ANNUAL MARKET PERFORMANCE REVIEW 2019

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CONTENTS

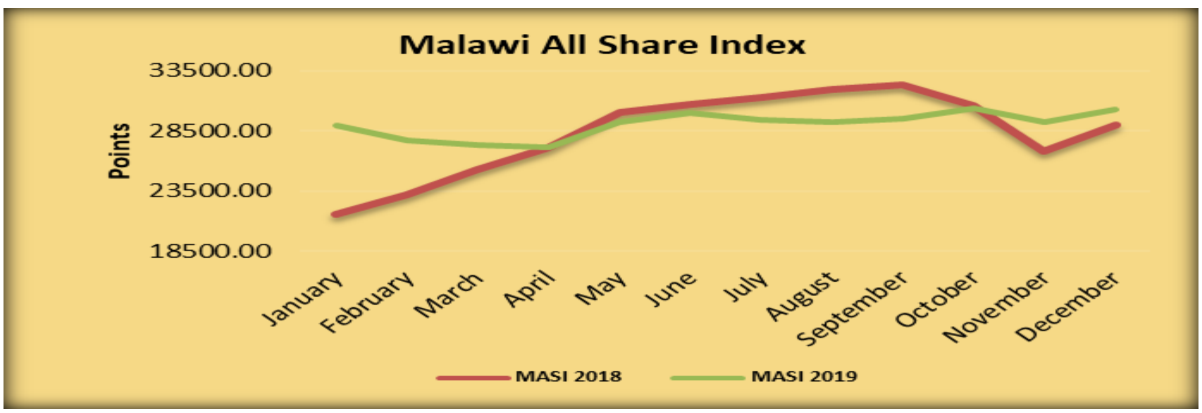
1. TRADING SUMMARY

The market registered a positive return on index of 4.38% (3.41% in US$ terms) compared to 34.19% (33.42% in US$ terms) in 2018. It also recorded an increase in volume of shares traded despite registering a decrease in total value traded compared to the corresponding period 2018. On the primary Equity market, one company, ICON Properties plc, got listed on 21 January 2019 bringing the total of listed companies to 14.

In the same period under review, two Corporate Medium Term Notes by MyBucks Banking Corporation and three Treasury Notes were listed on the Debt market bringing the total number of listed debt securities to 14.

INDEX	JAN. 2019	DEC. 2019	% ∆ 2019 (MK)	% ∆ 2019 (US$)	% ∆ 2018 (MK)	% ∆ 2018 (US$)
MASI	28983.53	30252.20	4.38 ▲	3.41 ▲	34.19 ▲	33.42 ▲
DSI	21318.07	23599.75	10.70 ▲	9.68 ▲	31.01 ▲	30.25 ▲
FSI	5265.12	4024.86	-23.56	-24.26	49.60 ▲	48.74 ▲

Year-To-Date Index Levels and Return



	Year 2019	Year 2018	% ∆
Traded Value (MK)	46,370,960,122.47	48,695,858,938.08	-4.77
Traded Value (US$)	63,638,717.53	66,982,969.12	-4.99
Traded Vol. Shares	1,393,849,808	958,247,064	45.46 ▲
No. of Transactions	3,064	2,153	42.31 ▲
Index Close (MASI)	30252.20	28983.53	4.38 ▲
Listed Debt Securities	14	09	
Traded Debt Securities	00	00	
Listed Companies	14	13	
Traded Companies	14	13	
Not Traded Companies	00	00	
Gainers	08	11	
Decliners	06	02	
Unchanged	00	00	

2. MARKET PERFORMANCE

MALAWI STOCK EXCHANGE

A. Trade Performance Analysis

In the year 2019, the market transacted a total of 1,393,849,808 shares at a total consideration of MK46,370,960,122.47 (US$63,638,717.53) in 3,064 trades. In the corresponding period 2018, the market transacted a total of 958,247,064 shares at a total consideration of MK48,695,858,938.08 (US$66,982,969.12) in 2,153 trades. This reflects a 45.46% increase in share volume traded and a –4.77% (-4.99% in US Dollar terms) decrease in share value traded. Of the shares traded, 532,557,714 NBS, 55,439,183 NICO, 254,000 OMU, 3,009,000 PCL and 1,471,563 SUNBIRD traded as negotiated deals.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 5,620,362 shares compared to 3,863,899 shares traded in the corresponding period 2018 reflecting an increase of 45.46%.

The average daily turnover for the year 2019 was MK186,979,664.02 (US$256,607.73) compared with MK196,354,269.91 (US$270,092.62) for the corresponding period 2018, reflecting a decrease of –4.77% (-4.99% in US Dollar terms).

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 28983.53 points registered on 2 January 2019 to 30252.20 points registered on 31 December 2019, giving a return on index of 4.38%, (3.41% in US$ terms) compared to 34.19%, (33.42% in US$ terms) registered in 2018. The price gains registered by eight counters, NBM(58.12%), MPICO (47.95%), NBS(35.00%), PCL(22.81%), ICON(20.00%), NICO(12.77%), STANDARD (8.96%) and NITL(6.67%) and were enough to offset share price losses by FMBCH (-25.00%), ILLOVO(-23.50%), SUNBIRD(-18.62%), TNM(-7.14%), OMU(-0.53%) and BHL(-0.38%) resulting into an upward movement of the Malawi All Share Index. The Domestic and Foreign Share indices closed at 23599.75 and 4024.86 points respectively.

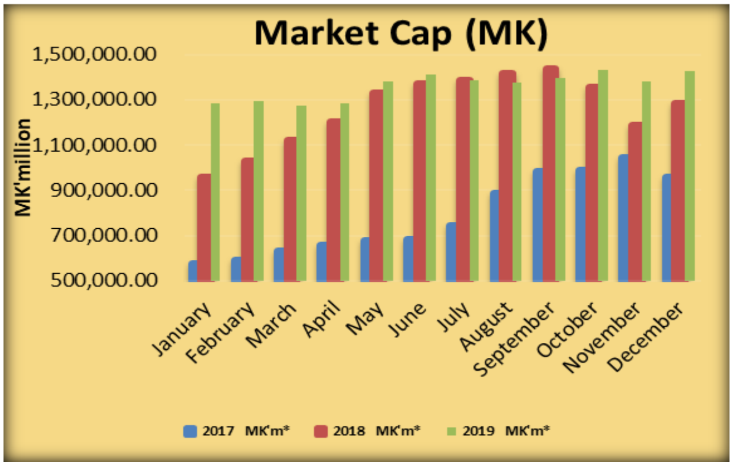
Market capitalization increased both in Kwacha and United States Dollar terms from MK1,284,705.65 million (US$1,760.24 million) on 02 January 2019 to MK1,428,752.94 million (US$1,939.51 million) on 31 December 2019.

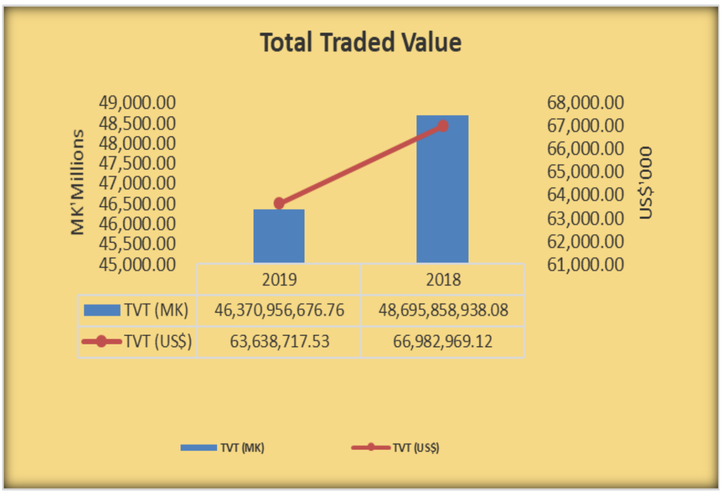
C. Market Liquidity

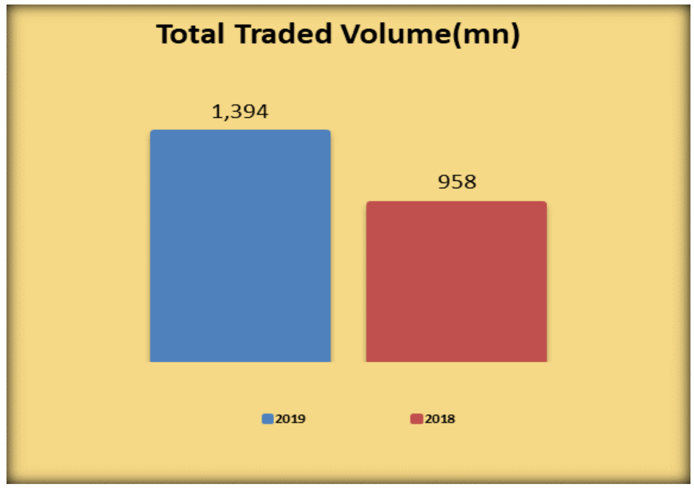
The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation **(TVT/MCAP*),** an indicator of the liquidity of assets traded on the market, in 2019 was recorded at 3.25%, lower than 3.79% registered in 2018. The ratio of Total Value of Trades to Gross Domestic Product **(TVT/GDP)** recorded a liquidity level of 0.78% in the review period while during the corresponding period of 2018 liquidity was at 0.94%. Market capitalization as a percentage of GDP was at 23.93% in 2019 whilst in 2018 it was at 24.91%.

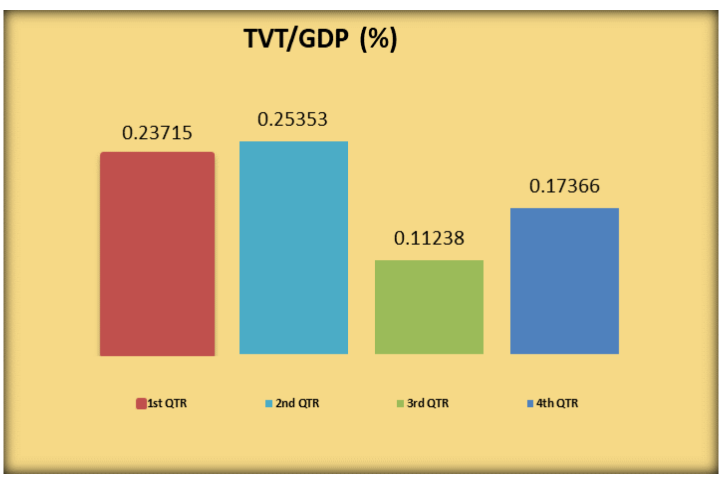
2. MARKET PERFORMANCE

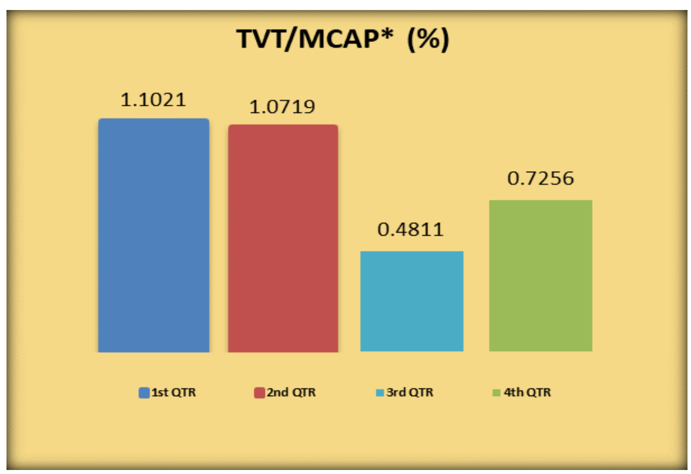
MALAWI STOCK EXCHANGE











3. COMPANY TRADING PERFORMANCE

Symbol	Open	High	Low	Close	Change	Volume	Value	Trades	Market Capitalization
BHL	13.00	13.00	12.50	12.95	-0.38%	4,659,101	60,349,237.46	69	10,874,771,629.75
FMBCH	100.00	100.00	75.00	75.00	-25.00%	7,857,025	730,668,489.00	132	184,368,750,000.00
ICON	8.75	12.05	8.75	10.50	20.00%	67,369,142	698,491,530.46	231	70,140,000,000.00
ILLOVO	200.00	210.00	153.00	153.00	-23.50%	11,023,639	2,226,253,370.00	68	109,156,991,823.00
MPICO	13.20	19.53	13.00	19.53	47.95%	49,552,328	930,899,097.21	307	44,880,866,893.80
NBM	332.02	525.00	310.00	525.00	58.12%	5,159,654	2,137,654,439.38	230	245,139,162,450.00
NBS	10.00	13.50	8.60	13.50	35.00%	884,025,099	9,620,804,794.78	416	39,292,740,306.00
NICO	43.00	48.50	38.50	48.49	12.77%	99,031,958	4,094,284,105.25	247	50,577,062,745.04
NITL	75.00	80.00	74.99	80.00	6.67%	14,996,329	1,139,399,571.00	130	10,800,000,000.00
OMU	2,513.25	2,513.25	2,499.99	2,499.99	-0.53%	851,046	1,933,447,228.62	58	31,938,247,246.50
PCL	1,140.00	1,400.01	1,100.00	1,400.00	22.81%	13,125,034	15,340,893,782.00	203	168,358,148,000.00
STANDARD	670.00	730.00	499.00	730.00	8.96%	538,560	340,607,743.33	102	171,307,758,260.00
SUNBIRD	145.00	145.00	118.00	118.00	-18.62%	6,423,960	868,407,042.00	58	30,866,744,440.00
TNM	28.00	29.00	25.00	26.00	-7.14%	229,236,933	6,248,799,691.98	813	261,051,700,000.00
Total						**1,393,849,808**	**46,370,960,122.47**	**3,064**	**1,428,752,943,794.09**

3. COMPANY TRADING PERFORMANCE

MALAWI STOCK EXCHANGE

A. Top gainers: Eight counters registered capital gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
NBM	MWNBM0010074	National Bank of Malawi plc	58.12 ▲
MPICO	MWMPI0010116	MPICO plc	47.95 ▲
NBS	MWNBS0010101	NBS Bank plc	35.00 ▲
PCL	MWPCL0010053	Press Corporation plc	22.81 ▲
ICON	MWICON001146	ICON Properties plc	20.00 ▲

B. Top Losers: Six counters registered a capital loss

MSE CODE	ISIN	COUNTER NAME	% LOSS
FMBCH	MWFMB0010138	FMB Capital Holdings plc	-25.00
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	-23.50
SUNBIRD	MWSTL0010085	Sunbird Tourism plc	-18.62
TNM	MWTNM0010126	Telekom Networks Malawi plc	-7.14
OMU	ZAE000255360	Old Mutual Limited	-0.53

C. Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
NBS	MWNBS0010101	NBS Bank plc	884,025,099	**63.00**
TNM	MWTNM0010126	Telekom Networks Malawi plc	229,236,933	**16.00**
NICO	MWNICO010014	NICO Holdings plc	99,031,958	**7.00**
ICON	MWICON001146	ICON Properties plc	67,369,142	**5.00**
MPICO	MWMPI0010116	MPICO plc	49,552,328	**4.00**

D. Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
PCL	MWPCL0010053	Press Corporation plc	15,340,893,782.00	**33.00**
NBS	MWNBS0010101	NBS Bank plc	9,620,804,794.78	**21.00**
TNM	MWTNM0010126	Telekom Networks Malawi plc	6,248,799,691.98	**13.00**
NICO	MWNICO010014	NICO Holdings plc	4,094,284,105.25	**9.00**
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	2,226,253,370.00	**5.00**

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**

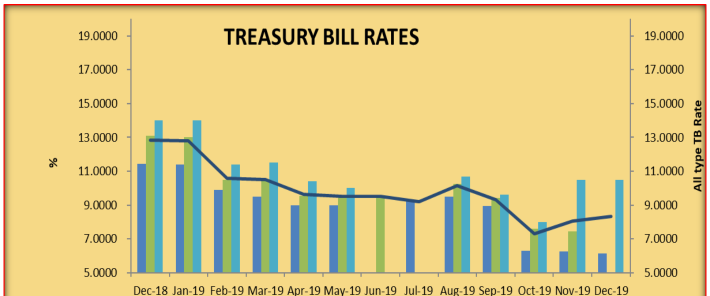
5. ECONOMIC REVIEW

Interest Rates

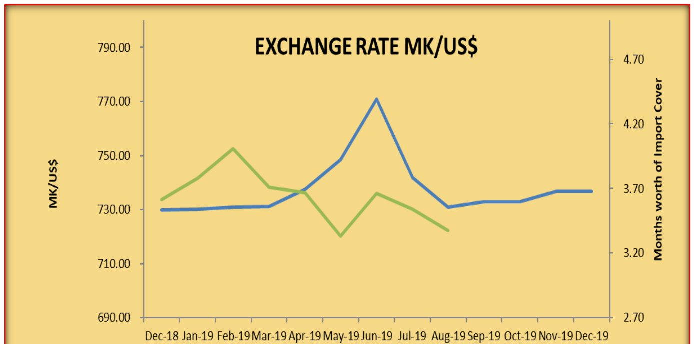
During the period under review, the yields on treasury bills decreased in the 91 days Tbill and the 364 days Tbill from 11.4189% to 6.1500% and from 12.8351% to 8.3250% respectively. There were no applications on the 182 days Tbill in the last week of December 2019.

Exchange Rates

The Kwacha marginally depreciated against the United States Dollar by 1.49% in 2019. Gross official reserves fell from 3.78 months of import cover in January 2019 to 3.38 months import cover in August 2019.



	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
91 days TB rate	11.4189	11.3954	9.9035	9.5000	9.0000	9.0000		9.2112	9.4992	8.9500	6.3000	6.2403	6.1500
182 days TB rate	13.0865	13.0000	10.5000	10.4999	9.5426	9.4988	9.4999		10.2292	9.4322	7.5981	7.4579	
364 days TB rate	14.0000	14.0000	11.3762	11.5000	10.3933	10.0000			10.6862	9.6232	8.0000	10.5000	10.5000
All-type TB rate	12.8351	12.7985	10.5932	10.5000	9.6453	9.4996	9.4999	9.2112	10.1382	9.3351	7.2994	8.0661	8.3250



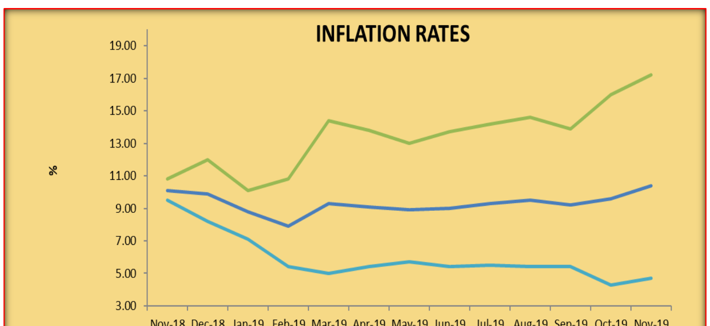
	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
US$	729.84	730.13	730.88	731.19	737.55	748.44	770.98	741.84	730.87	732.99	732.99	736.66	736.66
Official Import Cover	3.61	3.78	4.01	3.71	3.67	3.33	3.66	3.54	3.38				

Inflation Rates

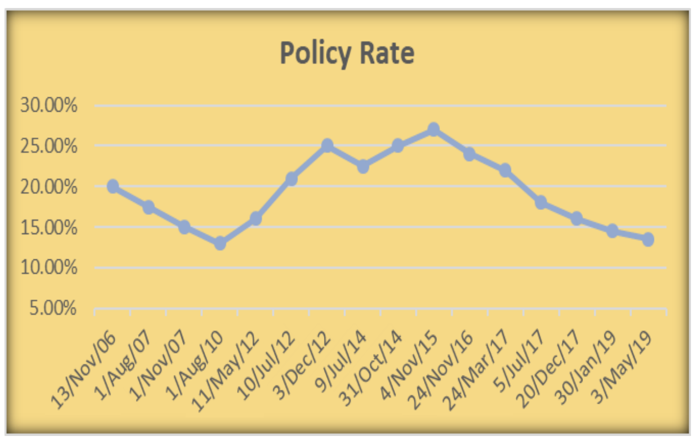
Headline inflation increased by 0.5 percentage points from 9.9% on 1 January 2019 to 10.40% in November 2019.

Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 29 and 30 October 2019 maintained the policy rate at 13.5%.



	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19
National Inflation	10.10	9.90	8.80	7.90	9.30	9.10	8.90	9.00	9.30	9.50	9.20	9.60	10.40
Food inflation	10.80	12.00	10.10	10.80	14.40	13.80	13.00	13.70	14.20	14.60	13.90	16.00	17.20
Non food inflation	9.50	8.20	7.10	5.40	5.00	5.40	5.70	5.40	5.50	5.40	5.40	4.30	4.70



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