIG 1: MSE INDICES – FIRST QUARTER 2014



### 2.3 Market Liquidity

The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP\***) in the quarter under review was recorded at 0.68%, lower than 4.43% registered in first quarter 2013. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.20% in the review period while during the corresponding period of 2013 liquidity was at 0.88%.

**Table 3: Market Liquidity – 1<sup>st</sup> Quarter 2014**

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
January	387.73	28.468	0.00758	0.0266	0.041245
February	388.10	28.765	0.03185	0.1107	0.133472
March	388.37	29.041	0.01028	0.0354	0.103990
<b>1<sup>st</sup> Qtr. 13</b>	<b>388.37</b>	<b>29.041</b>	<b>0.19883</b>	<b>0.6847</b>	<b>1.114829</b>
<b>1<sup>st</sup> Qtr. 13</b>	<b>335.23</b>	<b>19.778**</b>	<b>0.87596</b>	<b>4.4290**</b>	<b>47.782774**</b>

\* Excludes non-Malawi register Old Mutual plc shares

\*\*Restated (having taken into account the consolidated OML plc Malawi register shares)

## 2.4 Company Trading Performance

### Top 5 Gainers

MSE CODE	COUNTER NAME	% GAIN
REAL	REAL Insurance	15.00
TNM	TNM Limited	12.15
PCL	Press Corporation Limited	7.02
NICO	NICO Holdings	3.43
NBM	National Bank of Malawi	2.33

8 Counters registered capital gains in the review period

### Top 5 Traded Stocks by Volume

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
TNM	TNM Limited	20,765,220	42.35
NICO	NICO Holdings	8,857,152	18.07
NBS	NBS Bank	7,322,733	14.94
MPICO	MPICO Ltd	5,161,930	10.53
FMB	FMB Bank	3,525,948	7.19

### Top 5 Traded Stocks by Value

MSE CODE	COUNTER NAME	MK	% OF TOTAL
ILLOVO	Illovo Sugar Malawi	308,963,798.00	33.56
NICO	NICO Holdings	162,806,203.24	17.69
NBS	NBS Bank	117,163,728.00	12.73
NBM	National Bank of Malawi	107,207,440.00	11.65
STANDARD	Standard Bank Malawi	58,505,142.14	6.36

## Company Trading Statistics

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	800	800	0.00	-	0.00	-
FMB	1500	1500	0.00	3,525,948	7.19	52,889,220.00
ILLOVO	28700	29200	1.74	1,058,270	2.16	308,963,798.00
MPICO	200	200	0.00	5,161,930	10.53	10,323,860.00
NBM	21500	22000	2.33	498,616	1.02	107,207,440.00
NBS	1600	1600	0.00	7,322,733	14.94	117,163,728.00
NICO	1780	1841	3.43	8,857,152	18.07	162,806,203.24
NITL	2950	3000	1.69	1,127,396	2.30	33,705,217.50
PCL	28500	30500	7.02	53,701	0.11	16,114,142.00
REAL	100	115	15.00	300,120	0.61	305,769.00
STD BANK	40000	39500	-1.25	147,470	0.30	58,505,142.14
SUNBIRD	700	710	1.43	203,726	0.42	1,432,382.00
TNM	214	240	12.15	20,765,220	42.35	45,022,619.80
OML PLC	136000	136000	0.00	4,454	0.01	6,057,440.00
				<b>49,026,736</b>	<b>100.00</b>	<b>920,496,961.68</b>

### 3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha appreciated against all major trading currencies as a result of decline in demand for trading currencies and an inflow of tobacco proceeds from the just opened tobacco auction.

#### MIDDLE EXCHANGE RATES – 02<sup>nd</sup> January – 31<sup>st</sup> March 2014

CURRENCY	JAN' 2014	MAR' 2014	% CHANGE
MK/US Dollar	433.1431	409.9210	5.67
MK/GBP	713.7209	681.0273	4.80
MK/ZAR	42.9449	39.6105	8.42
MK/EUR	597.2119	565.6577	5.58

Source: National Bank of Malawi

- 3.2 The year on year headline inflation eased by 1.3 points to 24.6% in February 2014 from 25.9% in January 2014 on account of a drop in food inflation from 24.1% in January 2014 to 20.4% in February 2014.

The urban and rural inflation rates for the month of February 2014 were 34.4% and 20.0% respectively.

KEY MACROECONOMIC INDICATORS					
	Mar. 2013	Dec. 2013	Jan. 2014	Feb. 2014	Mar. 2014
Inflation Rate	36.4	23.5	25.9	24.6	24.6 (Feb)
RBM Bank Rate	25.0	25.0	25.0	25.0	25.0
Prime Rate	35.0	35.0	40.0	36.0	36.0
<b>TB YIELD</b>					
91 Days T-Bill	41.87	36.47	22.87	15.68	11.71
182 Days T-Bill	43.90	35.92	24.66	17.15	13.22
364 Days T-Bill	43.38	37.93	25.03	19.19	17.99
Import Cover(Months)	0.92(15 Mar)	2.13	2.13	2.43	2.54

Source: National Statistical Office and Reserve Bank of Malawi

Import cover inched upwards by 19.25% from 2.13 months in January 2014 to 2.54 months in March 2014.