

# MONTHLY MARKET REPORT

## JULY 2019



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MALAWI STOCK EXCHANGE

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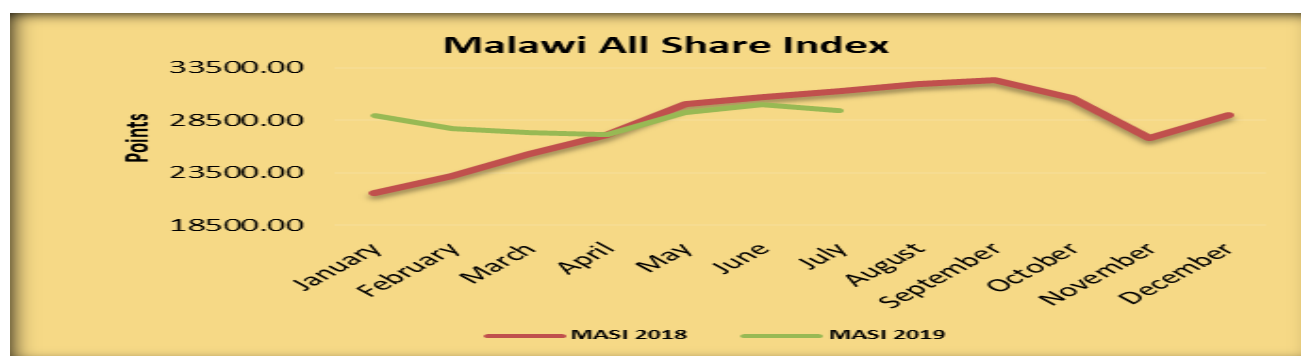
## 1. TRADING SUMMARY

The market registered an increase in both total volume and value of shares traded despite registering a negative month-on-month return on index of **1.81%** (**2.04%** in US\$ terms), **1.48%** YTD.

Mybucks banking corporation listed a second series of its Medium Term Notes on the debt securities market bring the total number of debt securities to fourteen.

### Index Levels and Return – July 2019

| INDEX | JULY 2019 | JUNE 2019 | % Monthly<br>Δ 2019 | % Monthly<br>Δ 2018 | % Δ YTD.<br>2019 |
|-------|-----------|-----------|---------------------|---------------------|------------------|
| MASI  | 29413.02  | 29956.00  | <b>-1.81</b>        | <b>1.71 ▲</b>       | <b>1.48 ▲</b>    |
| DSI   | 22387.89  | 22877.77  | <b>-2.14</b>        | <b>2.40 ▲</b>       | <b>5.02 ▲</b>    |
| FSI   | 4520.31   | 4520.31   | <b>0.00 ▬</b>       | <b>-0.01</b>        | <b>-14.15</b>    |



|                        | July 2019        | June 2019      | Monthly<br>% Δ  | July 2018      | Y-O-Y %Δ        |
|------------------------|------------------|----------------|-----------------|----------------|-----------------|
| Traded Value (MK)      | 2,203,627,437.99 | 807,635,186.50 | <b>172.85 ▲</b> | 590,259,713.23 | <b>273.33 ▲</b> |
| Traded Value (US\$)    | 3,014,151.88     | 1,056,262.53   | <b>185.36 ▲</b> | 813,416.67     | <b>270.55 ▲</b> |
| Traded Vol. Shares     | 27,022,913       | 14,124,014     | <b>91.33 ▲</b>  | 13,787,978     | <b>95.99 ▲</b>  |
| No. of Transactions    | 204              | 192            | <b>6.25 ▲</b>   | 97             | <b>110.31 ▲</b> |
| Index Close (MASI)     | 29413.02         | 29956.00       | <b>-1.81</b>    | 31263.14       | <b>-5.92</b>    |
| Listed Debt Securities | 14               | 12             |                 | 03             |                 |
| Traded Debt Securities | 00               | 00             |                 | 00             |                 |
| Listed companies       | 14               | 14             |                 | 13             |                 |
| Traded Companies       | 13               | 14             |                 | 08             |                 |
| Not Traded Companies   | 01               | 00             |                 | 05             |                 |
| <b>Gainers</b>         | <b>01</b>        | <b>02</b>      |                 | <b>05</b>      |                 |
| <b>Decliners</b>       | <b>01</b>        | <b>02</b>      |                 | <b>01</b>      |                 |
| Unchanged              | <b>11</b>        | <b>10</b>      |                 | <b>02</b>      |                 |

## 2. MARKET PERFORMANCE

### A. Trade Performance Analysis

The market transacted a total of 27,022,913 shares at a total consideration of MK2,203,627,437.99 (US\$3,014,151.88) in 204 trades. In the previous month, June 2019, the market transacted a total of 14,124,014 shares at a total consideration of MK807,635,186.50 (US\$1,056,262.53) in 192 trades. This reflects a **91.33%** increase in terms of share volume traded and a **172.85%** (**185.36%** in US Dollar terms) increase in share value traded. Of the total shares traded, 1,277,800 PCL shares were traded as negotiated deals.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 1,286,805 shares compared to 672,572 shares traded in June 2019.

The average daily turnover for July 2019 was MK104,934,639.90 (US\$143,531.04) compared to MK38,458,818.40 (US\$50,298.22) in June 2019, reflecting an increase of **172.85%** (**185.36%** 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 in June 2019 to 29413.02 points registered in July 2019, giving a month-on-month return on index of **-1.81%** (**2.04%** in US\$ terms). The price gain registered by NBS(0.11%) was not enough to offset a share price loss in TNM(08.66%) resulting into a downward movement of the Malawi All Share Index. The Domestic and Foreign Share Indices closed at 22387.89 and 4520.31 points respectively.

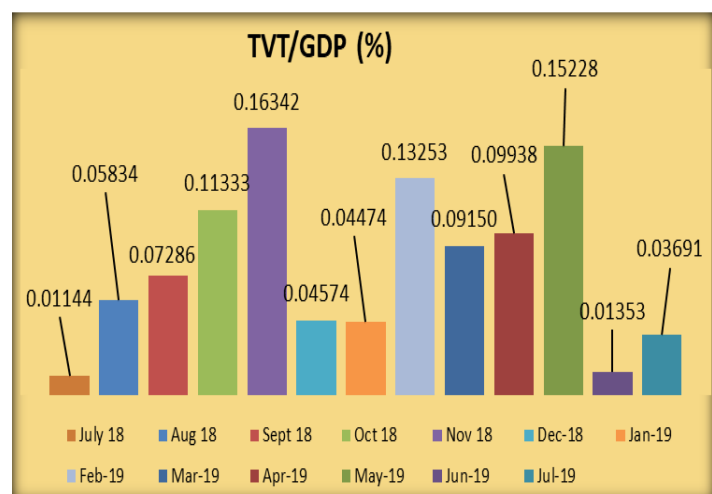
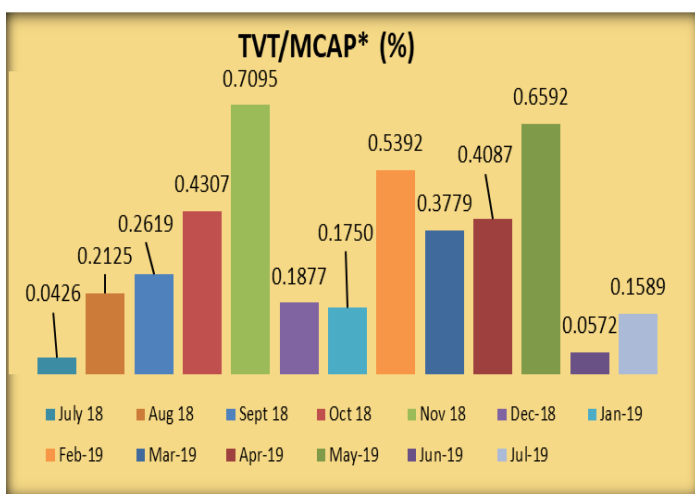
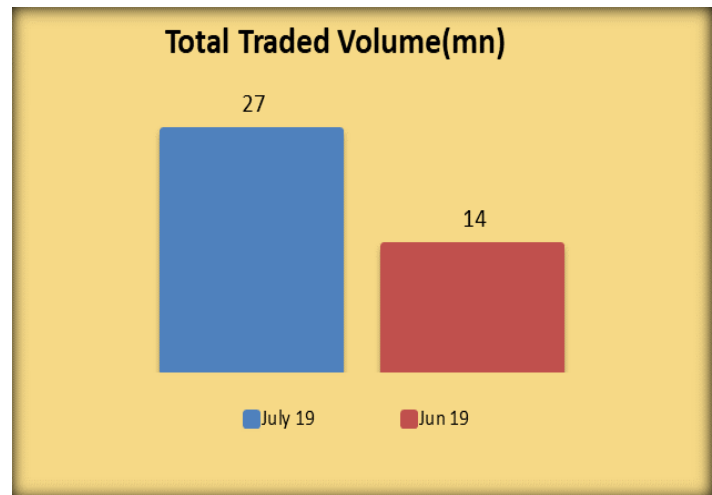
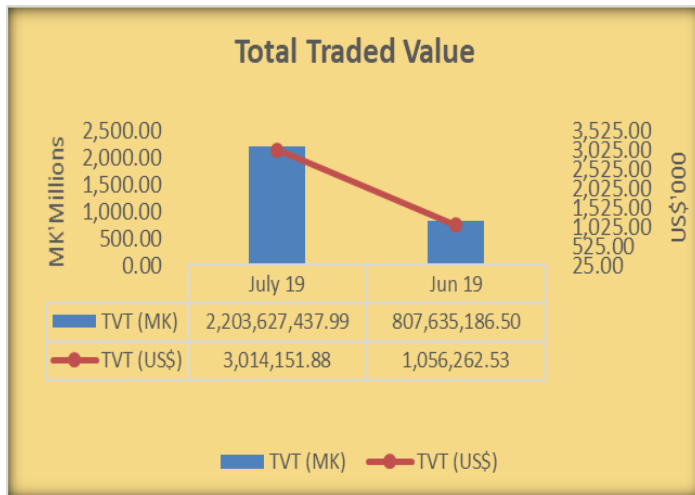
Market capitalization decreased in Malawi Kwacha terms from MK1,412,303.33 million in June 2019 to MK1,387,036.06 million in July 2019. It however increased in United States Dollar terms from US\$1,831.82 million to US\$1,869.72 million as a result of the appreciation of the Malawi Kwacha.

### 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 July 2019 was recorded at 0.16%, marginally higher than 0.06% registered in June 2019. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.04% in July 2019 while during the previous month, June 2019, liquidity was at 0.01%. Market capitalization as a percentage of GDP was at 23.23% in July 2019 and 23.66% in June 2019.



## 2. MARKET PERFORMANCE



### 3. COMPANY TRADING PERFORMANCE

A. Top gainers: One counter registered capital gains

| MSE CODE | ISIN         | COUNTER NAME | % GAIN |
|----------|--------------|--------------|--------|
| NBS      | MWNBS0010101 | NBS Bank plc | 0.11 ▲ |

B. Top Losers: One counter registered capital losses

| MSE CODE | ISIN         | COUNTER NAME                | % LOSS |
|----------|--------------|-----------------------------|--------|
| TNM      | MWTNM0010126 | Telekom Networks Malawi plc | -8.66  |

C. Volume Leaders

| MSE CODE | ISIN         | COUNTER NAME                  | SHARES     | % of Total |
|----------|--------------|-------------------------------|------------|------------|
| NBS      | MWNBS0010101 | NBS Bank plc                  | 12,077,476 | 44.69      |
| MPICO    | MWMPI0010116 | MPICO plc                     | 10,956,384 | 40.54      |
| ICON     | MWICON001146 | ICON Properties plc           | 1,321,608  | 4.89       |
| PCL      | MWPCL0010053 | Press Corporation plc         | 1,300,316  | 4.81       |
| NITL     | MWNITL010091 | National Investment Trust plc | 520,970    | 1.93       |

D. Value Leaders

| MSE CODE | ISIN         | COUNTER NAME             | VALUE            | % of Total |
|----------|--------------|--------------------------|------------------|------------|
| PCL      | MWPCL0010053 | Press Corporation plc    | 1,564,882,402.00 | 71.01      |
| MPICO    | MWMPI0010116 | MPICO plc                | 213,649,529.00   | 9.70       |
| STANDARD | MWSTD0010041 | Standard Bank Malawi plc | 111,766,110.10   | 5.07       |
| NBS      | MWNBS0010101 | NBS Bank plc             | 104,201,605.73   | 4.73       |
| OMU      | ZAE000255360 | Old Mutual Limited       | 96,902,500.00    | 4.40       |

### 3. COMPANY TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

| Symbol       | Open     | High     | Low      | Close    | Price Change | Volume            | Value                   | Trades Count | Market Capitalization       |
|--------------|----------|----------|----------|----------|--------------|-------------------|-------------------------|--------------|-----------------------------|
| BHL          | 12.95    | 12.95    | 12.95    | 12.95    | 0.00%        | 15,995            | 207,135.25              | 2            | 10,874,771,629.75           |
| FMBCH        | 85.00    | 85.00    | 85.00    | 85.00    | 0.00%        | 0                 | 0.00                    | 0            | 208,951,250,000.00          |
| ICON         | 10.00    | 10.00    | 10.00    | 10.00    | 0.00%        | 1,321,608         | 13,216,080.00           | 28           | 66,800,000,000.00           |
| ILLOVO       | 210.00   | 210.00   | 210.00   | 210.00   | 0.00%        | 36,539            | 7,673,190.00            | 11           | 149,823,322,110.00          |
| MPICO        | 19.50    | 19.50    | 19.50    | 19.50    | 0.00%        | 10,956,384        | 213,649,529.00          | 30           | 44,811,925,470.00           |
| NBM          | 370.00   | 370.02   | 370.00   | 370.01   | 0.00%        | 96,907            | 35,856,237.87           | 22           | 172,769,412,377.38          |
| NBS          | 9.00     | 9.01     | 8.60     | 9.01     | 0.11%        | 12,077,476        | 104,201,605.73          | 18           | 26,224,265,937.56           |
| NICO         | 48.50    | 48.50    | 48.49    | 48.50    | 0.00%        | 137,698           | 6,678,103.50            | 14           | 50,587,493,156.00           |
| NITL         | 75.01    | 75.01    | 74.99    | 75.01    | 0.00%        | 520,970           | 39,077,916.00           | 12           | 10,126,350,000.00           |
| OMU          | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 0.00%        | 38,761            | 96,902,500.00           | 5            | 27,998,187,500.00           |
| PCL          | 1,400.00 | 1,400.01 | 1,400.00 | 1,400.00 | 0.00%        | 1,300,316         | 1,564,882,402.00        | 21           | 168,358,148,000.00          |
| STANDARD     | 630.00   | 630.00   | 573.00   | 630.00   | 0.00%        | 177,497           | 111,766,110.10          | 11           | 147,840,942,060.00          |
| SUNBIRD      | 138.00   | 138.00   | 138.00   | 138.00   | 0.00%        | 1,420             | 195,960.00              | 1            | 36,098,396,040.00           |
| TNM          | 28.99    | 29.00    | 26.00    | 26.48    | -8.66%       | 341,342           | 9,320,668.54            | 29           | 265,871,116,000.00          |
| <b>TOTAL</b> |          |          |          |          |              | <b>27,022,913</b> | <b>2,203,627,437.99</b> | <b>204</b>   | <b>1,387,135,580,280.69</b> |



## 4. BOND TRADING SUMMARY

| Symbol       | Open     | High     | Low      | Close    | Volume   | Value         | Trades Count | Market Capitalization        |
|--------------|----------|----------|----------|----------|----------|---------------|--------------|------------------------------|
| NFBN01210621 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 100,000,000,000.00           |
| NFBN02280621 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 300,000,000,000.00           |
| NFBN03020721 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 5,000,000,000.00             |
| NFBN04230522 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 600,000,000,000.00           |
| NFBN05310321 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 235,076,757,600.00           |
| TN02YR040920 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 6,465,968,000,000.00         |
| TN02YR250120 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 500,000,000,000.00           |
| TN02YR310121 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 2,379,125,300,000.00         |
| TN02YR310819 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 2,000,000,000,000.00         |
| TN03YR111021 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 1,377,600,000,000.00         |
| TN03YR220221 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 300,000,000,000.00           |
| TN03YR270821 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 2,257,000,800,000.00         |
| TN05YR221123 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 3,910,500,000,000.00         |
| TN07YR271225 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 0        | 0.0000        | 0            | 4,808,704,100,000.00         |
| <b>TOTAL</b> |          |          |          |          | <b>0</b> | <b>0.0000</b> | <b>0</b>     | <b>25,238,974,957,600.00</b> |

There were no trades on the nine Treasury Notes and the five Mybucks Banking Corporation (formerly New Finance Bank) Medium Term Notes.



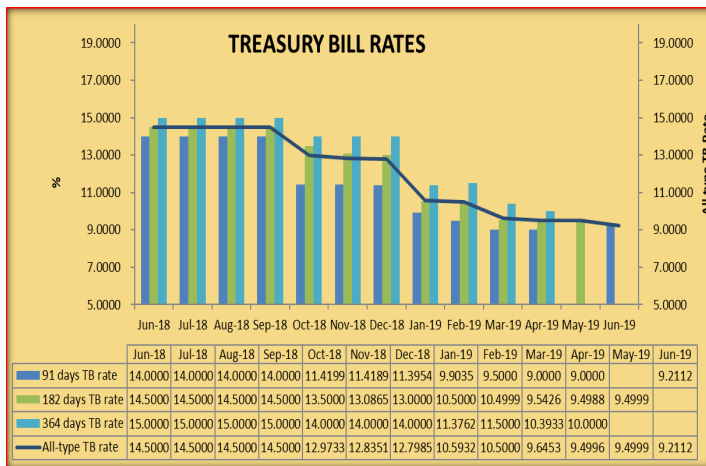
## 5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

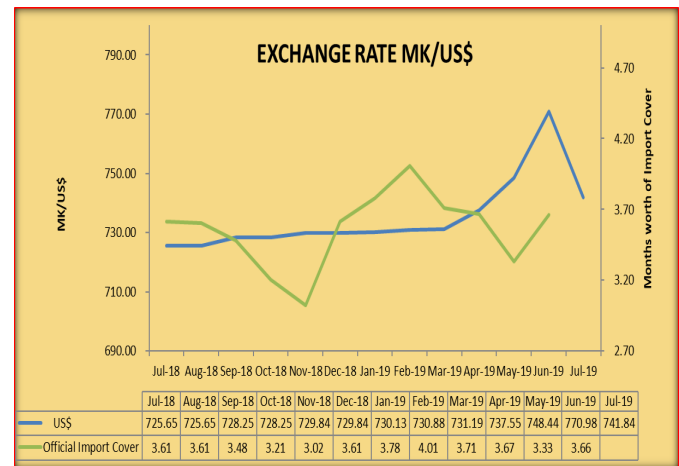
### Interest Rates

During the period under review, the yields on the 91 days T-bill was steady at 9.2112% with no allotments on the 182 days T-bill and the 364 days T-bill in the last week of July 2019.



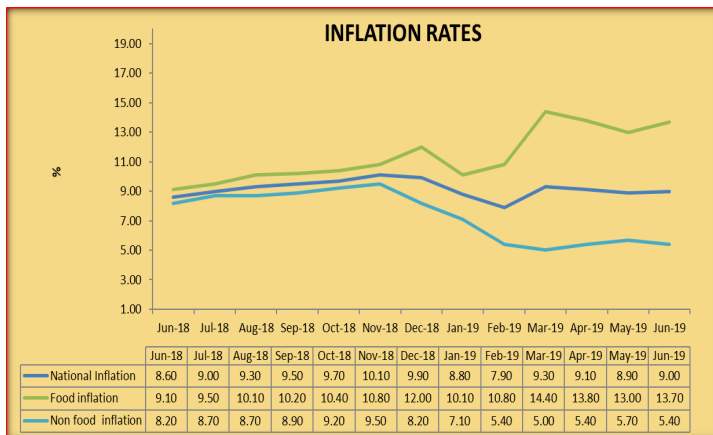
### Exchange Rates

The Kwacha appreciated against the United States Dollar in the period under review. Gross official reserves were at 3.66 months worth of import cover on 30 June 2019.



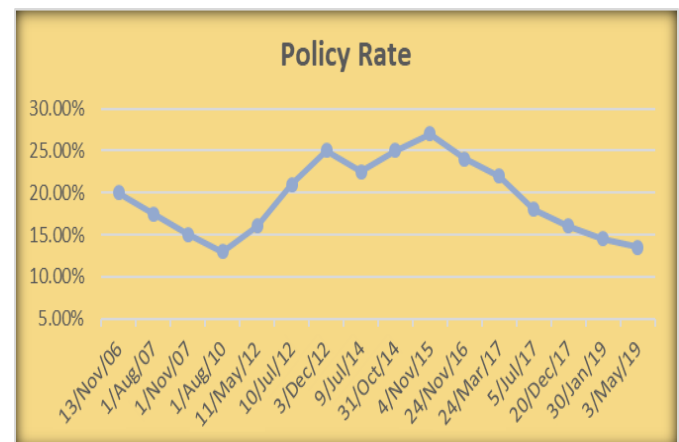
### Inflation Rates

Headline inflation inched upwards by 0.1 percentage points from 8.9% in May, 2019 to 9.0% in June, 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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