



MALAWI STOCK EXCHANGE

FIRST QUARTER MARKET REPORT

JANUARY – MARCH 2012

MALAWI STOCK EXCHANGE

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MALAWI STOCK EXCHANGE LIMITED

MARKET PERFORMANCE REPORT FOR 1st JANUARY TO 31st MARCH 2012

1.0 TRADING SUMMARY

The market registered a positive return on index of 5.54 % higher than the -1.81 % registered in first quarter 2011. It however recorded a drop in both traded volume and value in the first quarter 2012 compared to the first quarter 2011.

Index Levels and Return – 1st Qtr. 2012

INDEX	JAN, 2012	31 st MARCH, 2012	% Δ 1 st QTR. 12	% Δ 1 st QTR. 11
MASI	5369.42	5667.12	5.54 ▲	-1.81 ▼
DSI	4238.39	4472.32	5.52 ▲	-1.93 ▼
FSI	535.42	576.90	7.75 ▲	13.21 ▲

Trading Statistics – 1st Qtr. 2012

Traded Value (MK)	760,763,197.50	No. of Listed companies	14
Traded Value (US\$)	4,588,527.28	Traded Companies	13
Traded Vol. Shares	66,386,492	Not Traded Companies	1
No. of Transactions	384	Gainers	7
Index Close (MASI)	5667.12	Decliners	2
Index Close (DSI)	4472.32	Unchanged	5

2.0 MARKET PERFORMANCE

2.1 Trade Performance Analysis

From 1st January to 31st March, 2012 a total of 66,386,492 shares were transacted at a total consideration of MK760,763,197.50 (US\$4,588,527.28) in 384 trades. In the corresponding period 2011, the market transacted a total of 751,409,367 shares at a total consideration of MK3,831,381,197.47 (US\$25,406,934.12) in 493 trades. This reflects a -91.17% decrease in terms of share volume and a -80.14% (-81.94% in US Dollar terms) decrease in share value.

Daily average share trades exhibited similar trends; the market registered an average daily volume of 1,070,750 shares compared to 12,119,506 shares traded in the corresponding first quarter of 2011.

The average daily turnover for the first quarter 2012 was MK12,270,374.15 (US\$74,008.50) compared with MK61,796,470.93 (US\$409,789.26) for the

corresponding first quarter 2011, reflecting a decrease of **-80.14%** (**-81.94%** in US Dollar terms)

The month of March registered the highest in terms of both value MK531,582,238.90 (US\$3,208,535.92) and volume of 58,146,783.

TABLE 1: TRADING SUMMARY FOR 1ST JANUARY – 31ST MARCH 2012

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
January	7,216,236	210,161,869.30	1,266,614.97
February	1,023,473	19,019,089.30	113,376.39
March	58,146,783	531,582,238.90	3,208,535.92
1st Qtr. 2012	66,386,492	760,763,197.50	4,588,527.28
1st Qtr. 2011	751,409,367	3,831,381,197.47	25,406,934.12
% CHANGE	-91.17	-80.14	-81.94

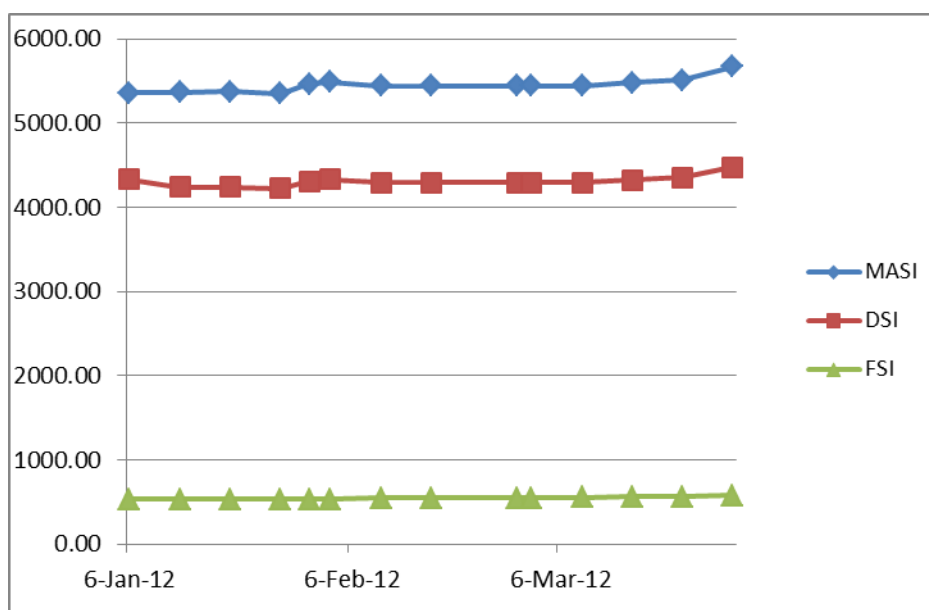
2.2 Market Capitalisation and Index

The market registered a positive return on index as reflected in the upward movement of The Malawi All Share Index (MASI) from 5369.42 points registered in January to 5667.12 points registered on 31st March 2012, giving a return on index of 5.54%, (5.90% in US\$ terms) compared to -1.81 %, (-1.81 in US\$ terms) registered in quarter I of 2011. The price gains registered by 7 counters (FMB, ILLOVO, NBM, NBS, NICO, STANDARDBANK and OML) were the major drivers in the upward movement of the Malawi All Share Index, arising from an increase in both the Domestic Share Index (5.52%) and the Foreign Share Index (7.75%).

Table 2: Market Capitalization and Index – 1st Quarter 2012

Month Ending	Mkt. Cap. MKm.	Mkt. Cap. US\$m	Mkt. Cap. MKm*	Mkt. Cap. US\$m*	MASI
January	2,698,710.31	16,118.8052	230,322.42	1,375.6653	5369.42
February	2,750,073.08	16,355.6582	229,536.15	1,365.1328	5437.39
March	2,898,840.55	17,372.3702	239,239.51	1,433.7309	5667.12
1st Qtr. 2012	2,898,840.55	17,372.3702	239,239.51	1,433.7309	5667.12
1st Qtr. 2011	1,416,638.94	9,394.1263	203,767.39	1,351.2382	4863.41

* Excludes non-Malawi register Old Mutual plc shares

FIG 1: MSE INDICES – FIRST QUARTER 2012

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 1.272%, lower than 7.52% registered in first quarter 2011. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.282% in the review period while during the corresponding period of 2011 liquidity was at 2.37 %.

Table 3: Market Liquidity – 1st Quarter 2012

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
January	250.44	21.374	0.01950	0.0912	0.041021
February	255.20	21.301	0.00176	0.0083	0.005818
March	269.01	22.201	0.04933	0.2222	0.330528
1st Qtr. 12	269.01	22.201	0.28239	1.2720	1.509461
1st Qtr. 11	218.65	31.450	2.36542	7.5211	17.212914

* Excludes non-Malawi register Old Mutual plc shares

2.4 Company Trading Performance

Top Gainers

MSE CODE	COUNTER NAME	% GAIN
NBS	NBS Bank	25.00
FMB	FMB Bank	10.29
NICO	NICO Holdings Limited	9.09
OML	Old Mutual plc	7.75
STANDARD BANK	Standard Bank Limited	7.62
ILLOVO	Illovo Sugar Malawi Limited	3.85
NBM	National Bank of Malawi	0.95

7 counters registered a capital gain during the review period.

Top Decliners

MSE CODE	COUNTER NAME	% LOSS
MPICO	MPICO	- 10.00
TNM	TNM	- 4.74

2 Counters registered a capital loss in quarter I of 2012.

Top 5 Traded Stocks by Volume

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
TNM	TNM	34,322,438	51.70
NBS	NBS Bank	7,382,123	11.12
FMB	FMB Bank	6,068,552	9.14
REAL	Real Insurance	5,627,195	8.48
NBM	National Bank of Malawi	5,582,206	8.41

Top 5 Traded Stocks by Value

MSE CODE	COUNTER NAME	MK	% OF TOTAL
NBM	National Bank of Malawi	293,091,223.00	38.53
ILLOVO	Illovo Sugar Malawi Limited	164,596,640.00	21.64
NBS	NBS Bank	76,505,996.30	10.06
TNM	TNM	60,013,584.80	7.89
FMB	FMB Bank	43,501,182.00	5.72

Company Trading Statistics

Company	Opening Price	Closing Price	% Price Change	Shares Vol. Traded	% Traded	Value Traded MK
BHL	700	700	0.00	1,000,000	1.51	7,000,000.00
FMB	700	772	10.29	6,068,552	9.14	43,501,182.00
ILLOVO	13000	13500	3.85	1,234,878	1.86	164,596,640.00
MPICO	300	270	-10.00	1,221,033	1.84	3,628,055.40
NBM	5250	5300	0.95	5,582,206	8.41	293,091,233.00
NBS	1000	1250	25.00	7,382,123	11.12	76,505,996.30
NICO	1100	1200	9.09	2,014,894	3.04	22,913,971.00
NITL	1600	1600	0.00	1,524,900	2.30	24,398,400.00
PCL	18000	18000	0.00	106,760	0.16	19,216,800.00
REAL	120	120	0.00	5,627,195	8.48	6,752,634.00
STD.BANK	10500	11300	7.62	281,360	0.42	30,146,444.00
SUNBIRD	700	700	0.00	0	0.00	0.00
TNM	190	181	-4.74	34,322,438	51.70	60,013,584.80
OML PLC	42600	45900	7.75	20,153	0.03	8,998,267.00
				66,386,492	100.000	760,763,197.50

3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha moved during the three months period from 1st January to 31st March 2012 as follows: -

TABLE 2: EXCHANGE RATES: FIRST QUARTER 2012

CURRENCY	END JAN' 2012	END MAR' 2012	% CHANGE
MK/US Dollar	167.4262	166.8650	0.34
MK/GBP	263.0265	266.2831	-1.22
MK/ZAR	21.3537	21.6152	-1.21
MK/EUR	220.0649	221.9638	-0.86

- 3.2 The year on year headline inflation slightly increased by 0.6 points to 10.9% in February 2012 from 10.3 % in January 2012. The urban and rural inflation rates for the month of February, 2012 were 14.4% and 8.9% respectively.

KEY MACROECONOMIC INDICATORS					
	Mar. 2011	Dec. 2011	Jan. 2012	Feb. 2012	Mar. 2012
Inflation Rate	7.2	9.8	10.3	10.9	10.9 (Feb)
RBM Bank Rate	13.0	13.0	13.0	13.0	13.0
Prime Rate	22.5	17.75	17.75	17.75	17.75
TB YIELD					
91 Days T-Bill	4.93	6.84	0.00	0.00	6.49
182 Days T-Bill	5.59	0.00	0.00	0.00	7.05
364 Days T-Bill	0.00	0.00	0.00	0.00	8.99