



MALAWI STOCK EXCHANGE

SECOND QUARTER MARKET REPORT

APRIL – JUNE 2012

MALAWI STOCK EXCHANGE

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MALAWI STOCK EXCHANGE LIMITED

MARKET PERFORMANCE REPORT FOR 1st APRIL TO 30th JUNE 2012

1.0 TRADING SUMMARY

The market registered a positive return on index of 5.58 % higher than the 1.12% registered in second quarter 2011. It however recorded a drop in both traded volume and value in the second quarter 2012 compared to the second quarter 2011.

In US dollar terms, the index shrunk by 36.07% because of the devaluation of the kwacha on 07th May, 2012 by almost 49%.

Index Levels and Return – 2nd Qtr. 2012

INDEX	APRIL, 2012	JUNE, 2012	% Δ 2nd QTR.12	% Δ 2nd QTR.11	% YTD Δ 2012
MASI	5667.12	5983.34	5.58 ▲	1.12 ▲	11.43 ▲
DSI	4472.32	4717.88	5.49 ▲	0.94 ▲	11.31 ▲
FSI	576.90	653.57	13.29 ▲	19.88 ▲	22.07 ▲

Trading Statistics – 2nd Qtr. 2012

Traded Value (MK)	1,157,150,153.25	No. of Listed companies	14
Traded Value (US\$)	4,777,469.38	Traded Companies	11
Traded Vol. Shares	309,734,064	Not Traded Companies	3
No. of Transactions	290	Gainers	9
Index Close (MASI)	5983.34.12	Decliners	2
Index Close (DSI)	4717.88	Unchanged	3

2.0 MARKET PERFORMANCE

2.1 Trade Performance Analysis

From 1st April to 30th June, 2012 a total of 309,734,064 shares were transacted at a total consideration of MK1,157,150,153.25 (US\$4,777,469.38) in 290 trades. In the corresponding period 2011, the market transacted a total of 716,711,749 shares at a total consideration of MK1,590,371,216.66 (US\$10,546,375.64) in 338 trades. This reflects a -56.78% decrease in terms of share volume and a -27.24% (-54.70% in US Dollar terms) decrease in share value.

Daily average share trades exhibited similar trends; the market registered an average daily volume of 4,995,711 shares compared to 11,559,867 shares traded in the corresponding second quarter of 2011.

The average daily turnover for the second quarter 2012 was MK18,663,712.15 (US\$77,055.96) compared with MK25,651,148.66 (US\$170,102.83) for the corresponding second quarter 2011, reflecting a decrease of **-27.24%** (**-54.70%** in US Dollar terms)

The month of June 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 APRIL – 30th JUNE 2012

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
April	9,682,564	203,970,433.90	1,228,318.11
May	25,605,520	159,794,767.35	667,625.13
June	274,445,980	793,384,952.00	2,881,526.14
2nd Qtr. 2012	309,734,064	1,157,150,153.25	4,777,469.38
2nd Qtr. 2011	716,711,749	1,590,371,216.66	10,546,375.64
% CHANGE	-56.78	-27.24	-54.70
1st Qtr. 2012	66,386,492	760,763,197.50	4,588,527.28

2.2 Market Capitalisation and Index

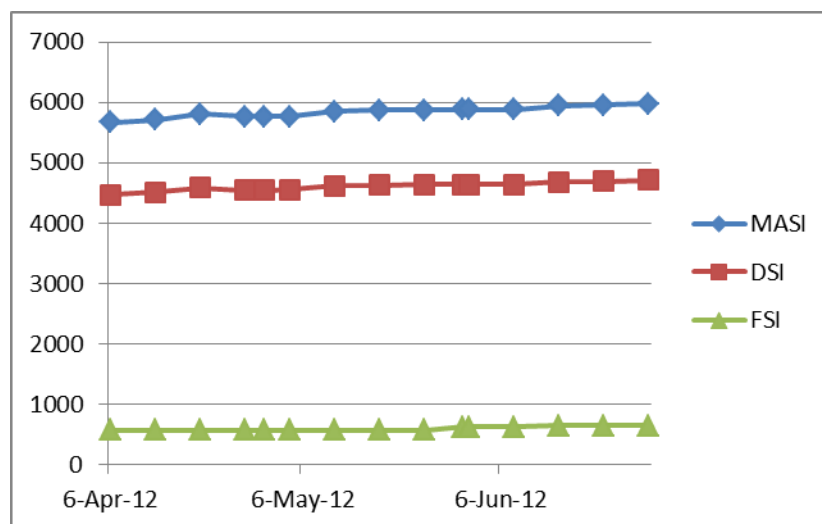
The market registered a positive return on index as reflected in the upward movement of The Malawi All Share Index (MASI) from 5667.12 points registered in April to 5983.34 points registered on 30th June 2012, giving a return on index of 5.58%, (-36.07% in US\$ terms) compared to 1.12 %, (1.12 in US\$ terms) registered in quarter II of 2011. The price gains registered by 9 counters (ILLOVO, NBM, NBS, NICO, NITL, PCL, STANDARDBANK, 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 (5.49%) and the Foreign Share Index (13.29%).

Table 2: Market Capitalization and Index – 2nd Quarter 2012

Month Ending	Mkt. Cap. MKm.	Mkt. Cap. US\$m	Mkt. Cap. MKm*	Mkt. Cap. US\$m*	MASI
April	2,476,429.95	16,421.8513	243,313.49	1,613.4751	5763.62
May	2,861,102.83	10,559.5233	245,530.97	906.1855	5886.82
June	2,782,481.06	10,096.0851	249,486.33	905.2476	5983.34
2nd Qtr. 2012	2,782,481.06	10,096.0851	249,486.33	905.2476	5983.34
2nd Qtr. 2011	2,395,156.18	15,883.0828	205,825.85	1,364.9001	4912.30
1st Qtr. 2012	2,898,840.55	17,372.3702	239,239.51	1,433.7309	5667.12

* Excludes non-Malawi register Old Mutual plc shares

FIG 1: MSE INDICES – SECOND 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 1.5375%, lower than 5.27% registered in second quarter 2011. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.34557% in the review period while during the corresponding period of 2011 liquidity was at 1.67 %.

Table 3: Market Liquidity – 2nd Quarter 2012

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
April	223.10	21.920	0.01838	0.0838	0.055039
May	257.76	22.120	0.01440	0.0651	0.145551
June	250.67	22.476	0.07148	0.3180	1.560052
2nd Qtr. 12	250.67	22.476	0.34557	1.5375	4.276014
2nd Qtr. 11	369.68	31.768	1.67364	5.2683	16.815496
1st Qtr. 12	269.01	22.201	0.28239	1.2720	1.509461

* Excludes non-Malawi register Old Mutual plc shares

2.4 Company Trading Performance

Top Gainers

MSE CODE	COUNTER NAME	% GAIN
NICO	NICO Holdings Limited	25.00
NBS	NBS Bank	17.60
OML	Old Mutual plc	13.29
NITL	National Investment Trust Ltd	9.38
ILLOVO	Illovo Sugar Malawi Limited	7.14
NBM	National Bank of Malawi	5.66
PCL	Press Corporation Ltd	2.78
TNM	TNM	2.21
STANDARD BANK	Standard Bank	1.77

9 counters registered a capital gain during the review period.

Top Decliners

MSE CODE	COUNTER NAME	% LOSS
FMB	FMB Bank	- 9.33
MPICO	MPICO	- 7.41

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

Top 5 Traded Stocks by Volume

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
MPICO	MPICO	276,422,865	89.25
TNM	TNM	17,030,000	5.50
NBS	NBS Bank	6,735,773	2.17
FMB	FMB Bank	3,331,782	1.08
NITL	National Investment Trust Ltd	2,192,000	0.71

Top 5 Traded Stocks by Value

MSE CODE	COUNTER NAME	MK	% OF TOTAL
MPICO	MPICO	691,332,135.75	59.74
PCL	Press Corporation Ltd	134,381,421.00	11.61
NBS	NBS Bank	87,783,049.00	7.59
NBM	National Bank of Malawi	66,306,514.00	5.73
NITL	National Investment Trust Ltd	37,553,800.00	3.25

Company Trading Statistics

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	700	700	0.00	0	0.00	0.00
FMB	772	700	-9.33	3,331,782	1.08	23,015,153.50
ILLOVO	14000	15000	7.14	407,248	0.13	59,022,354.00
MPICO	270	250	-7.41	276,422,865	89.25	691,332,135.75
NBM	5300	5600	5.66	1,206,054	0.39	66,306,514.00
NBS	1250	1470	17.60	6,735,773	2.17	87,783,049.00
NICO	1200	1500	25.00	1,635,113	0.53	21,142,606.00
NITL	1600	1750	9.38	2,192,000	0.71	37,553,800.00
PCL	18000	18500	2.78	741,890	0.24	134,381,421.00
REAL	120	120	0.00	0	0.00	0.00
STD.BANK	11300	11500	1.77	27,213	0.01	3,121,345.00
SUNBIRD	700	700	0.00	0	0.00	0.00
TNM	181	185	2.21	17,030,000	5.50	31,433,888.00
OML PLC	45900	52000	13.29	4,126	0.001	2,057,887.00
				309,734,064	100.000	1,157,150,153.25

3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha moved during the three months period from 1st April to 30th June 2012 as follows: -

TABLE 2: EXCHANGE RATES: SECOND QUARTER 2012

CURRENCY	END APR' 2012	END JUN' 2012	% CHANGE
MK/US Dollar	166.8760	275.6000	-39.45
MK/GBP	271.5573	437.8414	-37.98
MK/ZAR	21.4748	35.6641	-39.79
MK/EUR	221.0606	351.9437	-37.19

- 3.2 The year on year headline inflation increased by 4.9 points to 17.3% in May 2012 from 12.4 % in April 2012. The urban and rural inflation rates for the month of May, 2012 were 22.1% and 14.5% respectively.

KEY MACROECONOMIC INDICATORS					
	Jun. 2011	Dec. 2011	Apr. 2012	May 2012	June. 2012
Inflation Rate	7.00	9.8	12.4	17.3	17.3 (May)
RBM Bank Rate	13.0	13.0	13.0	16.0	16.0
Prime Rate	22.5	17.75	17.75	20.75	23.50
TB YIELD					
91 Days T-Bill	7.32	6.84	7.38	14.73	15.00
182 Days T-Bill	7.25	0.00	8.25	15.00	16.20
364 Days T-Bill	0.00	0.00	0.00	11.16	18.50