



MALAWI STOCK EXCHANGE

SECOND QUARTER MARKET REPORT

APRIL – JUNE 2013

MALAWI STOCK EXCHANGE

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MALAWI STOCK EXCHANGE LIMITED

MARKET PERFORMANCE REPORT FOR 1st APRIL TO 30th JUNE 2013

1.0 TRADING SUMMARY

The market continued beating its record high since inception in second quarter 2013 to close at 6914.45 points giving a quarterly return on index of 8.98% higher than 5.58% registered in second quarter 2012. It also recorded an increase in both traded volume and value in the second quarter 2013 compared to the second quarter 2012.

In US dollar terms, the index gained 33.08% as a result of the appreciation of the kwacha in the period under review.

Index Levels and Return – 2nd Qtr. 2013

INDEX	APRIL, 2013	JUNE, 2013	% Δ 2nd QTR.13	% Δ 2nd QTR.12	% YTD Δ 2013
MASI	6344.58	6914.45	8.98 ▲	5.58 ▲	14.94 ▲
DSI	4966.77	5418.32	9.09 ▲	5.49 ▲	14.66 ▲
FSI	1093.47	1131.18	3.45 ▲	13.29 ▲	32.35 ▲

Trading Statistics – 2nd Qtr. 2013

	2 nd Qtr. 2013	2 nd Qtr. 2012	% Δ
Traded Value (MK)	2,104,703,874.86	1,157,150,153.25	81.89 ▲
Traded Value (US\$)	5,535,290.03	4,777,469.38	15.86 ▲
Traded Vol. Shares	1,030,320,035	309,734,064	232.65 ▲
No. of Transactions	268	290	7.59 ▼
Index Close (MASI)	6914.45	5983.34	15.56 ▲
Index Close (DSI)	5418.32	4717.88	14.85 ▲
Listed companies	14	14	
Traded Companies	13	11	
Not Traded Companies	01	03	
Gainers	08	09	
Decliners	02	02	
Unchanged	03	00	

2.0 MARKET PERFORMANCE

2.1 Trade Performance Analysis

From 1st April to 30th June, 2013 a total of 1,030,320,035 shares were transacted at a total consideration of MK2,104,703,874.86 (US\$5,535,290.03) in 268 trades. In the corresponding period 2012, the market transacted a total of 309,734,064 shares at a total consideration of MK1,157,150,153.25 (US\$4,777,469.38) in 290 trades. This reflects a **232.65%** increase in terms of share volume and an **81.89%** (**15.86%** in US Dollar terms) increase in share value.

Daily average share trades exhibited similar trends; the market registered an average daily volume of 16,618,065 shares compared to 4,995,711 shares traded in the corresponding second quarter of 2012.

The average daily turnover for the second quarter 2013 was MK33,946,836.69 (US\$89,278.87) compared with MK18,663,712.15 (US\$77,055.96) for the corresponding second quarter 2012, reflecting an increase of **81.89%** (**15.86%** in US Dollar terms).

The month of May registered the highest in terms of both value MK1,617,542,291.96 (US\$4,282,486.69) and volume of 917,047,544.

TABLE 1: TRADING SUMMARY FOR 1st APRIL – 30th JUNE 2013

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
April	72,164,760	381,929,273.80	934,205.18
May	917,047,544	1,617,542,291.96	4,282,486.69
June	41,107,731	105,232,309.10	318,598.16
2nd Qtr. 2013	1,030,320,035	2,104,703,874.86	5,535,290.03
2nd Qtr. 2012	309,734,064	1,157,150,153.25	4,777,469.38
% CHANGE	232.65 ▲	81.89 ▲	15.86 ▲
1st Qtr. 2013	2,101,338,035	2,952,651,806.76	7,448,395.05

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 6344.58 points registered in April to 6914.45 points registered on 30th June 2013, giving a return on index of 8.98%, (33.08% in US\$ terms) compared to 5.58%, (-36.07% in US\$ terms) registered in quarter II of 2012. The price gains registered by 8 counters (FMB, ILLOVO, NBM, NBS, NITL, STANDARD BANK, TNM and OML) were the major drivers in the upward

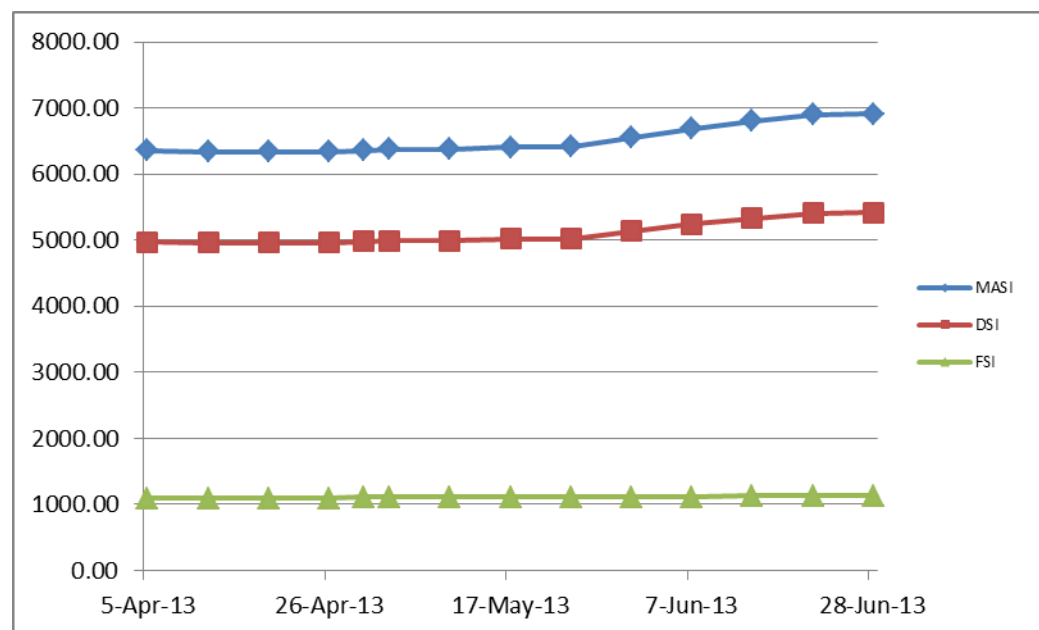
movement of the Malawi All Share Index, arising from an increase in both the Domestic Share Index (9.09%) and the Foreign Share Index (3.45%).

Table 2: Market Capitalization and Index – 2nd Quarter 2013

Month Ending	Mkt. Cap. MKm.	Mkt. Cap. US\$m	Mkt. Cap. MKm*	Mkt. Cap. US\$m*	MASI
April	4,569,408.90	11,071.9867	268,514.89	650.6297	6344.58
May	4,606,835.62	14,023.6137	276,617.33	842.0475	6552.53
June	4,690,537.67	13,879.0509	291,896.07	863.7049	6914.45
2nd Qtr. 2013	4,690,537.67	13,879.0509	291,896.07	863.7049	6914.45
2nd Qtr. 2012	2,782,481.06	10,096.0851	249,486.33	905.2476	5983.34
1st Qtr. 2013	4,519,858.92	11,019.4771	267,838.70	652.9944	6344.58

* Excludes non-Malawi register Old Mutual plc shares

FIG 1: MSE INDICES – SECOND QUARTER 2013



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 3.47%, higher than 1.53% registered in second quarter 2012. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.55% in the review period while during the corresponding period of 2012 liquidity was at 0.35%.

Table 3: Market Liquidity – 2nd Quarter 2013

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
April	247.01	14.515	0.02065	0.1422	0.410211
May	249.03	14.953	0.08744	0.5848	5.212834
June	253.56	15.779	0.00569	0.0361	0.233671
2nd Qtr. 13	253.56	15.779	0.54677	3.4652	35.602984
2nd Qtr. 12	250.67	22.476	0.34557	1.5375	4.276014
1st Qtr. 13	335.23	19.865	0.87596	4.4096	47.779101

* Excludes non-Malawi register Old Mutual plc shares

2.4 Company Trading Performance

Top Gainers

MSE CODE	COUNTER NAME	% GAIN
TNM	TNM	30.00
ILLOVO	Illovo Sugar Malawi Limited	11.86
STANDARD BANK	Standard Bank	8.50
NBM	National Bank of Malawi	8.39
NBS	NBS Bank	6.25
FMB	FMB Bank	6.25
OML	Old Mutual plc	3.45
NITL	National Investment Trust Ltd	1.31

8 counters registered a capital gain during the review period.

Top Decliners

MSE CODE	COUNTER NAME	% LOSS
REAL	Real Insurance	- 16.67
MPICO	MPICO	- 9.09

2 Counters registered a capital loss in quarter II of 2013.

Top 5 Traded Stocks by Volume

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
TNM	TNM	1,001,498,064	97.20
NBM	National Bank of Malawi	9,532,233	0.93
MPICO	MPICO	6,993,732	0.68
FMB	FMB Bank	4,551,037	0.44
NITL	National Investment Trust Ltd	3,648,118	0.35

Top 5 Traded Stocks by Value

MSE CODE	COUNTER NAME	MK	% OF TOTAL
TNM	TNM	1,160,170,630.00	55.12
NBM	National Bank of Malawi	594,582,506.20	28.25
PCL	Press Corporation Ltd	139,891,552.00	6.65
ILLOVO	Illovo Sugar Malawi Limited	68,264,739.00	3.24
NITL	National Investment Trust Ltd	61,739,153.80	2.93

Company Trading Statistics

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	700	700	0.00	58,296	0.01	408,072.00
FMB	800	850	6.25	4,551,037	0.44	37,051,278.00
ILLOVO	17000	19016	11.86	389,826	0.04	68,264,739.00
MPICO	220	200	-9.09	6,993,732	0.68	14,405,627.20
NBM	6200	6720	8.39	9,532,233	0.93	594,582,506.20
NBS	800	850	6.25	2,610,528	0.25	18,574,990.36
NICO	1430	1430	0.00	0	0.00	0.00
NITL	1678	1700	1.31	3,648,118	0.35	61,739,153.80
PCL	18800	18800	0.00	744,104	0.07	139,891,552.00
REAL	120	100	-16.67	244,234	0.02	245,038.80
STD.BANK	15300	16600	8.50	46,278	0.00	7,238,913.00
SUNBIRD	650	650	0.00	1,185	0.00	7,702.50
TNM	100	130	30.00	1,001,498,064	97.20	1,160,170,630.00
OML PLC	87000	90000	3.45	2,400	0.00	2,123,672.00
				1,030,320,035	100.00	2,104,703,874.86

3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha moved during the three months period from April to June 2013 as follows: -

TABLE 2: EXCHANGE RATES: SECOND QUARTER 2013

CURRENCY	APR' 2013	JUN' 2013	% CHANGE*
MK/US Dollar	412.7000	337.9581	22.12
MK/GBP	656.6289	518.2213	26.71
MK/ZAR	47.9095	34.3962	39.29
MK/EUR	557.5212	441.4197	26.30

Source: National Bank of Malawi; *Used the reciprocal method to calculate % change

The appreciation of the kwacha between April and June was as a result of tobacco and donor inflows coupled with the liquidity squeeze on the kwacha in the market.

- 3.2 The year on year headline inflation decreased by 4.8 points to 31.0% in May 2013 from 35.8 % in April 2013. The urban and rural inflation rates for the month of May, 2013 were 39.4% and 29.6% respectively.

KEY MACROECONOMIC INDICATORS					
	Jun. 2012	Dec. 2012	Apr. 2013	May 2013	June. 2013
Inflation Rate	20.1	34.6	35.8	31.0	31.0 (May)
RBM Bank Rate	16.0	25.0	25.0	25.0	25.0
Prime Rate	23.50	35.0	40.0	40.0	40.0
TB YIELD					
91 Days T-Bill	15.00	20.11	35.02	33.39	32.90
182 Days T-Bill	16.20	24.78	39.72	35.06	32.92
364 Days T-Bill	18.50	0.00	0.00	37.63	35.96
Import Cover (Months)	0.7	1.17	1.10(Apr 26)	1.82(May 29)	2.49(Jun 28)

Source: Reserve Bank of Malawi and National Statistical Office