

ANNUAL MARKET PERFORMANCE REVIEW 2017

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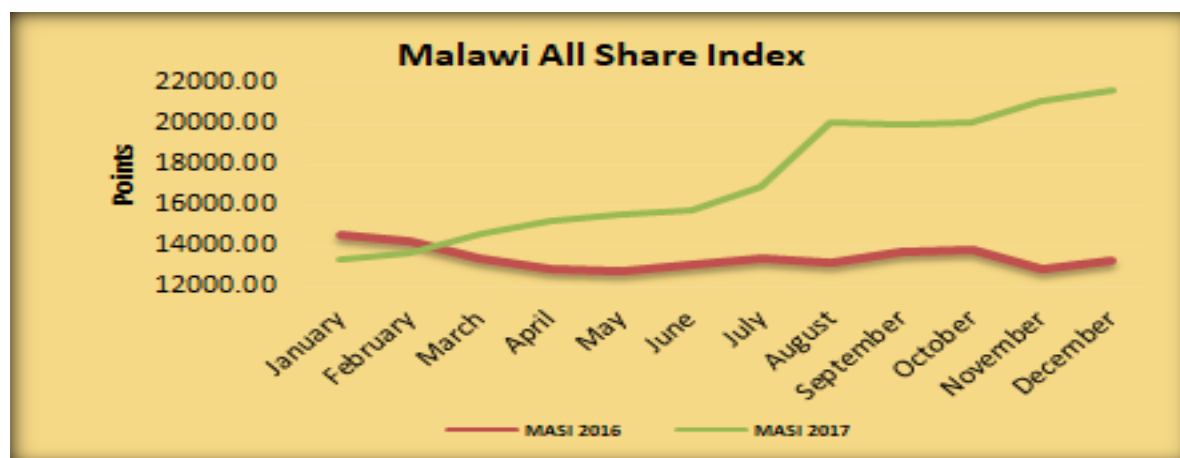
1. TRADING SUMMARY

The market was buoyant in 2017 as it registered a positive return on investment of **62.14%** (62.09% in US\$ terms) compared to a negative return of **8.53%** (-15.70% in US\$ terms) in 2016. It also recorded an increase in both total traded value and volume compared to the corresponding period 2016.

In the period under review, the Exchange listed NBS rights issue shares on 17 July, FMBCH through a corporate restructuring on 18 September and a 2 year Treasury Note on 9 October. In the same period FMB officially delisted FMB on 18 December.

INDEX	JAN. 2017	DEC. 2017	% Δ 2017 (MK)	% Δ 2017 (US\$)	% Δ 2016 (MK)	% Δ 2016 (US\$)
MASI	13320.51	21598.07	62.14 ▲	62.09 ▲	8.53 ▼	15.70 ▼
DSI	10456.92	16272.64	55.62 ▲	55.57 ▲	8.78 ▼	15.93 ▼
FSI	2026.07	3519.43	73.71 ▲	73.65 ▲	14.98 ▲	5.96 ▲

Year-To-Date Index Levels and Return



Trading Statistics

	Year 2017	Year 2016	% Δ
Traded Value (MK)	13,516,146,248.25	6,196,059,036.94	118.14▲
Traded Value (US\$)	18,965,146.70	8,643,385.39	119.42▲
Traded Vol. Shares	698,894,283	410,895,390	70.09 ▲
No. of Transactions	1,189	913	30.23 ▲
Index Close (MASI)	21598.07	13320.51	62.14 ▲
Listed Companies	14	13	
Traded Companies	14	13	
Not Traded Companies	00	00	
Gainers	14	07	
Decliners	00	06	
Unchanged	00	00	



2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 698,894,283 shares at a total consideration of MK13,516,146,248.25 (US\$18,965,146.70) in 1,189 trades. In the corresponding period 2016, the market transacted a total of 410,895,390 shares at a total consideration of MK6,196,059,036.94 (US\$8,643,385.39) in 913 trades. This reflects a 70.09% increase in share volume traded and a 118.14% (119.42% in US Dollar terms) increase in share value traded.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 2,818,122 shares compared to 1,656,836 shares traded in the corresponding period 2016.

The average daily turnover for the year 2017 was MK54,500,589.71 (US\$76,472.37) compared with MK24,984,109.02 (US\$34,852.36) for the corresponding period 2016, reflecting an increase of 118.14% (119.42% in US Dollar terms).

NBS Bank raised MK11.8 billion through a Rights Issue and the Rights Issue shares were listed on 17 July bringing the total number of listed NBS shares to 2,910,573,356 from 727,643,339. FMBCH and a Two year Treasury Note were also listed on 18 September and 9 October respectively, whilst FMB officially delisted on 18 December.

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 13320.51 points registered on 3 January 2017 to 21598.07 points registered on 29th December 2017, giving a return on index of 62.14%, (62.09% in US\$ terms) compared to -8.53%, (-15.70% in US\$ terms) registered in 2016. The price gains registered by all counters resulted in an upward movement of the Malawi All Share Index, arising from an increase in both the Domestic Share Index (55.62%) and the Foreign Share Index (73.71%).

Market capitalization* increased both in Kwacha and United States Dollar terms from MK577,621.92 million (US\$796.25 mln) on 03 January 2017 to MK956,709.04 million (US\$1,318.41 mln) on 29 December 2017.

**Market Capitalisation excludes non-Malawi register Old Mutual plc shares*

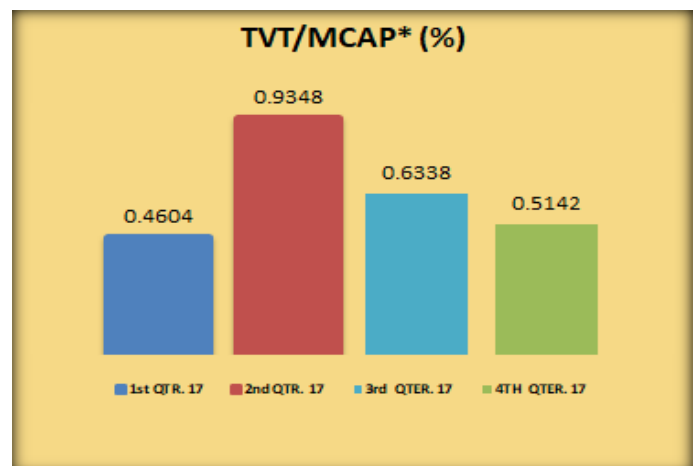
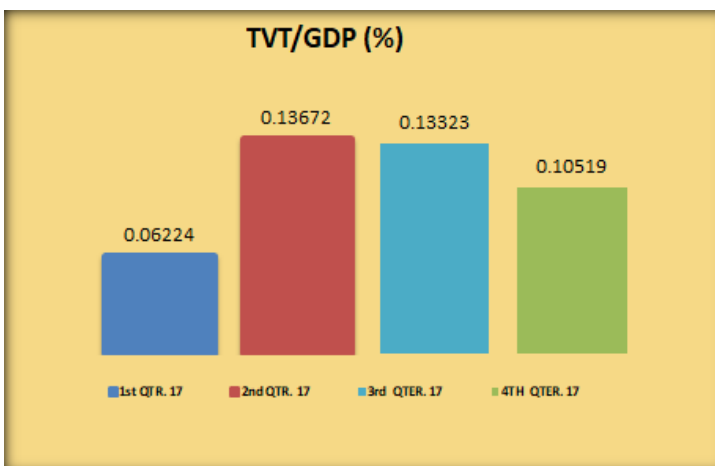
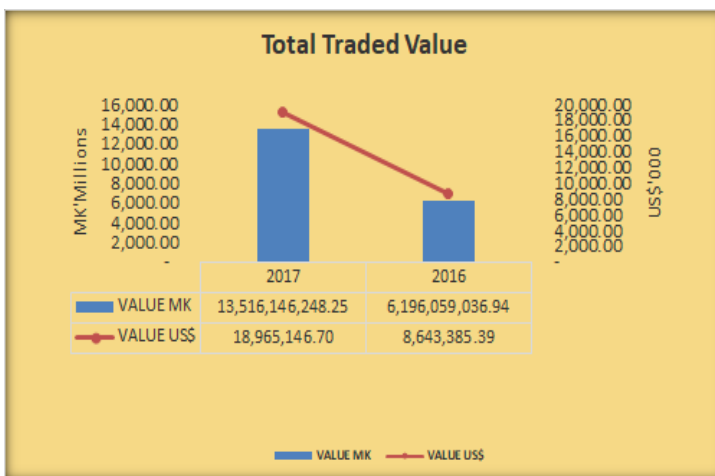
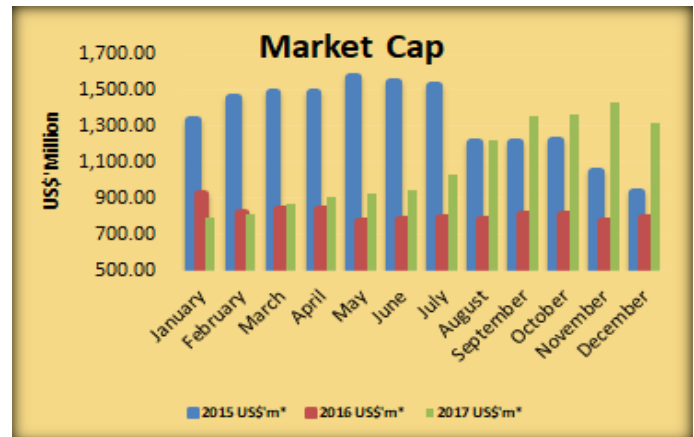
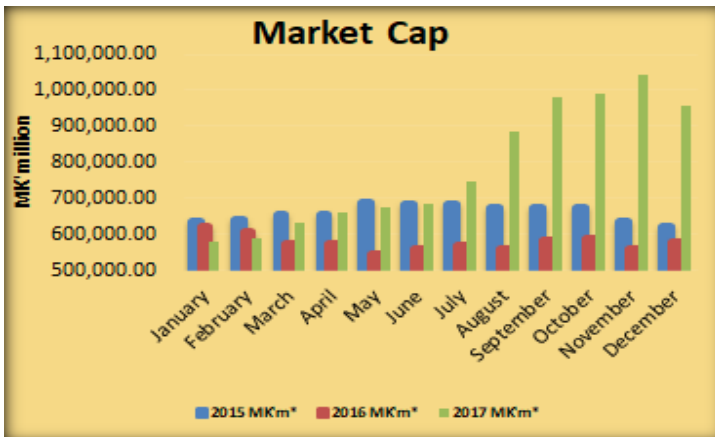
C. Market Liquidity

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 2017 was recorded at 1.41%, higher than 1.07% registered in 2016. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.29% in the review period while during the corresponding period of 2016 liquidity was at 0.16%.

2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



2. MARKET PERFORMANCE

Month	Deals	Volume Traded	Value Traded MK	Value Traded US\$	Market Cap MKm*	Market Cap US\$m*
Jan	100	9,462,616	299,523,065.19	412,890.94	577,621.92	796.25
Feb	80	12,896,314	179,654,629.77	247,650.92	591,288.21	815.09
Mar	90	15,057,251	248,460,512.40	342,501.15	632,134.64	871.12
Apr	76	10,160,058	788,100,892.16	1,086,054.82	659,295.11	908.55
May	97	71,859,658	1,343,060,713.98	1,850,825.92	675,327.11	930.65
June	72	24,562,635	1,065,495,688.62	1,468,323.08	683,948.97	942.53
July	109	230,820,088	1,759,096,772.00	2,424,150.95	745,456.67	1,027.29
Aug	148	43,516,315	1,587,733,421.39	2,187,731.00	885,574.99	1,220.38
Sept	126	83,482,149	1,325,916,804.33	1,827,200.49	983,028.70	1,354.68
Oct	117	60,346,580	2,108,221,256.74	2,905,267.43	989,673.25	1,363.83
Nov	93	14,395,164	763,567,556.43	1,052,248.84	1,042,657.64	1,436.85
Dec	81	122,335,455	2,047,314,935.24	3,160,301.16	956,709.04	1,318.41
Total 2017		698,894,283	13,516,146,248.25	18,965,146.70	*Excludes non-Malawi register Old Mutual plc shares	
Total 2016		410,895,390	6,196,059,036.94	8,643,385.39		

3. COMPANY TRADING PERFORMANCE

A. Top Five gainers:
All 14 Counters
registered
Capital gains

MSE CODE	COUNTER NAME	% GAIN
FMB	FMB Bank plc	182.35 ▲
TNM	Telekom Networks Malawi plc	139.67 ▲
NICO	NICO Holdings plc	100.00 ▲
MPICO	MPICO plc	99.36 ▲
NITL	National Investment Trust plc	76.65 ▲

B. Top Five Traded
Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
NBS	NBS Bank plc	297,737,330	42.60
TNM	Telekom Networks Malawi plc	215,113,579	30.78
NICO	NICO Holdings plc	90,735,369	12.98
FMB	FMB Bank plc	33,394,900	4.78
MPICO	MPICO plc	17,669,916	2.53

C. Top Five Traded
Stocks by value

MSE CODE	COUNTER NAME	VALUE	% of Total
TNM	Telekom Networks Malawi plc	2,518,597,033.72	18.63
NBM	National Bank of Malawi plc	2,061,143,416.70	15.25
NICO	NICO Holdings plc	2,030,189,101.51	15.02
NBS	NBS Bank plc	1,856,118,362.43	13.73
ILLOVO	Illovo Sugar Malawi plc	1,170,642,057.31	8.66

3. COMPANY TRADING PERFORMANCE

COUNTER	HIGH (MK)	LOW (MK)	Earnings Yield (%)	P/E	P/BV	MKT CAP (MK'MIn)	MKT CAP (US\$'MIn)
BHL	28.00	20.10	12.17	8.21	0.76	3,617.39	4.99
FMB	50.70	16.00	6.83	14.64	2.56	112,140.00	154.54
FMBCH	67.00	45.01	4.89	20.43	3.57	156,528.75	215.71
ILLOVO	240.00	150.00	4.13	24.18	4.68	171,226.65	235.96
MPICO	15.61	7.83	5.54	18.04	1.28	35,872.52	49.43
NBM	270.08	237.12	13.17	7.59	1.86	126,108.92	173.79
NBS	8.50	5.00	N/A	N/A	3.63	24,739.87	34.09
NICO	34.00	10.00	7.71	12.97	1.10	35,463.40	48.87
NITL	60.08	25.00	N/A	N/A	1.24	8,108.10	11.17
PCL	600.00	540.00	23.86	4.19	0.70	72,153.49	99.43
STANDARD	650.00	500.00	13.57	7.37	2.28	143,147.58	197.27
SUNBIRD	96.00	58.50	5.32	18.76	1.90	25,111.93	34.61
TNM	15.00	6.05	5.64	17.74	6.98	145,586.53	200.63
OML	1,960.00	1,612.00	7.78	12.85	0.97	9,043.91	12.46

3. COMPANY TRADING PERFORMANCE

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	2010	2800	39.30	110,380	0.02	2,635,960.00
FMB	1700	4800	182.35	33,394,900	4.78	656,914,811.63
FMBCH	4501	6700	48.86	11,350,063	1.62	535,078,487.67
ILLOVO	16000	24000	50.00	5,532,915	0.79	1,170,642,057.31
MPICO	783	1561	99.36	17,669,916	2.53	215,899,840.90
NBM	23712	27008	13.90	7,801,081	1.12	2,061,143,416.70
NBS	600	850	41.67	297,737,330	42.60	1,856,118,362.43
NICO	1700	3400	100.00	90,735,369	12.98	2,030,189,101.51
NITL	3400	6006	76.65	8,371,905	1.20	350,530,284.94
PCL	54000	60000	11.11	993,071	0.14	568,677,420.00
STANDARD	50000	61000	22.00	1,358,142	0.19	804,030,343.44
SUNBIRD	5850	9600	64.10	8,624,545	1.23	553,321,153.00
TNM	605	1450	139.67	215,113,579	30.78	2,518,597,033.72
OML	161200	196000	21.59	101,087	0.01	192,367,975.00
				698,894,283	100.00	13,516,146,248.25

4. DEBT SECURITIES TRADING PERFORMANCE

BOND	MATURITY DATE	COUPON DATE	COUPON RATE (%)	NOMINAL VALUE (MK' M N)
TN02YR31082019	31 August, 2019	28 Feb & 31 Aug	11	20,000.00
Total Outstanding Treasury bonds/notes				20,000.00

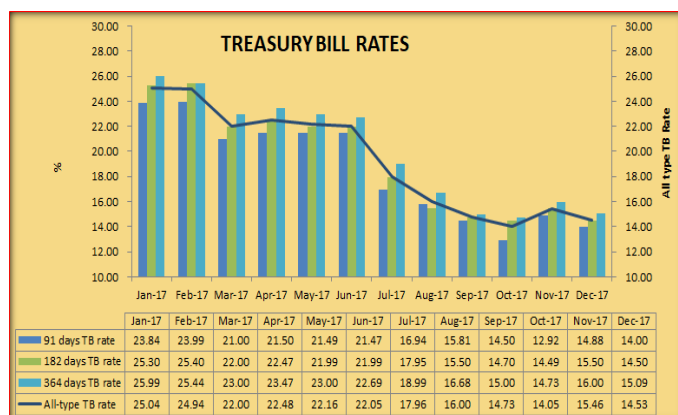
5. ECONOMIC REVIEW



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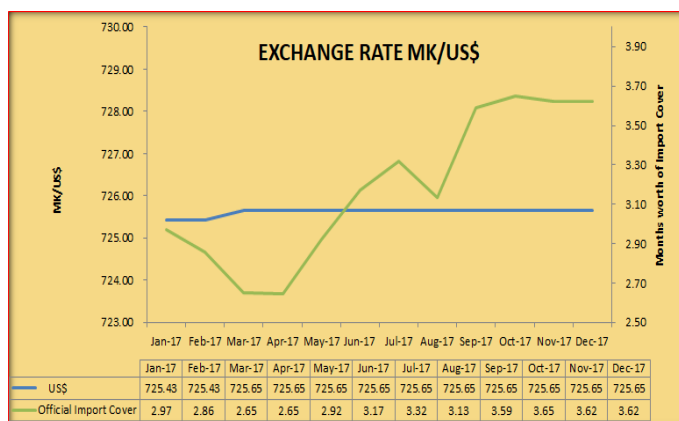
Interest Rates

During the period under review, the yields on treasury bills decreased in the 91 days Tbill, the 182 days Tbill and the 364 days Tbill from 23.84% to 14.00%, from 25.30% to 14.50% and from 25.99% to 15.09% respectively.



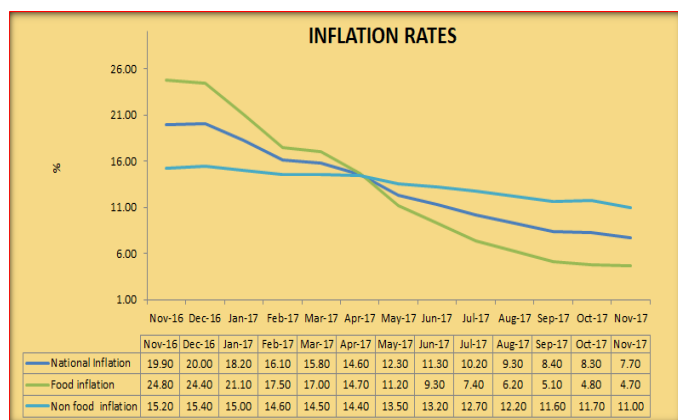
Exchange Rates

The Kwacha marginally depreciated against the United States Dollar by 0.03% in the period under review. Gross official reserves improved from 2.97 months of import cover in January 2017 to 3.62 months import cover in December 2017.



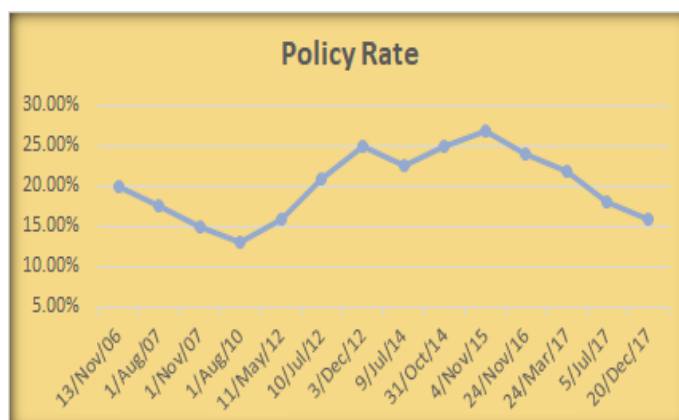
Inflation Rates

Headline inflation decreased by 10.50 percentage points from 18.2% in January 2017 to 7.7% in November 2017.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 19 and 20 December, 2017 reduced the policy rate from 18% to 16%.



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