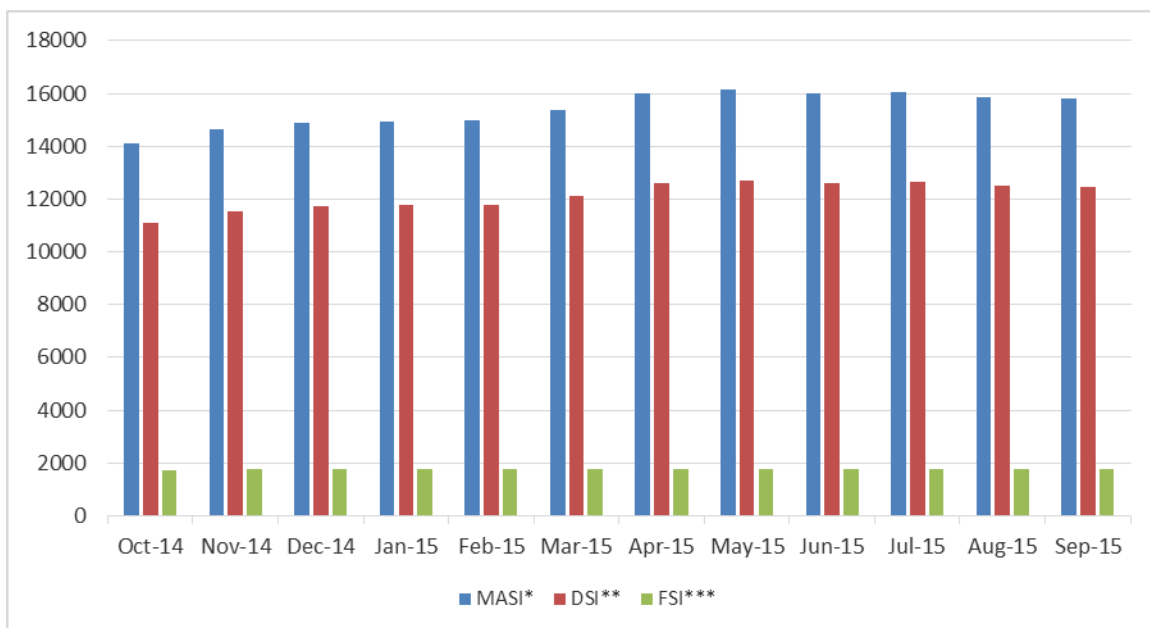




MALAWI STOCK EXCHANGE

## THIRD QUARTER MARKET REPORT

JULY – SEPTEMBER 2015



**MALAWI STOCK EXCHANGE**

OLD RESERVE BANK BUILDING, VICTORIA AVENUE

PRIVATE BAG 270

BLANTYRE

TEL. : (265) 01 824 233

FAX : (265) 01 823 636

E-mail : [mse@mse-mw.com](mailto:mse@mse-mw.com)

WEBSITE: [www.mse.co.mw](http://www.mse.co.mw)

# MALAWI STOCK EXCHANGE LIMITED

## MARKET PERFORMANCE REPORT FOR 1<sup>st</sup> JULY TO 30<sup>th</sup> SEPTEMBER 2015

### 1.0 TRADING SUMMARY

The market registered a quarterly return on index of **-1.17%** (**6.30%** YTD) compared to **4.56%** in the corresponding period 2014. There were no trades on the three government bonds whilst equity trading recorded an increase in both traded volume and value in the third quarter 2015 compared to the third quarter 2014.

In US dollar terms, the index lost **20.50%** as result of price losses on some traded counters and the depreciation of the kwacha in the period under review.

#### Index Levels and Return – 3<sup>rd</sup> Qtr. 2015

INDEX	JULY, 2015	SEP. 2015	% Δ 3 <sup>rd</sup> QTR. 15	% Δ 3 <sup>rd</sup> QTR. 14	% Δ YTD. 15
MASI	16011.65	15824.68	<b>1.17 ▼</b>	<b>4.56 ▲</b>	<b>6.30 ▲</b>
DSI	12615.53	12466.81	<b>1.18 ▼</b>	<b>4.61 ▲</b>	<b>6.37 ▲</b>
FSI	1762.13	1762.13	<b>0.00 ■</b>	<b>0.08 ▲</b>	<b>0.14 ▲</b>

#### Trading Statistics – 3<sup>rd</sup> Qtr. 2015

	3 <sup>rd</sup> Qtr. 2015		3 <sup>rd</sup> Qtr. 2014	% Δ
Traded Value (MK)	7,073,364,795.35		2,286,811,294.93	<b>209.31 ▲</b>
Traded Value (US\$)	12,828,196.35		5,775,940.61	<b>122.10 ▲</b>
Traded Vol. Shares	315,278,942		64,851,876	<b>386.15 ▲</b>
No. of Transactions	285		460	<b>38.04 ▼</b>
Index Close (MASI)	15824.68		14029.74	<b>12.79 ▲</b>
Index Close (DSI)	12466.81		11040.46	<b>12.92 ▲</b>
Index Close (FSI)	1762.13		1742.21	<b>1.14 ▲</b>
Listed companies	14		14	
Traded Companies	14		14	
Not Traded Companies	0		0	
Gainers	<b>7</b>		<b>11</b>	
Decliners	<b>6</b>		<b>0</b>	
Unchanged	1		3	

## 2.0 MARKET PERFORMANCE

### 2.1 Trade Performance Analysis

From 1<sup>st</sup> July to 30<sup>th</sup> September, 2015 a total of 315,278,942 shares were transacted at a total consideration of MK7,073,364,795.35 (US\$12,828,196.35) in 285 trades. In the corresponding period 2014, the market transacted a total of 64,851,876 shares at a total consideration of MK2,286,811,294.93 (US\$5,775,940.61) in 460 trades, reflecting a **386.15%** increase in terms of share volume and a **209.31%** (**122.10%** in US Dollar terms) decrease in value. The increase in volume and value was mainly driven by a block trade in NICO involving related parties and a third party.

Daily average share trades also depicted similar trends as the market registered an average daily volume of 5,085,144 shares compared to 1,045,998 shares traded in the corresponding third quarter of 2014.

The average daily turnover for the third quarter 2015 was MK114,086,528.96 (US\$206,906.39) compared with MK36,884,053.14 (US\$93,160.33) for the corresponding third quarter 2014, reflecting an increase by **209.31%** (**122.10%** in US Dollar terms).

The months of September registered the highest value and the biggest volume of MK5,166,414,357.76 (US\$9,201,213.62) and 157,121,402 respectively.

#### TRADING SUMMARY FOR 1<sup>st</sup> JULY – 30<sup>th</sup> SEPTEMBER 2015

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
July	14,086,929	202,182,349.16	428,747.79
August	144,070,611	1,704,768,088.43	3,198,234.94
September	157,121,402	5,166,414,357.76	9,201,213.62
<b>3<sup>rd</sup> Qtr. 2015</b>	<b>315,278,942</b>	<b>7,073,364,795.35</b>	<b>12,828,196.35</b>
<b>3<sup>rd</sup> Qtr. 2014</b>	<b>64,851,876</b>	<b>2,286,811,294.93</b>	<b>5,775,940.61</b>
<b>% CHANGE</b>	<b>386.15 ▲</b>	<b>209.31 ▲</b>	<b>122.10 ▲</b>
<b>2<sup>nd</sup> Qtr. 2015</b>	<b>1,702,220,992</b>	<b>32,406,836,068.76</b>	<b>73,603,942.73</b>
<b>1st Qtr. 2015</b>	<b>40,439,832</b>	<b>675,469,368.28</b>	<b>1,510,481.94</b>

### 2.2 Market Capitalisation and Index

The market registered a negative return on index as reflected in the decrease in the Malawi All Share Index (MASI) from 16011.65 points registered in July to 15824.68 points registered on 30<sup>th</sup> September 2015, giving a return on index of **-1.17%** (**-20.50%** in US\$ terms) compared to **4.56%** (**0.89%** in US\$ terms) registered in third quarter of 2014. The price

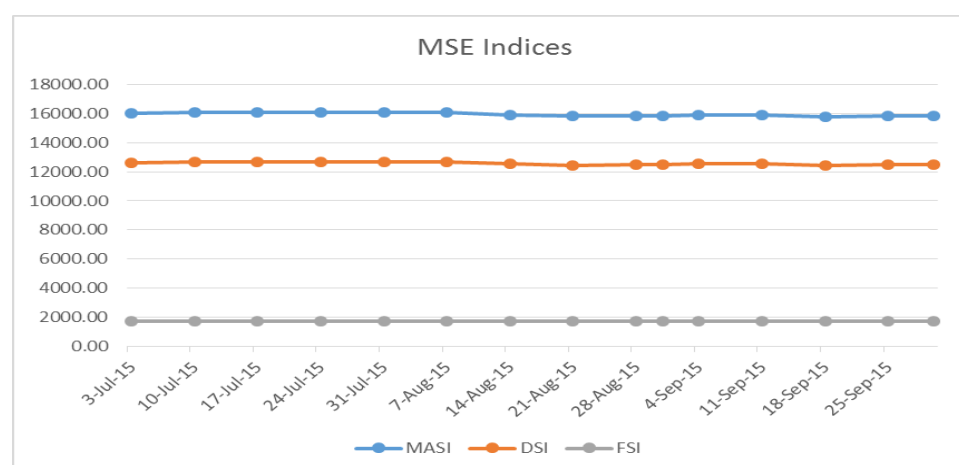
losses registered by 6 counters (FMB, ILLOVO, NBS, NICO, REAL and TNM) were enough to offset share price gains registered by 7 counters (BHL, MPICO, NBM, NITL, PCL, STANDARD BANK and SUNBIRD) resulting in the downward movement of the Malawi All Share Index, arising from a decrease in the Domestic Share Index (-1.18%). The Foreign Share Index was steady at 1762.13 points.

#### MARKET CAPITALISATION AND INDEX - 1<sup>st</sup> JULY – 30<sup>th</sup> SEPTEMBER 2015

Month Ending	Mkt. Cap. MKm.	Mkt. Cap US\$m	Mkt. Cap. MKm*	Mkt. Cap US\$m*	MASI
July	7,584,023.99	16,976.3558	684,022.31	1,531.1405	16011.65
August	7,577,066.34	13,600.3718	677,064.66	1,215.2898	15848.78
September	7,576,036.66	13,641.9381	676,034.98	1,217.3156	15824.68
<b>3<sup>rd</sup> Qtr. 2015</b>	<b>7,576,036.66</b>	<b>13,641.9381</b>	<b>676,034.98</b>	<b>1,217.3156</b>	<b>15824.68</b>
<b>3<sup>rd</sup> Qtr. 2014</b>	<b>7,384,870.80</b>	<b>18,004.2216</b>	<b>601,486.33</b>	<b>1,466.4161</b>	<b>14029.74</b>
<b>2<sup>nd</sup> Qtr. 2015</b>	<b>7,584,023.99</b>	<b>17,181.4298</b>	<b>684,022.31</b>	<b>1,549.6366</b>	<b>16011.65</b>
<b>1<sup>st</sup> Qtr. 2015</b>	<b>7,528,915.58</b>	<b>17,098.0568</b>	<b>656,374.50</b>	<b>1,490.6169</b>	<b>15364.50</b>

\* Excludes non-Malawi register Old Mutual plc shares

#### FIG 1: MSE INDICES – THIRD QUARTER 2015



## 2.3 Market Liquidity

The market liquidity as measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP\***) in the quarter under review was recorded at 1.40%, higher than 0.51% registered in third quarter 2014. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.30% in the review period while during the corresponding period of 2014 liquidity was at 0.12%.

## MARKET LIQUIDITY – 1<sup>st</sup> JULY – 30<sup>th</sup> SEPTEMBER 2015

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
July	244.79	22.078	0.00653	0.0296	0.079984
August	244.56	21.853	0.05502	0.2518	0.818021
September	244.53	21.820	0.16676	0.7642	0.892122
<b>3<sup>rd</sup> Qtr. 15</b>	<b>244.53</b>	<b>21.820</b>	<b>0.30441</b>	<b>1.3951</b>	<b>2.386836</b>
<b>3<sup>rd</sup> Qtr. 14</b>	<b>302.51</b>	<b>24.639</b>	<b>0.12490</b>	<b>0.5069</b>	<b>0.490965</b>
<b>2<sup>nd</sup> Qtr. 15</b>	<b>244.79</b>	<b>22.078</b>	<b>2.09198</b>	<b>9.4754</b>	<b>19.330134</b>
<b>1<sup>st</sup> Qtr. 15</b>	<b>265.21</b>	<b>23.122</b>	<b>0.09518</b>	<b>0.4116</b>	<b>0.918456</b>

\* Excludes non-Malawi register Old Mutual plc shares

## 2.4 Company Trading Performance

### Top 5 Gainers

MSE CODE	COUNTER NAME	% GAIN
SUNBIRD	Sunbird Tourism Limited	110.53
MPICO	MPICO Limited	30.43
NITL	National Investments Trust Limited	20.00
BHL	Blantyre Hotels Limited	17.79

7 Counters registered capital gains in the review period

### Top 4 Losers

MSE CODE	COUNTER NAME	% LOSS
FMB	FMB Bank	26.32
NBS	NBS Bank	15.00
REAL	REAL Insurance	13.04
NICO	NICO Holdings Limited	6.67

6 Counters registered capital losses in the review period

### Top 4 Traded Stocks by Volume

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
TNM	TNM Limited	165,597,742	52.52
NICO	NICO Holdings Limited	124,162,480	39.38
FMB	FMB Bank	8,035,888	2.55
MPICO	MPICO Limited	7,690,105	2.44

### Top 4 Traded Stocks by Value

MSE CODE	COUNTER NAME	MK	% OF TOTAL
NICO	NICO Holdings Limited	3,477,602,040.00	49.16

TNM	TNM	1,142,439,498.67	16.15
NBM	National Bank of Malawi	841,072,221.00	11.89
PCL	Press Corporation Limited	624,859,602.45	8.83

## Company Trading Statistics

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	815	960	17.79	31,000	0.01	284,260.00
FMB	1900	1400	-26.32	8,035,888	2.55	114,984,322.00
ILLOVO	29420	28850	-1.94	1,066,570	0.34	307,745,445.00
MPICO	690	900	30.43	7,690,105	2.44	65,859,536.58
NBM	25100	25800	2.79	3,309,019	1.05	841,072,221.00
NBS	3100	2635	-15.00	1,525,765	0.48	47,195,164.15
NICO	3000	2800	-6.67	124,162,480	39.38	3,477,602,040.00
NITL	5000	6000	20.00	182,049	0.06	11,210,700.00
PCL	51615	53500	3.65	1,168,350	0.37	624,859,602.45
REAL	230	200	-13.04	1,324,320	0.42	2,677,593.00
STANDARD BANK	43500	44000	1.15	926,409	0.29	407,396,980.00
SUNBIRD	950	2000	110.53	241,191	0.08	4,725,724.50
TNM	690	689	-0.14	165,597,742	52.52	1,142,439,498.67
OML PLC	140200	140200	0.00	18,054	0.01	25,311,708.00
				<b>315,278,942</b>	<b>100.00</b>	<b>7,073,364,795.35</b>

### 3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha depreciated against all major trading currencies during the three months period as follows: -

#### MIDDLE EXCHANGE RATES – 1<sup>st</sup> JULY – 30<sup>th</sup> SEPTEMBER 2015

CURRENCY	Sept. '14	July '15	Sept. '15	% CHANGE
MK/US Dollar	410.1744	446.7404	555.3490	-19.5568
MK/GBP	667.2637	701.1184	842.1151	-16.7432
MK/ZAR	37.3591	36.7186	41.2811	-11.0523
MK/EUR	522.9574	491.4486	624.5631	-21.3132

Source: National Bank of Malawi

- 3.2 The year on year headline inflation inched upwards by 0.8 points to 23.0% in August 2015 from 22.2% in July 2015 on account of an increase in both food and non-food inflation from 25.3% to 26.8% and 19.6% to 19.9% in July 2015 and August 2015 respectively.

The urban and rural inflation rates for the month of August 2015 were 19.5% and 26.7% respectively.

KEY MACROECONOMIC INDICATORS					
	Sept. 2014	Dec. 2014	July. 2015	August 2015	Sept. 2015
Inflation Rate	23.7	24.2	22.5	23.0	23.0(Aug)
Policy Rate	22.5	25.0	25.0	25.0	25.0
Prime Rate	33.5	37.0	32.0	32.0	32.0
<b>TB YIELD</b>					
91 Days T-Bill	18.82	26.96	25.3704		19.5174
182 Days T-Bill	20.36	26.87	25.0131		
364 Days T-Bill	20.50	27.02	25.0195		22.9824
Import Cover (Months)	2.43	3.07	3.42	3.27	3.08

Source: National Statistical Office and Reserve Bank of Malawi