

THIRD QUARTER MARKET REPORT JULY – SEPTEMBER 2019

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Malawi's global portal

CONTENTS



MALAWI STOCK EXCHANGE

<i>Trading Summary</i>	1
<i>Market performance</i>	2
<i>Trade performance analysis</i>	2
<i>Market capitalization and index</i>	2
<i>Market liquidity</i>	2
<i>Company trading performance</i>	3
<i>Bonds Trading Summary</i>	4
<i>Economic review</i>	5



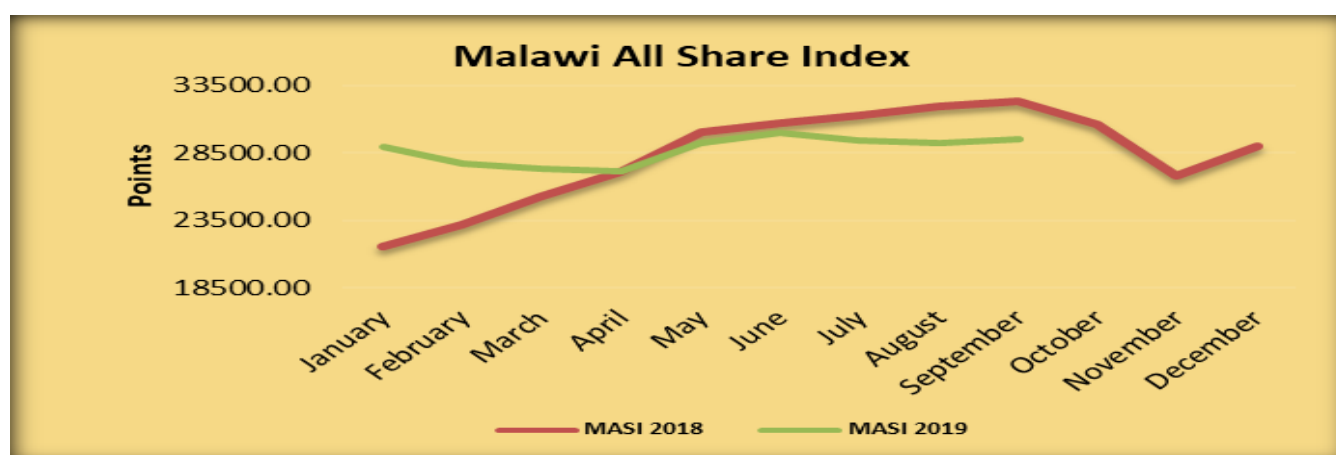
1. TRADING SUMMARY

In Q3 of 2019, the market registered a negative return on index of **-1.37%** (3.74% in US\$ terms), **1.94%** YTD, compared to **5.32%** (4.95% in US\$ terms) in Q3 2018. It also registered a decrease in terms of total value of shares traded despite registering an increase in total volume of shares traded.

A Treasury Note with a coupon of 9% was listed in September 2019.

Index Levels and Return – 3rd Qtr. 2019

INDEX	1 JULY 2019	30 SEPT. 2019	% Δ 3rd QTR. 2019	% Δ 3rd QTR. 2018	% Δ YTD. 2019
MASI	29956.00	29546.27	1.37 ▼	5.32 ▲	1.94 ▲
DSI	22877.77	22735.48	0.62 ▼	7.93 ▲	6.65 ▲
FSI	4520.31	4272.58	5.48 ▼	1.21 ▼	18.85 ▼



Trading Statistics – 3rd Qtr. 2019

	3rd Qtr. 2019	3rd Qtr. 2018	Y-O-Y% Δ
Traded Value (MK)	6,709,006,554.78	7,358,084,929.80	8.82 ▼
Traded Value (US\$)	9,152,898.07	10,139,590.24	9.73 ▼
Traded Vol. Shares	209,366,267	84,606,501	147.46 ▲
No. of Transactions	721	508	41.93 ▲
Index Close (MASI)	29546.27	32373.19	8.73 ▼
Listed Debt Securities	14	03	
Traded Debt Securities	00	00	
Listed companies	14	13	
Traded Companies	14	13	
Not Traded Companies	00	00	
Gainers	03	08	
Decliners	04	01	
Unchanged	07	04	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 209,366,267 shares at a total consideration of MK6,709,006,554.78 (US\$9,152,898.07) in 721 trades. In the corresponding period 2018, the market transacted a total of 84,606,501 shares at a total consideration of MK7,358,084,929.80 (US\$10,139,590.24) in 508 trades. This reflects a **147.46%** increase in terms of share volume traded and a **-8.82%** (**-9.73%** in US Dollar terms) decrease in share value traded. Of the total volume of shares traded, 90,000,000 NBS, 100,000 OMU and 1,918,000 PCL shares traded as negotiated deals.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 3,376,875 shares compared to 1,364,621 shares traded in the corresponding third quarter of 2018.

The average daily turnover for the third quarter 2019 was MK108,209,783.14 (US\$147,627.39) compared with MK118,678,789.19 (US\$163,541.78) for the corresponding third quarter 2018, reflecting a decrease of **8.82%** (**9.73%** 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 29956.00 points registered on 1 July 2019 to 29546.27 points registered on 30th September 2019, giving a return on index of **-1.37%**, (**3.74%** in US\$ terms) compared to **5.32%**, (**4.95%** in US\$ terms) registered in Q3 of 2018. The price gains registered on NBS(33.44%), STANDARD (6.35%) and NBM(5.67%) were not enough to offset share price losses in SUNBIRD (-14.49%), TNM(-10.31%), FMBCH(-5.88%) and NITL(-0.01%) resulting into a downward movement of the Malawi All Share Index. The Domestic Share and the Foreign Share Indices fell by **0.62%** and by **1.21%** respectively.

Market capitalization decreased in Kwacha terms from MK1,412,128.98 million on 1st July 2019 to MK1394,440.03 million on 30th September 2019. It however, increased in United States Dollar terms from US\$1,831.60 million to US\$1,902.39 million as a result of an appreciation of the Malawi Kwacha.

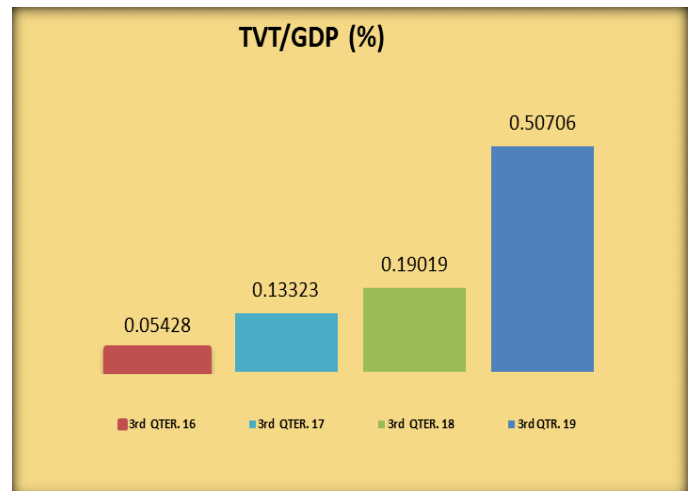
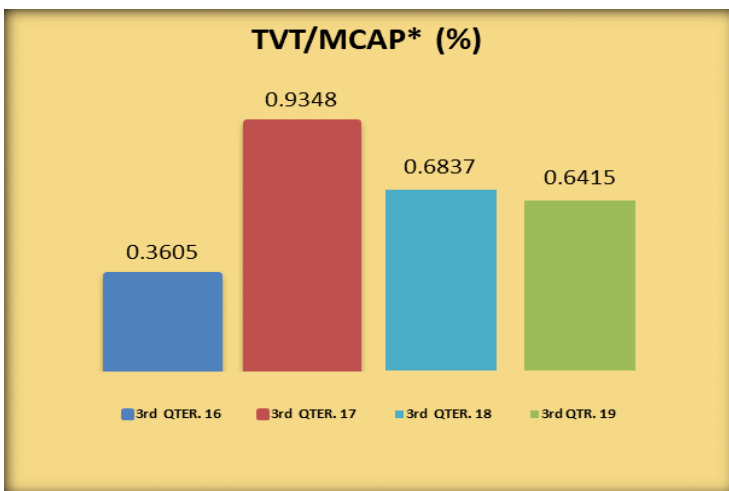
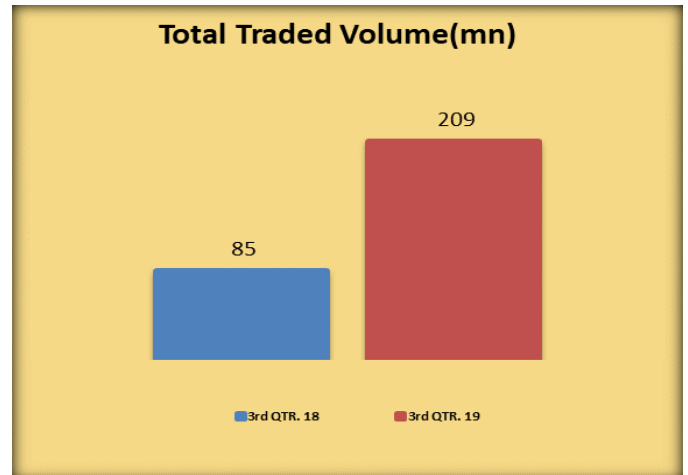
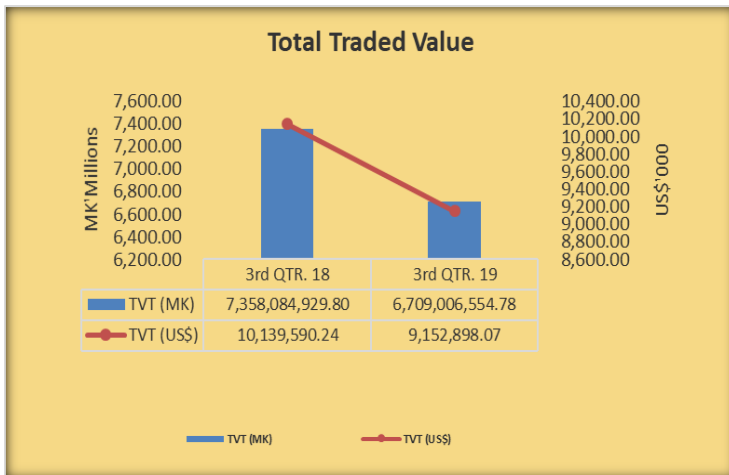
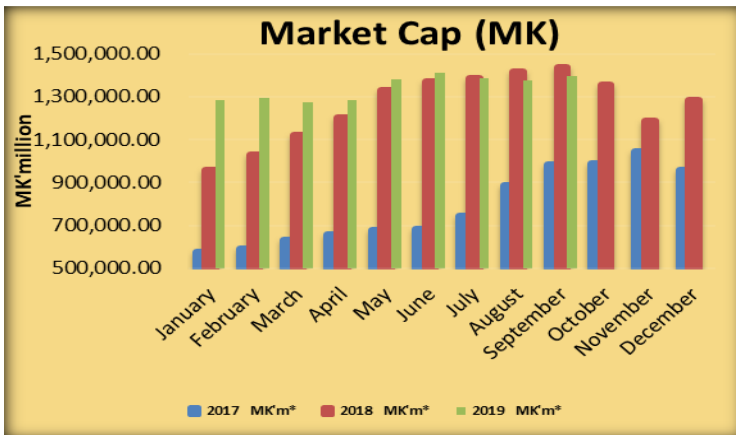
C. Market Liquidity

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 0.64%, lower than 0.68% registered in third quarter 2018. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.15% in the review period while during the corresponding period of 2018 liquidity was at 0.19%.

2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



3. COMPANY TRADING PERFORMANCE

A. Top gainers:
Three counters
registered Capital
gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
NBS	MWNBS0010101	NBS Bank plc	33.44 ▲
STANDARD	MWSTD0010040	Standard Bank Malawi plc	6.35 ▲
NBM	MWNBM0010074	National Bank of Malawi plc	5.67 ▲

B. Top Losers: Four
counters
registered capital
losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
SUNBIRD	MWSTL0010086	Sunbird Tourism plc	14.49 ▼
TNM	MWTNM0010127	Telekom Networks Malawi plc	10.31 ▼
FMBCH	MWFBM0010137	FMB Capital Holdings plc	5.88 ▼
NITL	MWNITL010091	National Investment Trust plc	0.01 ▼

C. Volume leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
NBS	MWNBS0010101	NBS Bank plc	134,978,120	64.47
TNM	MWTNM0010127	Telekom Networks Malawi plc	21,590,633	10.31
ICON	MWICON001146	ICON Properties plc	21,558,210	10.30
MPICO	MWMPI0010118	MPICO plc	12,871,137	6.15
NICO	MWNICO0010014	NICO Holdings plc	10,060,877	4.81

D. Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
PCL	MWPCL0010053	Press Corporation plc	2,571,778,602.00	38.33
NBS	MWNBS0010101	NBS Bank plc	1,529,121,326.37	22.79
TNM	MWTNM0010127	Telekom Networks Malawi plc	561,995,920.24	8.38
NICO	MWNICO0010014	NICO Holdings plc	487,951,534.54	7.27
NITL	MWNITL010091	National Investment Trust plc	350,496,721.00	5.22

3. COMPANY TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades	Market Capitalization
BHL	12.95	12.95	12.95	12.95	0.00%	339,930	4,402,093.50	14	10,874,771,630
FMBCH	85.00	85.00	80.00	80.00	-5.88%	18,985	1,586,699.00	3	196,660,000,000
ICON	10.00	10.00	9.99	10.00	0.00%	21,558,210	215,581,194.27	84	66,800,000,000
ILLOVO	210.00	210.00	209.99	210.00	0.00%	53,898	11,318,520.00	14	149,823,322,110
MPICO	19.50	19.50	19.50	19.50	0.00%	12,871,137	250,987,212.00	79	44,811,925,470
NBM	370.00	391.00	370.00	390.98	5.67%	487,027	186,351,779.53	53	182,560,970,923
NBS	9.00	12.80	8.60	12.01	33.44%	134,978,120	1,529,121,326.37	107	34,955,986,006
NICO	48.50	48.50	48.49	48.50	0.00%	10,060,877	487,951,534.54	59	50,587,493,156
NITL	75.01	75.01	74.99	75.00	-0.01%	4,673,205	350,496,721.00	31	10,125,000,000
OMU	2,500.00	2,500.00	2,500.00	2,500.00	0.00%	161,319	298,297,500.00	13	29,736,300,000
PCL	1,400.00	1,400.01	1,200.00	1,400.00	0.00%	2,127,004	2,571,778,602.00	39	168,358,148,000
STANDARD	630.00	670.00	573.00	670.00	6.35%	349,321	225,826,514.33	26	157,227,668,540
SUNBIRD	138.00	138.00	118.00	118.00	-14.49%	96,601	13,310,938.00	14	30,866,744,440
TNM	28.99	29.00	26.00	26.00	-10.31%	21,590,633	561,995,920.24	185	261,051,700,000
Total						209,366,267	6,709,006,554.78	721	1,394,440,030,275

4. BOND TRADING SUMMARY



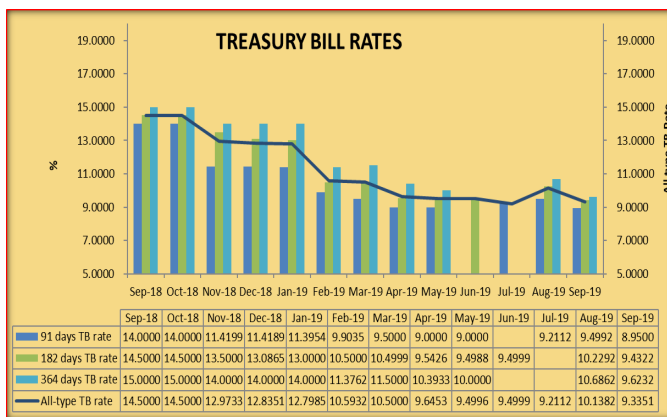
MALAWI STOCK EXCHANGE

Symbol	Open	High	Low	Close	Volume	Value	Trades Count	Nominal Value
NFBN01210621	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	1,000,000,000.00
NFBN02280621	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	3,000,000,000.00
NFBN03020721	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	50,000,000.00
NFBN04230522	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	6,000,000,000.00
NFBN05310321	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	2,350,767,576.00
TN02YR040920	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	64,659,680,000.00
TN02YR250120	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	5,000,000,000.00
TN02YR310121	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	23,791,253,000.00
TN02YR310819	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	20,000,000,000.00
TN03YR111021	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	13,776,000,000.00
TN03YR220221	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	3,000,000,000.00
TN03YR270622	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	37,867,549,000.00
TN03YR270821	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	22,570,008,000.00
TN05YR221123	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	39,105,000,000.00
TN07YR271225	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	48,087,041,000.00
Total					0	0	0	290,257,298,576.00

4. ECONOMIC REVIEW

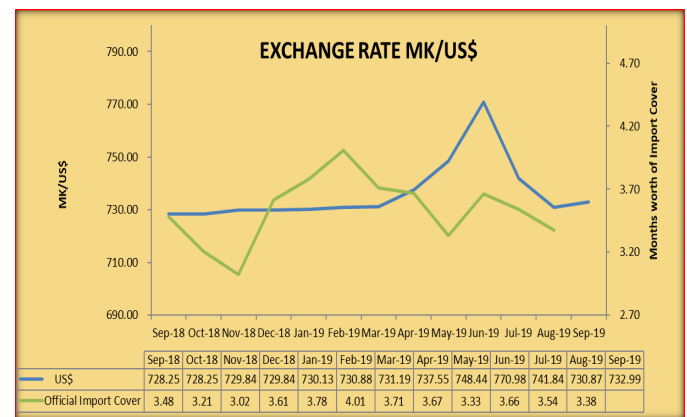
Interest Rates

During the quarter under review, the yields on the 91 days Tbill fell from 9.4322% to 8.9500% whilst the 182 and 364 days Tbill were at 9.4322% and 9.6232% respectively.



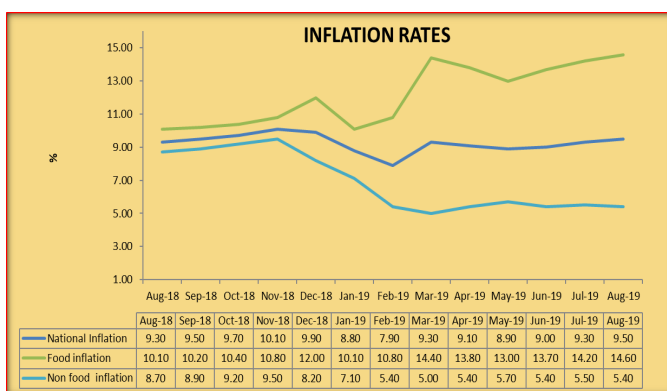
Exchange Rates

The Malawi Kwacha appreciated against the United States Dollar by 5.18% in the period under review. Gross official reserves decreased from 3.66 months of import cover on 30 June 2019 to 3.38 months of import cover on 31 August 2019.



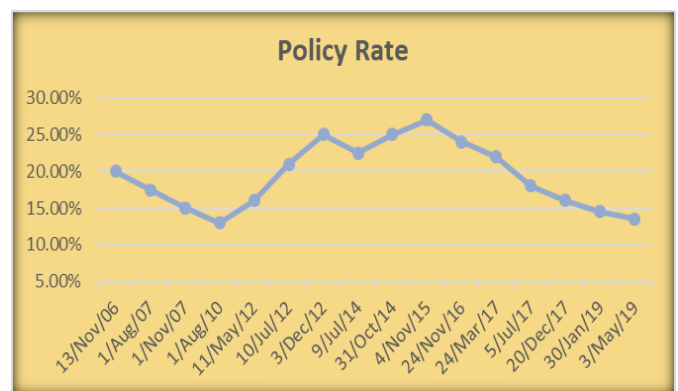
Inflation Rates

Headline inflation inched upwards by 0.2 percentage points from 9.3% in July, 2019 to 9.5% in August, 2019.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 2 and 3 May 2019 reduced the policy rate from 14.5% to 13.5%.



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