

# FIRST QUARTER MARKET REPORT JANUARY – MARCH 2019



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*Malawi's global portal*

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MALAWI STOCK EXCHANGE

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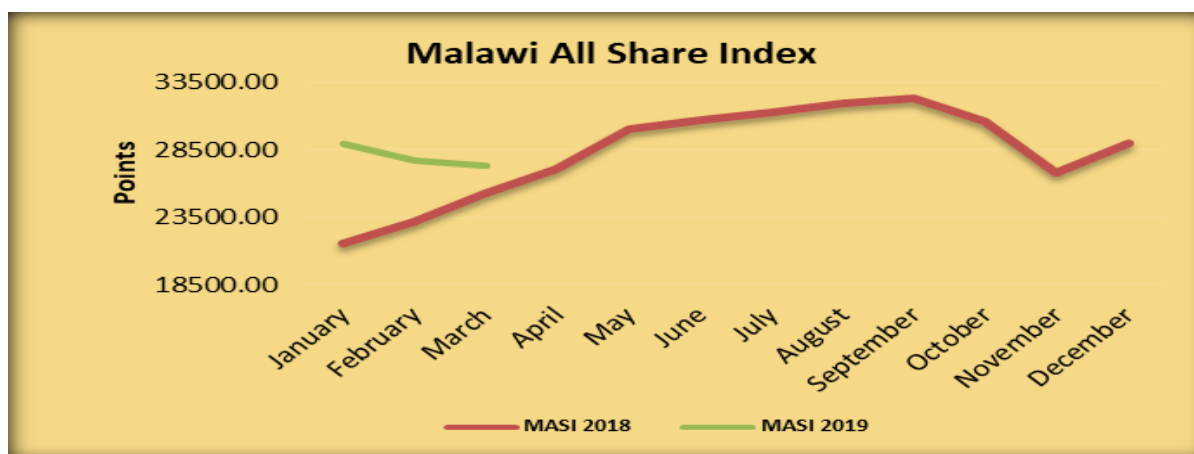
## 1. TRADING SUMMARY

The market ended the listing drought on the Main Board with the listing of ICON Properties plc whose share price inched upwards by 37.14% on first day of trading. The market however, was bearish in the Q1 2019 as it registered a return on index of **-5.80%** (-5.97% in US\$ terms), **7.98%** on a year-on-year basis, despite registering an increase in total traded value and total traded volume of shares compared to the corresponding period 2018.

On the debt market, three Treasury Notes were listed in Q1 2019 bringing the total of listed debt securities to twelve.

### Index Levels and Return – 1st Qtr. 2019

INDEX	JAN., 2019	MAR., 2019	% Δ 1st QTR. 2019	% Δ 1st QTR. 2018	% Δ YTD. 2019
MASI	28983.53	27303.65	<b>-5.80</b>	<b>17.08 ▲</b>	<b>-5.80</b>
DSI	21318.07	20483.29	<b>-3.92</b>	<b>10.67 ▲</b>	<b>-3.92</b>
FSI	5265.12	4521.94	<b>-14.12</b>	<b>47.68 ▲</b>	<b>-14.12</b>



	1st Qtr. 2019	1st Qtr. 2018	% Δ
Traded Value (MK)	14,164,322,236.44	10,148,122,135.99	<b>39.58 ▲</b>
Traded Value (US\$)	19,390,837.52	13,984,671.78	<b>38.66 ▲</b>
Traded Vol. Shares	420,679,180	321,380,401	<b>30.90 ▲</b>
No. of Transactions	721	386	<b>86.79 ▲</b>
Index Close (MASI)	27303.65	25286.79	<b>7.98 ▲</b>
Listed Debt Securities	12	03	
Traded Debt Securities	00	00	
Listed companies	14	13	
Traded Companies	14	12	
Not Traded Companies	00	01	
<b>Gainers</b>	<b>02</b>	<b>09</b>	
<b>Decliners</b>	<b>10</b>	<b>01</b>	
Unchanged	<b>02</b>	<b>02</b>	

## 2. MARKET PERFORMANCE

### A. Trade Performance Analysis

The market transacted a total of 420,679,180 shares at a total consideration of MK14,164,322,236.44 (US\$19,390,837.52) in 721 trades. In the corresponding period 2018, the market transacted a total of 321,380,401 shares at a total consideration of MK10,148,122,135.99 (US\$13,984,671.78) in 386 trades. This reflects a **30.90%** increase in terms of share volume and a **39.58%** (**38.66%** in US Dollar terms) increase in share value. Of the shares traded, 152,755,283 NBS shares and 36,416,812 NICO shares were traded as negotiated deals.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 6,785,148 shares compared to 5,183,555 shares traded in the corresponding first quarter of 2018.

The average daily turnover for the first quarter 2019 was MK228,456,810.27 (US\$312,755.44) compared with MK163,679,389.29 (US\$225,559.22) for the corresponding first quarter 2018, reflecting an increase of **39.58%** (**38.66%** in US Dollar terms).

### B. Market Capitalization and Index

The market registered a negative return on index as reflected in the downward movement of the Malawi All Share Index (MASI) from 28983.53 points registered on 1 January 2019 to 27303.65 points registered on 31 March 2019, giving a return on index of **-5.80%**, (**-5.97%** in US\$ terms) compared to **17.08%**, (**17.08%** in US\$ terms) registered in Q1 of 2018. The price gains registered on ICON(25.71%) and PCL(5.26%), were not enough to offset share price losses registered by BHL(-0.31%), FMBCH (-15.00%), MPICO(-0.98%), NBM(-5.12%), NBS(-1.00%), NICO(-2.40%), STANDARD (-15.07%), SUNBIRD(-4.83%), TNM(-10.54%) and OMU(-0.001%) resulting into a downward movement of the Malawi All Share Index. The Domestic Share and the Foreign Share Indices fell by 3.92% and 14.12% respectively.

Market capitalization decreased in both Kwacha and United States Dollar terms from K1,284,705.65 million (US\$1,760.24 million) in January 2019 to K1,275,935.00 million (US\$1,745.00 million) in March 2019.

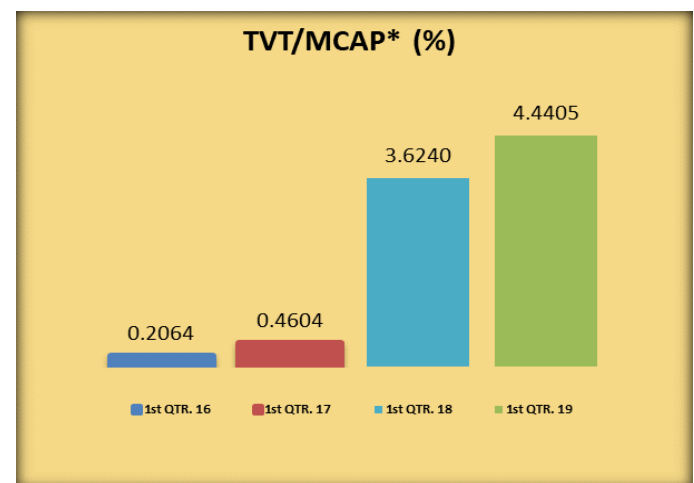
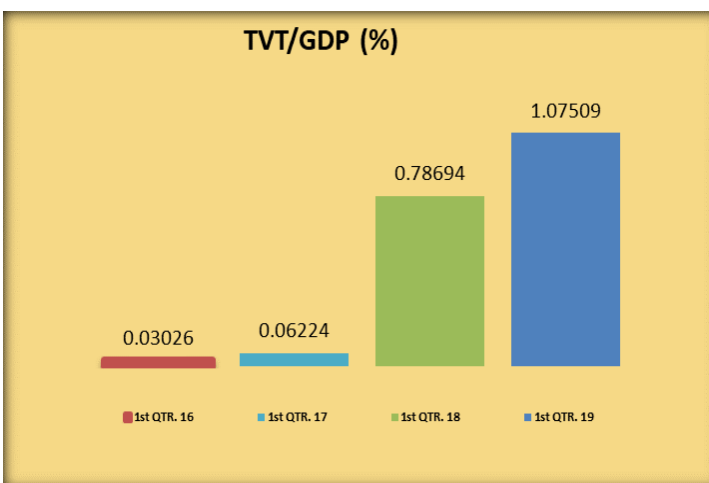
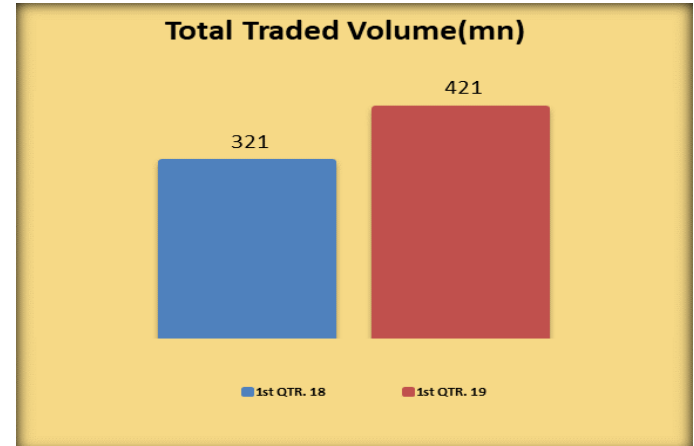
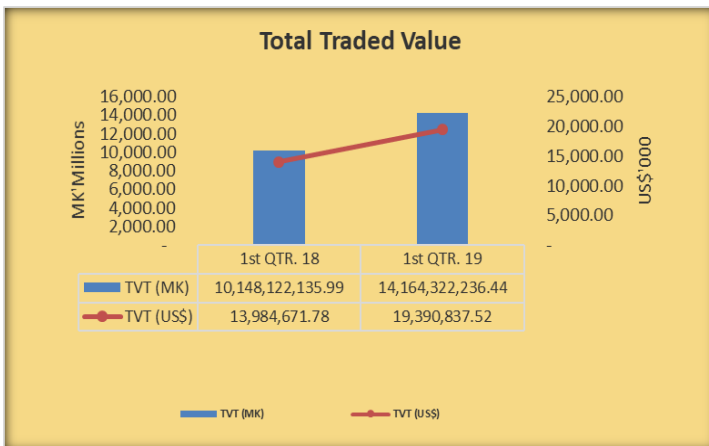
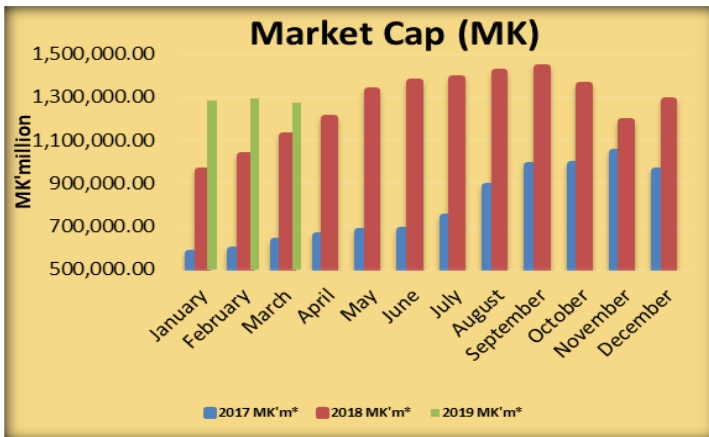
### C. Market Liquidity

The turnover velocity as 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 the quarter under review was recorded at 4.44%, higher than 3.62% registered in first quarter 2018. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 1.08% in the review period while during the corresponding period of 2018 liquidity was at 0.76%. Market capitalization as a percentage of GDP was at 24.21% in Q1 2019 whilst in Q1 2018 it was at 21.72%.

## 2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



### 3. COMPANY TRADING PERFORMANCE

A. Top gainers: Two counters registered capital gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
ICON	MWICON001146	ICON Properties plc	25.71 ▲
PCL	MWPCL0010053	Press Corporation plc	5.26 ▲

B. Top Losers: Ten counters registered capital losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
STANDARD	MWSTD0010040	Standard Bank Malawi plc	-15.07
FMBCH	MWFMB0010138	FMB Capital Holdings plc	-15.00
TNM	MWTNM0010126	Telekom Networks Malawi plc	-10.54
NBM	MWNBM0010071	National Bank of Malawi plc	-5.12
SUNBIRD	MWSTL0010086	Sunbird Tourism plc	-4.83

C. Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
NBS	MWNBS0010101	NBS Bank plc	307,539,260	73.11
TNM	MWTNM0010126	Telekom Networks Malawi plc	51,660,809	12.28
NICO	MWNICO010014	NICO Holdings plc	37,874,147	9.00
FMBCH	MWFMB0010138	FMB Capital Holdings plc	5,404,914	1.28
PCL	MWPCL0010053	Press Corporation plc	5,371,805	1.28

D. Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
PCL	MWPCL0010053	Press Corporation plc	5,972,215,055.00	42.16
NBS	MWNBS0010101	NBS Bank plc	2,998,992,406.30	21.17
TNM	MWTNM0010126	Telekom Networks Malawi plc	1,404,328,847.54	9.91
NICO	MWNICO010014	NICO Holdings plc	1,331,969,752.99	9.40
OMU	ZAE000255360	Old Mutual Limited	1,284,159,147.96	9.07

### 3. COMPANY TRADING PERFORMANCE



Exchange: MSE  
From Date: 1/01/2019

Market: MAINBOARD  
To Date: 31/03/2019

Symbol BHL	Open 13.00	High 13.00	Low 12.96	Close 12.96	Volume 838,504	Value 10,884,605.56	Trades Count 26	Market Capitalization 10,883,169,137
FMBCH	100.00	100.00	85.00	85.00	5,404,914	522,272,807.00	85	208,951,250,000
ICON	8.75	12.05	8.75	11.00	4,525,287	54,029,105.65	24	73,480,000,000
ILLOVO	200.00	200.00	200.00	200.00	1,312,585	262,517,000.00	12	142,688,878,200
MPICO	13.20	13.20	13.00	13.07	3,637,789	47,426,033.71	68	30,035,480,302
NBM	332.02	332.02	310.00	315.01	307,222	96,373,250.84	58	147,088,166,787
NBS	10.00	10.00	9.90	9.90	307,539,260	2,998,992,406.30	61	28,814,676,224
NICO	43.00	43.00	38.50	41.97	37,874,147	1,331,969,752.99	41	43,776,434,799
NITL	75.00	75.00	74.99	75.00	962,939	72,219,625.00	24	10,125,000,000
OMU	2,513.25	2,513.25	2,513.22	2,513.23	510,959	1,284,159,122.60	22	14,647,111,980
PCL	1,140.00	1,200.00	1,100.00	1,200.00	5,371,805	5,972,215,035.00	40	144,306,984,000
STANDARD	670.00	670.00	569.00	569.00	11,666	6,761,220.00	14	133,526,184,178
SUNBIRD	145.00	145.00	138.00	138.00	721,294	100,207,100.00	20	36,098,396,040
TNM	28.00	28.51	25.00	25.05	51,660,809	1,404,328,847.29	226	251,513,272,500



#### 4. BOND TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

BOND	MATURITY DATE	COUPON FREQUENCY	COUPON RATE (%)	NOMINAL VALUE (MK' M N)
TN02YR31082019	31 August 2019	Bi-annual	11	20,000.0000
TN02YR250120	25 January 2020	Bi-annual	10	5,000.0000
TN03YR220221	22 February 2021	Bi-annual	11	3,000.0000
NFBN21062021	21 June 2021	Quarterly	18.5	50.0000
NFBN2162021	21 June 2021	Quarterly	18.5	1,000.0000
NFBN28062021	28 June 2021	Quarterly	17	3,000.0000
TN02YR040920	04 September 2020	Bi-annual	13	64,659.6800
TN03YR111021	11 October 2021	Bi-annual	14	13,776.0000
TN03YR270821	27 August 2021	Bi-annual	14	22,570.0000
TN05YR211123	21 November 2023	Bi-annual	15	39,105.0000
TN02YR310121	31 January 2021	Bi-annual	10	23,791.2530
TN07YR271225	27 December 2025	Bi-annual	15.5	48,087.0410
<b>Total Outstanding Debt Securities</b>				<b>244,038.9740</b>



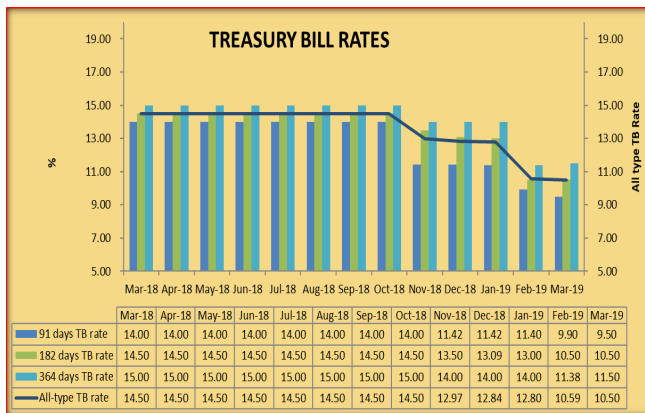
## 5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

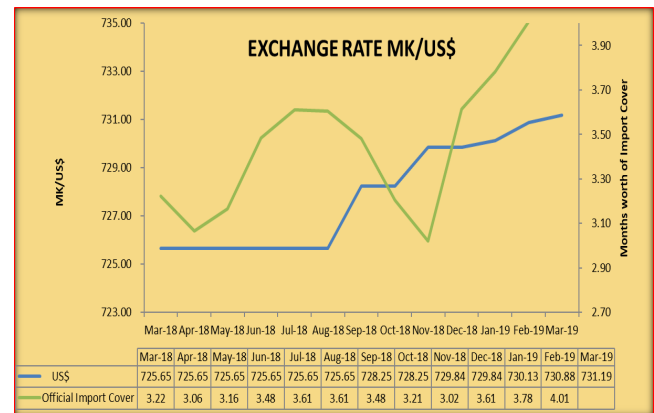
### Interest Rates

During the quarter under review, the yields on treasury bills fell in all tenors as follows; 91 Tbill by 1.9189% from 11.4189% to 9.5000%, 182 Tbill by 2.5866 from 13.0865% to 10.5000% and the 364 Tbill by 2.5000% from 14.0000% to 11.5000%.



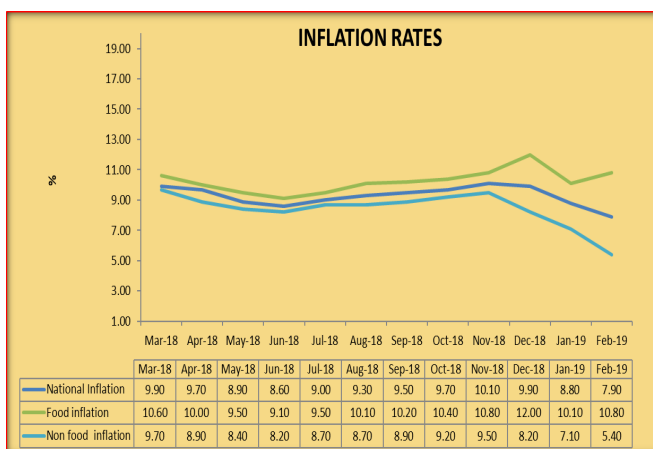
### Exchange Rates

The Kwacha marginally depreciated against the United States Dollar in the period under review. Gross official reserves were at 4.01 months worth of import cover as at 28 February 2019.



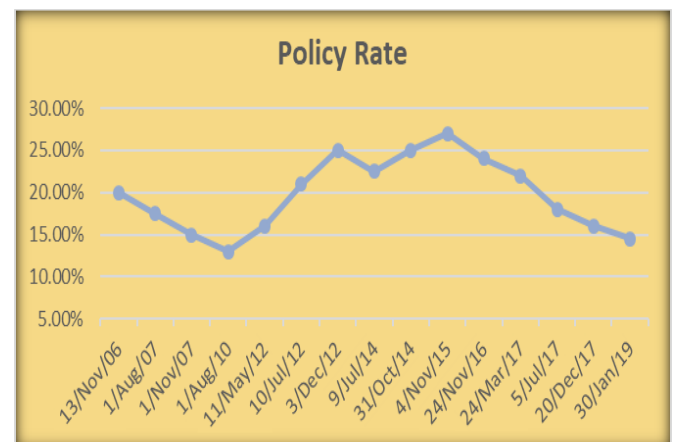
### Inflation Rates

Headline inflation eased by 0.9 percentage point from 8.8% in January, 2019 to 7.9% in February, 2019.



### Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 30 January 2019 reduced the policy rate from 16% to 14.5%.



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