

# MONTHLY MARKET REPORT

## OCTOBER 2017



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MALAWI STOCK EXCHANGE

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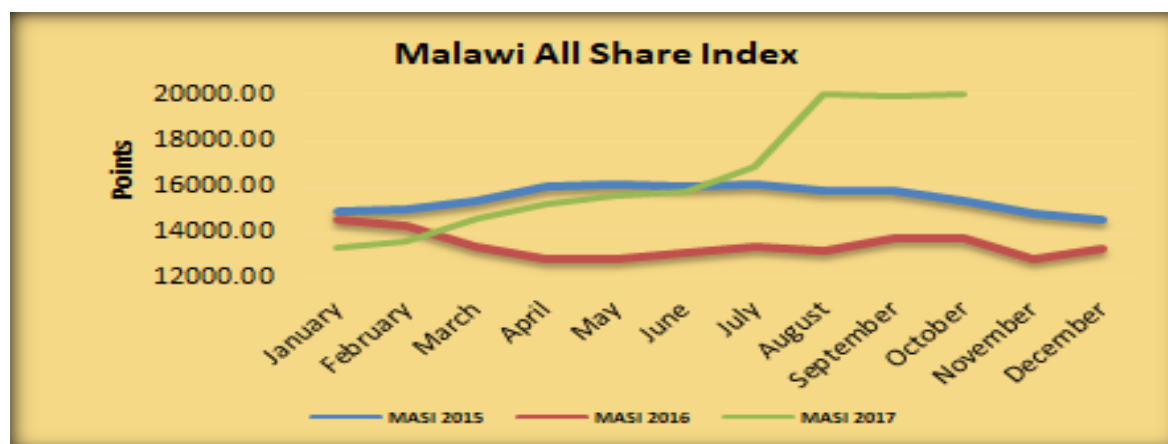
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## 1. EQUITY TRADING SUMMARY

The market was marginally bullish in the month of October 2017 as it registered a positive return on investment of 0.65% (0.65% in US\$ terms) and an increase in total traded value despite a decrease in total traded volume.

### Index Levels and Return – October 2017

INDEX	OCTOBER 2017	SEPTEMBER, 2017	Monthly $\Delta$ 2017	Monthly $\Delta$ 2016	% $\Delta$ YTD. 2017
MASI	20049.06	19920.42	0.65 $\blacktriangle$	0.28 $\blacktriangle$	50.51 $\blacktriangle$
DSI	15760.94	15687.31	0.47 $\blacktriangle$	0.28 $\blacktriangle$	50.72 $\blacktriangle$
FSI	2474.85	2425.75	2.02 $\blacktriangle$	0.00 $\blacksquare$	22.15 $\blacktriangle$



### Trading Statistics – October 2017

	October 2017	September 2017	Monthly % $\Delta$	October 2016	Y-O-Y % $\Delta$
Traded Value (MK)	2,108,221,256.74	1,325,916,804.33	59.00 $\blacktriangle$	331,416,056.34	536.13 $\blacktriangle$
Traded Value (US\$)	2,905,267.43	1,827,200.49	59.00 $\blacktriangle$	459,835.71	531.81 $\blacktriangle$
Traded Vol. Shares	60,346,580	83,482,149	27.71 $\blacktriangledown$	2,601,165	2219.98 $\blacktriangle$
No. of Transactions	117	126	7.14 $\blacktriangledown$	64	82.81 $\blacktriangle$
Index Close (MASI)	20049.06	19920.42	0.65 $\blacktriangle$	13744.12	45.87 $\blacktriangle$
Listed companies	14	14		13	
Traded Companies	12	12		13	
Not Traded Companies	02	02		00	
Gainers	03	05		05	
Decliners	00	03		06	
Unchanged	09	04		02	

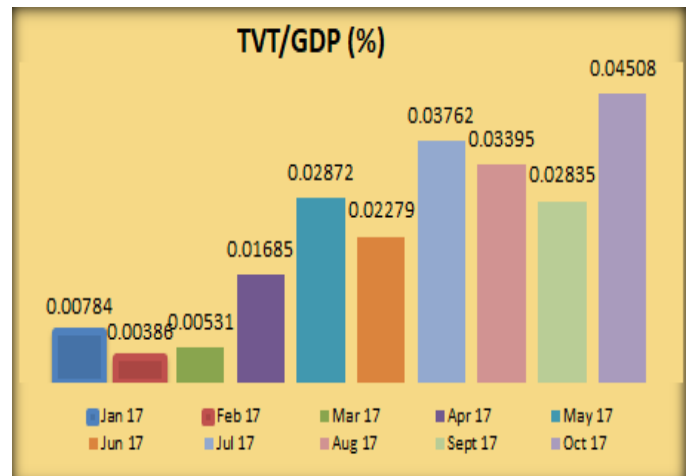
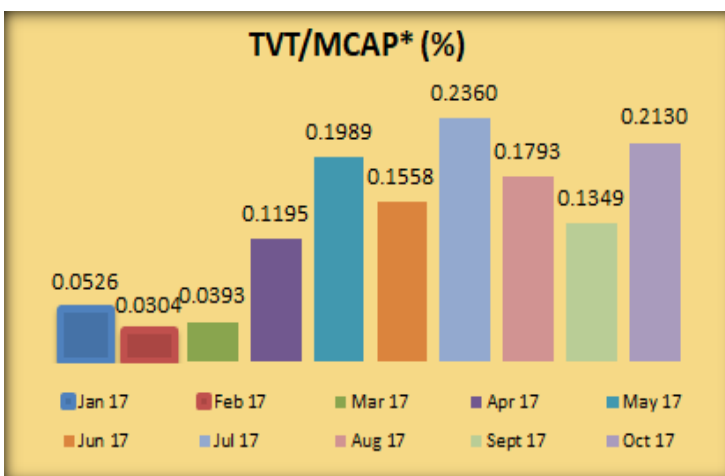
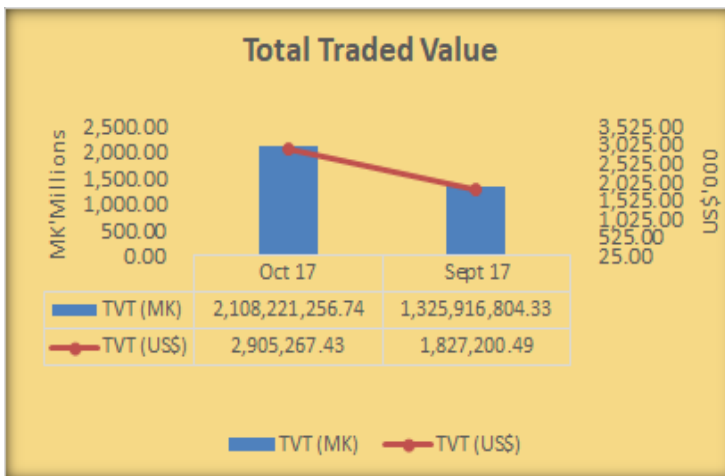
## 2. MARKET PERFORMANCE

- A. Trade Performance Analysis
- The market transacted a total of 60,346,580 shares at a total consideration of MK2,108,221,256.74 (US\$2,905,267.43) in 117 trades. In the previous month, September 2017, the market transacted a total of 83,482,149 shares at a total consideration of MK1,325,916,804.33 (US\$1,827,200.49) in 126 trades. This reflects a **27.71%** decrease in terms of share volume and a **59.00%** (59.00% in US Dollar terms) increase in share value.
- Daily average share trades exhibited similar trends where the market registered an average daily volume of 2,873,647 shares compared to 3,975,340 shares traded in September 2017.
- The average daily turnover for October 2017 was MK100,391,488.42 (US\$138,346.07) compared with MK63,138,895.44 (US\$87,009.55) in September 2017, reflecting an increase of **59.00%** (59.00% 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 19920.42 points registered in September 2017 to 20049.06 points registered in October 2017, giving a return on index of **0.65%** (0.65% in US\$ terms). The price gains registered by BHL, FMBCH and ILLOVO resulted into an upward movement of the Malawi All Share Index, arising from an increase in both the Domestic Share Index (**0.47%**) and the Foreign Share Index (**2.02%**).
- Market capitalization increased in both Kwacha and United States Dollar terms from MK983,028.70 million (US\$1,354.68 mln) in September 2017 to MK989,673.25 million (US\$1,363.83 mln) in October 2017.
- 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 October 2017 was recorded at 0.21%, higher than 0.13% registered in September 2017. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.05% in October 2017 while during the previous month, September 2017, liquidity was at 0.03%.

## 2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



### 3. COMPANY TRADING PERFORMANCE

A. Top gainers: Three counters registered capital gains

MSE CODE	COUNTER NAME	% GAIN
BHL	Blantyre Hotels plc	12.00 ▲
ILLOVO	Illovo Sugar Malawi plc	2.21 ▲
FMBCH	FMB Capital Holdings plc	2.20 ▲

B. Top Five Traded Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
NICO	NICO Holdings plc	20,711,280	34.32
TNM	Telekom Networks Malawi plc	19,709,187	32.66
NBS	NBS Bank plc	8,100,922	13.42
FMBCH	FMB Capital Holdings plc	7,083,954	11.74
MPICO	MPICO plc	1,713,237	2.84

C. Top Five Traded Stocks by value

MSE CODE	COUNTER NAME	VALUE	% of Total
NICO	NICO Holdings plc	621,154,020.00	29.46
FMBCH	FMB Capital Holdings plc	324,940,078.82	15.41
PCL	Press Corporation plc	290,674,350.00	13.79
NBM	National Bank of Malawi plc	284,680,710.00	13.50
TNM	Telekom Networks Malawi plc	211,276,812.54	10.02

### 3. COMPANY TRADING PERFORMANCE

COUNTER	HIGH (MK)	LOW (MK)	Earnings Yield (%)	P/E	P/BV	MKT CAP (MK'MIn)	MKT CAP (US\$'Min)
BHL	28.00	25.00	12.17	8.21	0.76	3,617.39	4.99
FMBCH	46.00	45.01	7.28	13.73	2.66	105,197.73	144.97
FMB	45.01	45.01	7.29	13.73	2.40	105,154.61	144.91
ILLOVO	240.00	234.81	4.13	24.18	4.68	171,226.65	235.96
MPICO	15.61	15.61	5.54	18.04	1.28	35,872.52	49.43
NBM	270.00	270.00	13.17	7.59	1.86	126,071.57	173.73
NBS	7.50	7.50	N/A	N/A	3.21	21,829.30	30.08
NICO	34.00	34.00	7.71	12.97	1.10	35,463.40	48.87
NITL	60.08	60.08	N/A	N/A	1.24	8,110.80	11.18
PCL	570.00	570.00	25.11	3.98	0.66	68,545.82	94.46
STANDARD	600.00	600.00	13.80	7.25	2.24	140,800.90	194.03
SUNBIRD	70.00	70.00	7.30	13.70	1.39	18,310.78	25.23
TNM	14.00	10.00	5.84	17.13	6.74	140,566.30	193.71
OML	1,930.00	1,930.00	7.91	12.65	0.96	8,905.48	12.27

### 3. COMPANY TRADING PERFORMANCE

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	2500	2800	12.00%	50,380	0.08%	1,375,260.00
FMBCH	4501	4600	2.20%	7,083,954	11.74%	324,940,078.82
FMB	4501	4501	0.00%	0	0.00%	0
ILLOVO	23481	24000	2.21%	62,438	0.10%	14,985,120.00
MPICO	1561	1561	0.00%	1,713,237	2.84%	26,743,300.41
NBM	27000	27000	0.00%	1,054,373	1.75%	284,680,710.00
NBS	750	750	0.00%	8,100,922	13.42%	60,753,824.97
NICO	3400	3400	0.00%	20,711,280	34.32%	621,154,020.00
NITL	6008	6008	0.00%	1,000,000	1.66%	60,080,000.00
PCL	57000	57000	0.00%	509,955	0.85%	290,674,350.00
STANDARD	60000	60000	0.00%	350,068	0.58%	210,040,800.00
SUNBIRD	7000	7000	0.00%	0	0.00%	0
TNM	1400	1400	0.00%	19,709,187	32.66%	211,276,812.54
OML PLC	193000	193000	0.00%	786	0.00%	1,516,980.00
				60,346,580	100.00%	2,108,221,256.74



#### 4. BOND TRADING SUMMARY

BOND	MATURITY DATE	COUPON DATE	COUPON RATE (%)	NOMINAL VALUE (MK' M N)
TN02YR31082019	31 August 2019	28 Feb & 31 Aug	11	20,000.00
Total Outstanding Treasury notes				20,000.00

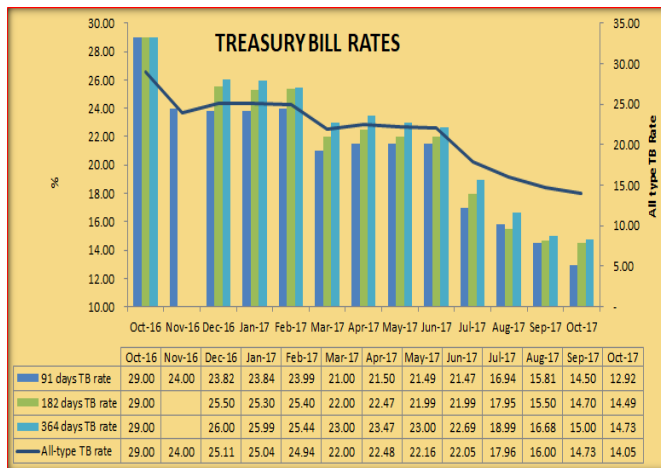
## 5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

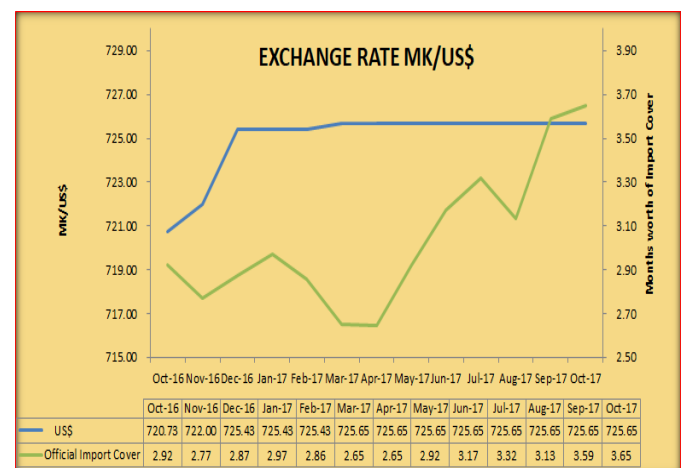
### Interest Rates

During the period under review, the yield on the 91 days T-bill, the 182 days T-bill and the 364 days T-bill decreased from 14.50% to 12.92%, from 14.70% to 14.49% and from 15.00% to 14.73% respectively.



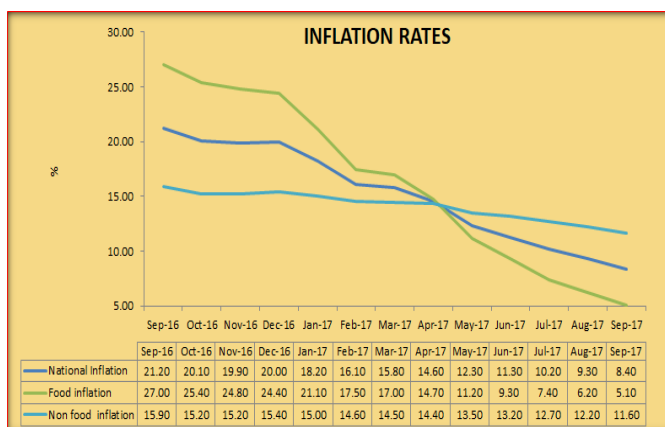
### Exchange Rates

The Kwacha was stable against the United States Dollar in the period under review. Gross official reserves improved from 3.59 months of import cover on 30 September 2017 to 3.65 months of import cover on 31 October 2017.



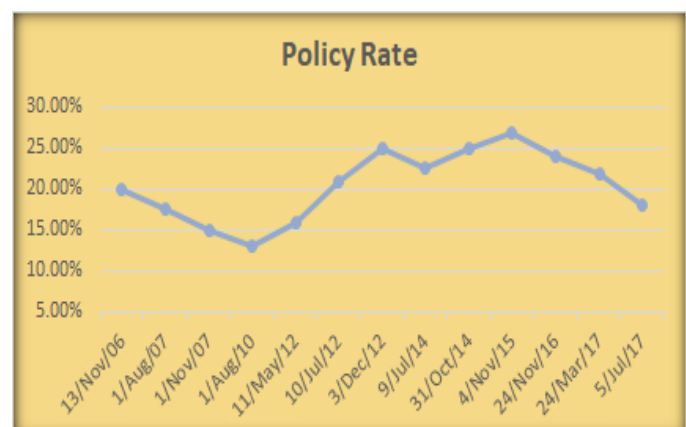
### Inflation Rates

Headline inflation eased by 0.9 percentage points from 9.3% in August, 2017 to 8.4% in September, 2017.



### Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 27 and 28 September, 2017 maintained the policy rate at 18%.



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