

THIRD QUARTER MARKET REPORT JULY – SEPTEMBER 2016



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MALAWI STOCK EXCHANGE

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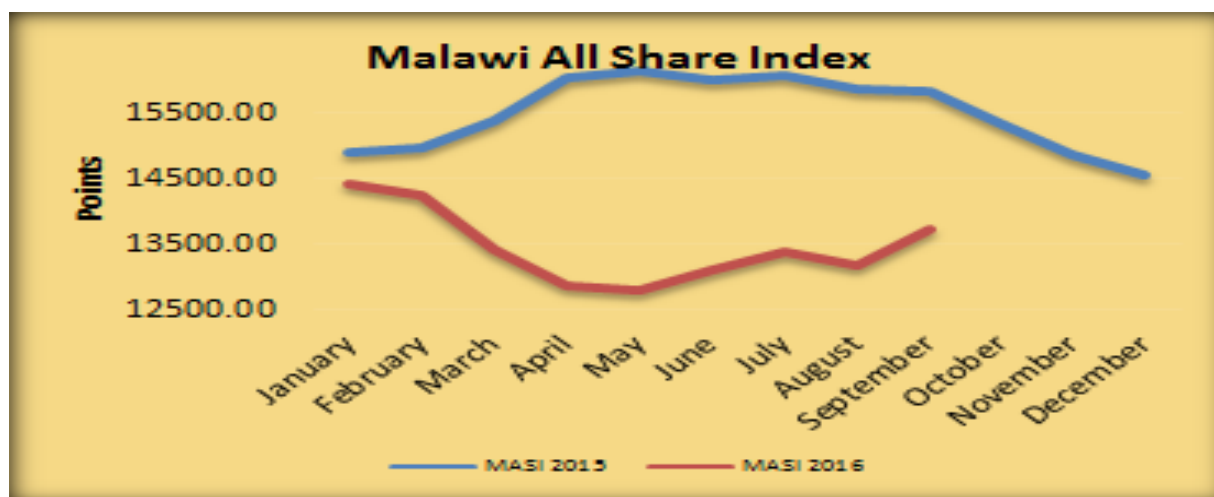
1. TRADING SUMMARY

The market was bullish in Q3 2016 as it registered a positive return on investment of **4.71%** (**3.75%** in US\$ terms) compared to **-1.17%** (**-20.50%** in US\$ terms) in Q3 2015. It however, registered a decrease in both total traded value and volume compared to the corresponding period 2015.

There were no trades on the government bonds.

Index Levels and Return – 3rd Qtr. 2016

INDEX	1 JULY 2016	31 AUG. 2016	30 SEPT. 2016	% Δ 3rd QTR. 2016	% Δ 3rd QTR. 2015	% Δ YTD. 2016
MASI	13126.13	13174.36	13744.12	4.71 ▲	1.17 ▼	5.62 ▼
DSI	10320.33	10358.69	10793.84	4.59 ▲	1.18 ▼	5.84 ▼
FSI	1762.13	1762.13	2026.07	14.98 ▲	0.00 ■	14.98 ▲



Trading Statistics – 3rd Qtr. 2016

	3rd Qtr. 2016	3rd Qtr. 2015	% Δ
Traded Value (MK)	1,585,903,378.75	7,073,364,795.35	77.58 ▼
Traded Value (US\$)	2,201,416.81	12,828,196.35	82.84 ▼
Traded Vol. Shares	81,353,609	315,278,942	74.20 ▼
No. of Transactions	243	285	14.74 ▼
Index Close (MASI)	13744.12	15824.68	13.15 ▼
Listed companies	13	14	
Traded Companies	12	14	
Not Traded Companies			
	01	00	
Gainers	06	07	
Decliners	02	06	
Unchanged	04	01	

2. MARKET PERFORMANCE



A. Trade Performance Analysis

The market transacted a total of 81,353,609 shares at a total consideration of MK1,585,903,378.75 (US\$2,201,416.81) in 243 trades. In the corresponding period 2015, the market transacted a total of 315,278,942 shares at a total consideration of MK7,073,364,795.35 (US\$12,828,196.35) in 285 trades. This reflects a **-74.20%** decrease in terms of share volume and a **-77.58%** (**-82.84%** in US Dollar terms) decrease in share value.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 1,312,155 shares compared to 5,085,144 shares traded in the corresponding third quarter of 2015.

The average daily turnover for the third quarter 2016 was MK25,579,086.75 (US\$35,506.72) compared with MK114,086,528.96 (US\$206,906.39) for the corresponding third quarter 2015, reflecting a decrease of **77.58%** (**-82.84%** in US Dollar terms).

The month of August registered the highest in terms of both value MK985,792,369.78 (US\$1,367,968.41) and volume of 42,384,723.

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 13126.13 points registered on 1 July 2016 to 13744.12 points registered on 30th September 2016, giving a return on index of **4.71%**, (**3.75%** in US\$ terms) compared to **-1.17%**, (**-20.50%** in US\$ terms) registered in Q3 of 2015. The price gains registered on FMB, NBS, STANDARD, SUNBIRD, TNM and OML were enough to offset share price losses registered on ILLOVO and NICO resulting in an upward movement of the Malawi All Share Index, arising from an increase in both the Domestic Share Index (**4.71%**) and the Foreign Share Index(**14.98%**).

Market capitalization increased both in Kwacha and United States Dollar terms from MK560,243.61 million (US\$784.4927 mln) on 1st July 2016 to MK586,620.72 million (US\$813.9290 mln) on 30th September 2016.

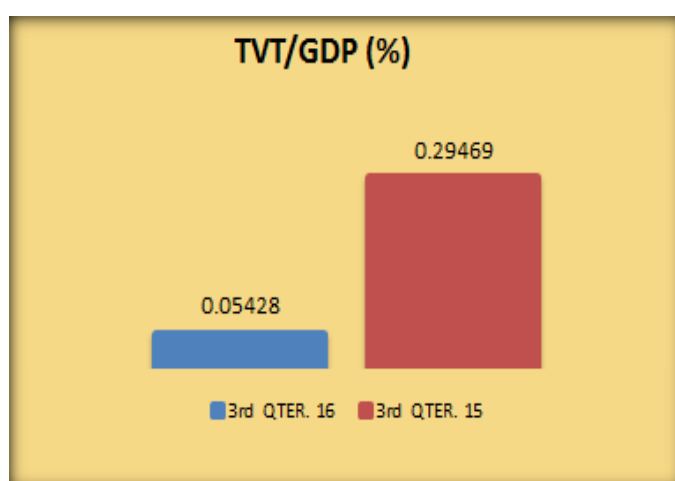
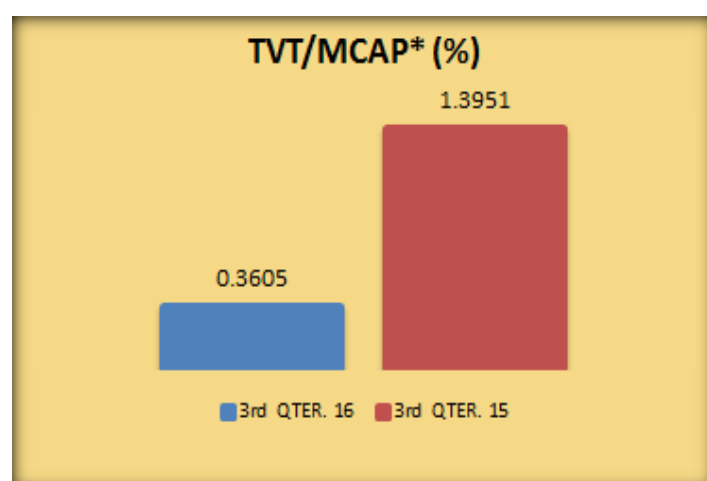
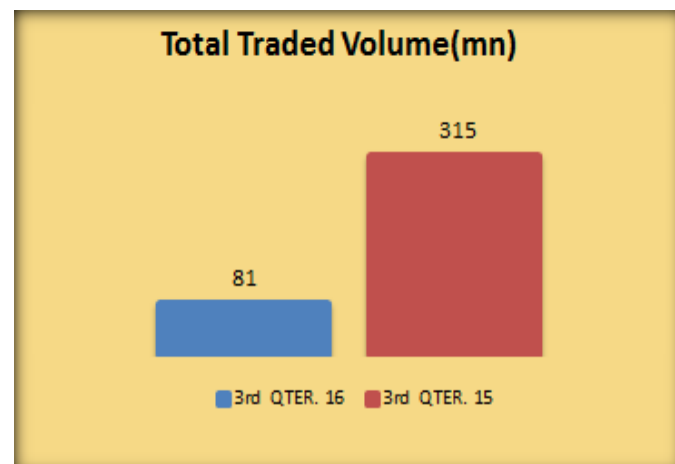
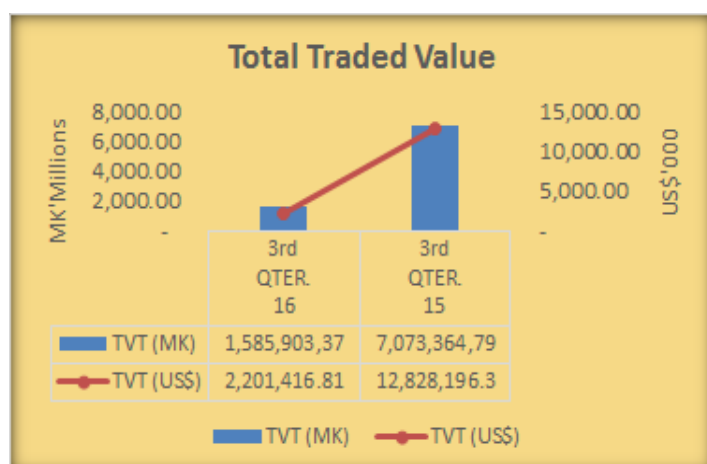
C. Market Liquidity

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 the quarter under review was recorded at 0.36%, lower than 1.40% registered in third quarter 2015. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.05% in the review period while during the corresponding period of 2015 liquidity was at 0.29%.

2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



3. COMPANY TRADING PERFORMANCE

A. Top gainers: Six
Counters registered
Capital gains

MSE CODE	COUNTER NAME	% GAIN
SUNBIRD	Sunbird Tourism Malawi	56.41 ▲
FMB	FMB Bank	55.66 ▲
TNM	Telekom Networks Malawi	27.63 ▲
OML	Old Mutual plc	14.98 ▲
NBS	NBS Bank	14.29 ▲

B. Top Losers: Two
Counters registered
Capital losses

MSE CODE	COUNTER NAME	% LOSS
NICO	NICO Holdings Limited	18.23 ▼
ILLOVO	Illovo Sugar Malawi	8.82 ▼

C. Top Five Traded
Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
TNM	Telekom Networks Malawi	54,357,262	66.82
NBS	NBS Bank	12,203,121	15.00
MPICO	MPICO Limited	4,871,421	5.99
FMB	FMB Bank	3,184,659	3.91
ILLOVO	Illovo Sugar Malawi	2,597,606	3.19

C. Top Five Traded
Stocks by value

MSE CODE	COUNTER NAME	VALUE	% of Total
ILLOVO	Illovo Sugar Malawi	402,750,670.00	25.40
TNM	Telekom Networks Malawi	390,136,965.53	24.60
NBM	National Bank of Malawi	321,719,269.05	20.29
STANDARD	Standard Bank Malawi	128,107,481.79	8.08
NITL	National Investments Trust Limited	89,191,325.20	5.62

3. COMPANY TRADING PERFORMANCE

COUNTER	HIGH (MK)	LOW (MK)	Earnings Yield (%)	P/E	P/BV	MKT CAP (MK'MIn)	MKT CAP (US\$'MIn)
BHL	12.90	12.90	10.97	6.12	0.45	1,666.58	2.31
FMB	16.50	10.60	10.20	9.98	1.66	38,548.13	53.49
ILLOVO	170.00	155.00	4.98	20.07	2.36	110,583.88	153.43
MPICO	6.00	6.00	11.26	8.88	0.40	6,894.14	9.57
NBM	258.00	257.99	11.10	9.01	2.24	120,468.39	167.15
NBS	8.00	7.00	N/A	N/A	0.52	5,821.15	8.08
NICO	22.00	17.99	29.39	3.40	0.58	18,764.31	26.04
NITL	44.95	44.24	9.03	11.07	0.78	6,068.25	8.42
PCL	535.00	535.00	19.03	5.25	0.70	64,336.86	89.27
STANDARD	500.00	440.00	11.38	8.79	2.49	117,334.08	162.80
SUNBIRD	50.05	32.00	7.81	12.80	1.10	13,092.21	18.17
TNM	7.53	5.90	7.16	13.96	4.83	75,604.59	104.90
OML	1,612.00	1,420.00	11.85	8.44	0.87	7,438.15	10.32

3. COMPANY TRADING PERFORMANCE

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	1290	1290	0.00	0	0.00	0.00
FMB	1060	1650	55.66	3,184,659	3.91	44,513,682.80
ILLOVO	17000	15500	-8.82	2,597,606	3.19	402,750,670.00
MPICO	600	600	0.00	4,871,421	5.99	29,228,526.00
NBM	25800	25800	0.00	1,246,974	1.53	321,719,269.05
NBS	700	800	14.29	12,203,121	15.00	87,186,622.48
NICO	2200	1799	-18.23	380,290	0.47	7,114,329.20
NITL	4495	4495	0.00	2,000,000	2.46	89,191,325.20
PCL	53500	53500	0.00	130,793	0.16	69,974,255.00
STANDARD	48000	50000	4.17	268,033	0.33	128,107,481.79
SUNBIRD	3200	5005	56.41	105,620	0.13	4,231,261.70
TNM	590	753	27.63	54,357,262	66.82	390,136,965.53
OML PLC	140200	161200	14.98	7,830	0.01	11,748,990.00
				81,353,609	100.00	1,585,903,378.75

4. BOND TRADING PERFORMANCE

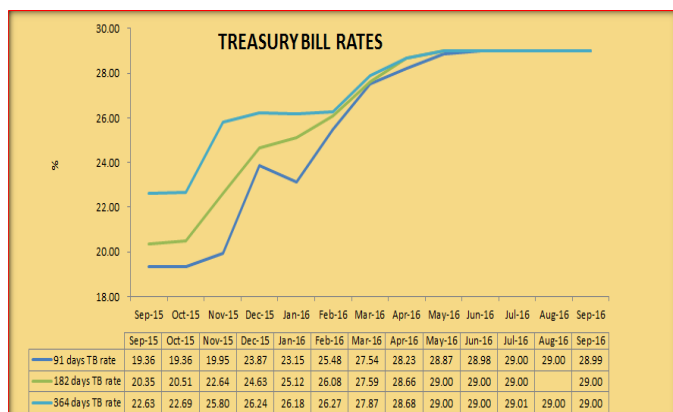
BOND	MATURITY DATE	COUPON DATE	COUPON RATE (%)	NOMINAL VALUE (MK' M N)
MW5YN	31 December, 2016	30 June & 31 Dec	10	822.04
MW3YNR	30 June, 2017	30 June & 31 Dec	15	106,870.00
Total Outstanding Treasury bonds				107,692.04

The first coupon payments for 2016 were paid on 30th June, 2016.

5. ECONOMIC REVIEW

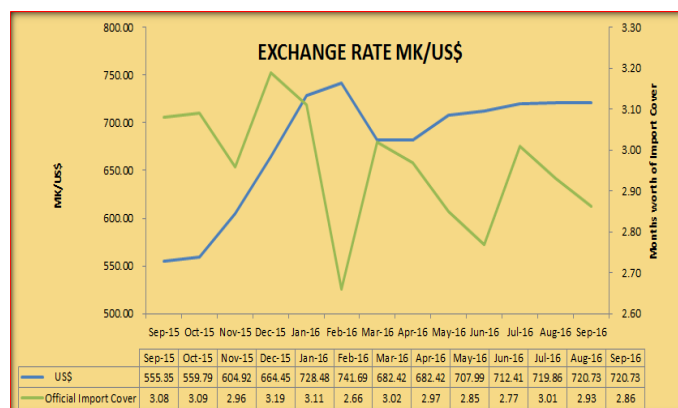
Interest Rates

During the quarter under review, the yields on treasury bills decreased in the 91 Tbill from 29.00% to 28.99% and the 364 Tbill from 29.01% to 29.00%. The 182 Tbill was steady at 29.00%.



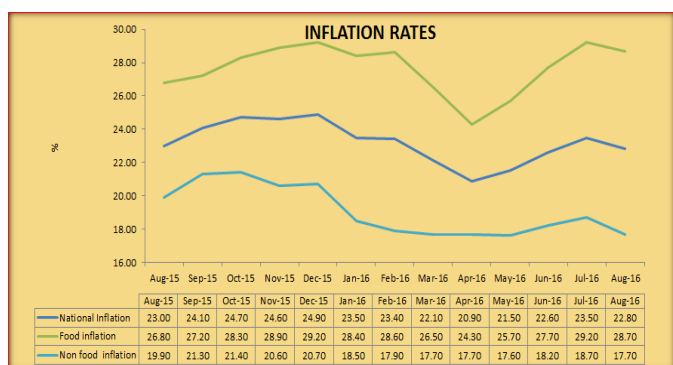
Exchange Rates

The Kwacha marginally depreciated against the United States Dollar by **-0.12%** in the period under review.



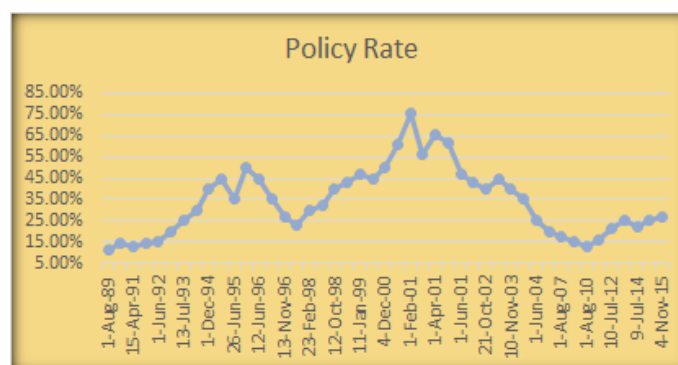
Inflation Rates

Headline inflation eased by 0.7 percentage points from 23.5% in July, 2016 to 22.8% in August, 2016.

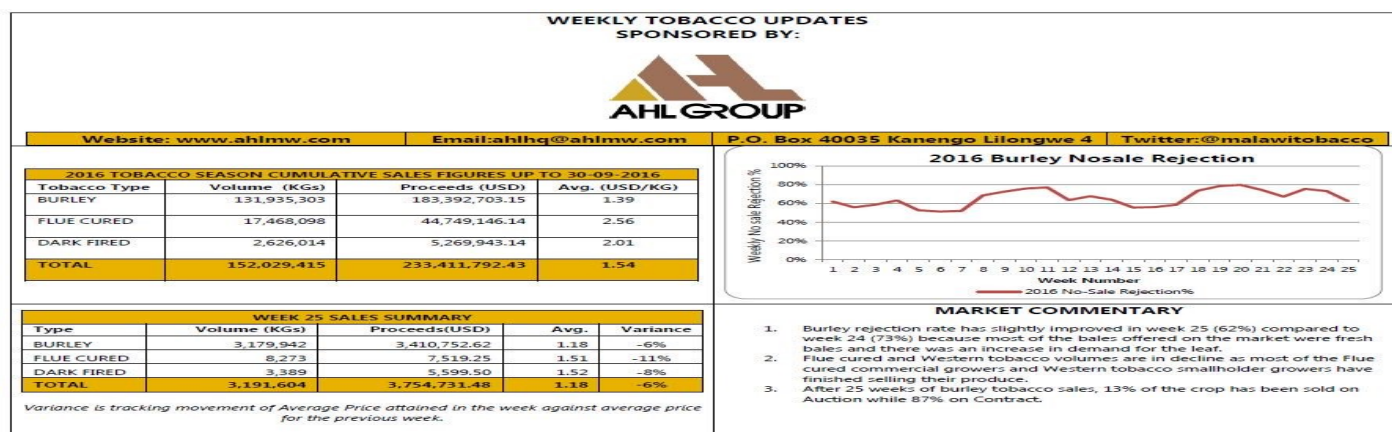


Monetary Policy Rate

The monetary policy rate remained at 27%.



Tobacco market



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