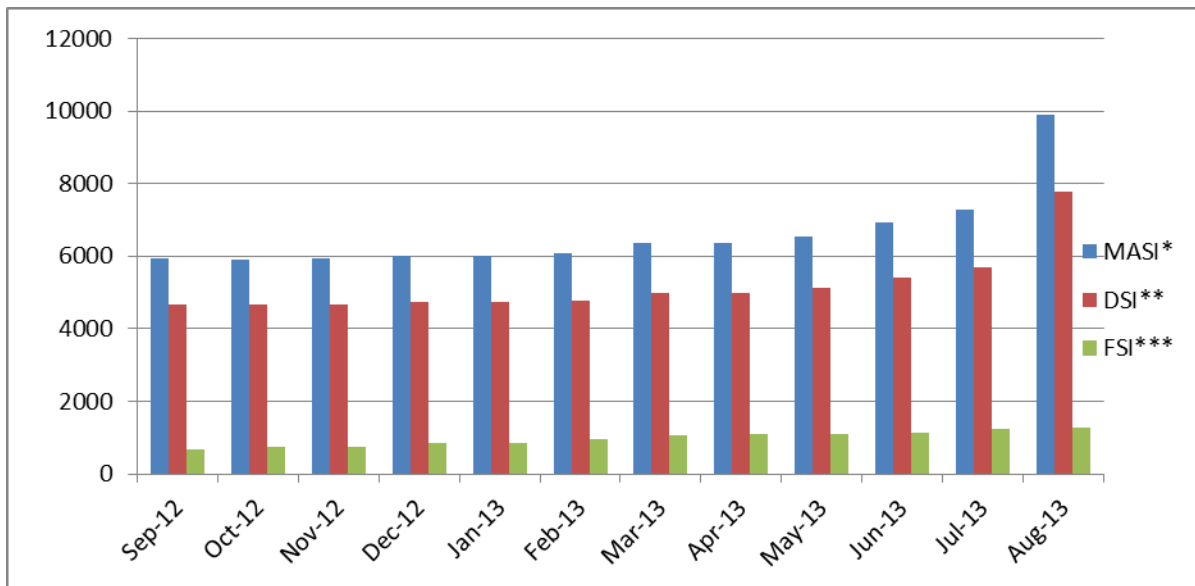




MALAWI STOCK EXCHANGE

## MONTHLY MARKET REPORT

AUGUST 2013



**MALAWI STOCK EXCHANGE**

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# MALAWI STOCK EXCHANGE LIMITED

## MONTHLY MARKET PERFORMANCE REPORT FOR AUGUST 2013

### 1.0 TRADING SUMMARY

The Market registered a monthly return on index of 35.84% (33.1% in US Dollar terms) to close the month of August at a record high of 9884.95 points compared to 7277.08 points in July 2013. The market also recorded an increase in value traded but registered a decrease in traded volume compared to the previous month of July 2013.

#### Index Levels and Return – AUGUST 2013

INDEX	Aug. 2012	July 2013	August 2013	Monthly % Δ	YTD % Δ
<b>MASI</b>	5967.23	7277.08	9884.95	<b>35.84 ▲</b>	<b>64.32 ▲</b>
<b>DSI</b>	4702.20	5696.53	7774.86	<b>36.48 ▲</b>	<b>64.53 ▲</b>
<b>FSI</b>	684.99	1256.86	1296.46	<b>3.15 ▲</b>	<b>51.69 ▲</b>

#### Trading Statistics – AUGUST 2013

	AUGUST 2013	JULY 2013	% Δ
Traded Value (MK)	1,470,085,448.29	934,744,095.86	<b>57.27 ▲</b>
Traded Value (US\$)	4,353,221.51	2,807,641.48	<b>55.05 ▲</b>
Traded Vol. Shares	412,336,193	415,482,537	<b>0.76 ▼</b>
No. of Transactions	123	126	<b>2.38 ▼</b>
Index Close (MASI)	9884.95	7277.08	<b>35.84 ▲</b>
Index Close (DSI)	7774.86	5696.53	<b>36.48 ▲</b>
Listed companies	14	14	
Traded Companies	13	12	
Not Traded Companies	01	02	
<b>Gainers</b>	<b>10</b>	<b>10</b>	
<b>Decliners</b>	<b>00</b>	<b>00</b>	
Unchanged	03	02	

### 2.0 MARKET PERFORMANCE

#### 2.1 Trade Performance Analysis

From 1<sup>st</sup> August to 31<sup>st</sup> August, 2013 a total of 412,336,193 [5,484,084 in August 2012] shares were transacted at a total consideration of MK1,470,085,448.29 (US\$4,353,221.51)

[MK303,829,286.80(US\$1,090,432.64) in August 2012] in 123 trades. In the previous month, July 2013, the market transacted a total of 415,482,537 shares at a total consideration of MK934,744,095.86(US\$2,807,641.48) in 126 trades. This reflects a **0.76%** decrease in terms of share volume but an increase of **57.27%** (**55.05%** in US Dollar terms) in share value.

The market registered an average daily volume of 19,635,057 shares in August 2013 compared to 19,784,883 shares in July 2013.

The average daily turnover for August 2013 was MK70,004,068.97 (US\$207,296.26) compared to MK44,511,623.61 (US\$133,697.21) for the previous month, reflecting an increase of **57.27%** (**55.05%** in US Dollar terms).

**TABLE 1: TRADING SUMMARY FOR JULY 2013 – AUGUST 2013**

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
July	415,482,537	934,744,095.86	2,807,641.48
August	412,336,193	1,470,085,448.29	4,353,221.51
<b>% CHANGE</b>	<b>0.76 ▼</b>	<b>57.27 ▲</b>	<b>55.05 ▲</b>

## 2.2 Market Capitalisation and Index

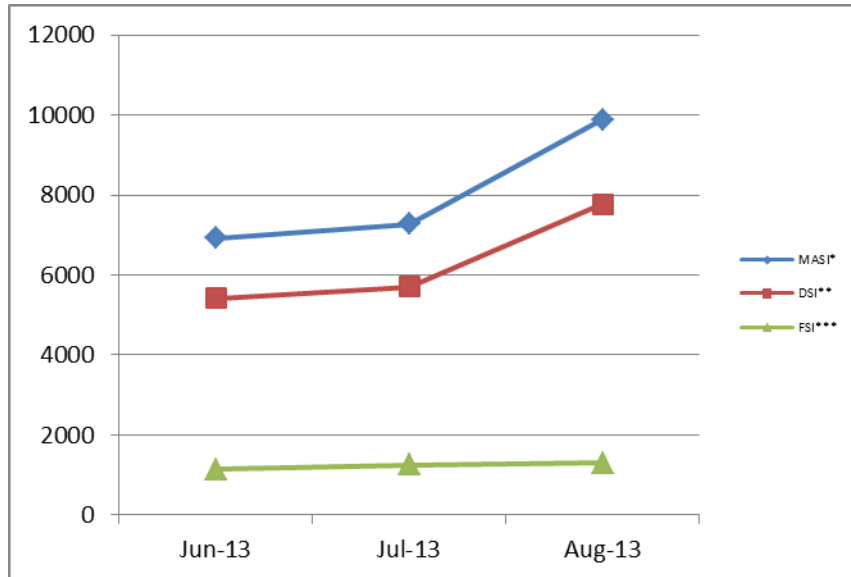
The market registered a positive return on index as reflected in the upward movement of the Malawi All Share Index (MASI) from 7277.08 points registered on 31<sup>st</sup> July 2013 to 9884.95 points registered on 31<sup>st</sup> August 2013, giving a return on index of **35.84%**, (**33.09%** in US\$ terms). The price gains registered by ten counters, FMB, ILLOVO, NBM, NBS, NICO, NITL, PCL, STANDARDBANK, TNM and OML were the major drivers resulting into an increase in both the Foreign Share Index and the Domestic Share Index by **3.15** points from 1256.86 points to 1296.86 points and by **36.48** points from 5696.53 points to 7774.86 points (**33.72%** in US\$ terms) respectively.

**Table 2: Market Capitalization and Index – August 2013**

Month Ending	Mkt. Cap. MKm.	Mkt. Cap US\$m	Mkt. Cap. MKm*	Mkt. Cap US\$m*	MASI
July	5,197,594.85	15,681.6919	307,204.42	926.8681	7277.08
August	5,461,734.67	16,145.3026	417,296.93	1,233.5614	9884.95

\* Excludes non-Malawi register Old Mutual plc shares

**FIG 1: MSE INDICES – August 2013**



### 2.3 Market Liquidity

The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP\***) in August was recorded at 0.35% compared to 0.30% registered in the previous month. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.08% compared to 0.05% recorded in the previous month.

**Table 3: Market Liquidity – August 2013**

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
July	280.68	16.590	0.05048	0.3043	2.361755
August	294.94	22.535	0.07939	0.3523	2.343870

\* Excludes non-Malawi register Old Mutual plc shares

## 2.4 Company Trading Performance

### Top Gainers

MSE CODE	COUNTER NAME	% GAIN
NBM	National Bank of Malawi	121.43
FMB	FMB Bank	87.24
Standardbank	Standard Bank Malawi	50.97
NITL	National Investments Trust Ltd	34.21
NBS	NBS Bank	25.00
TNM	TNM	21.21
ILLOVO	Illovo Sugar Malawi	18.00
NICO	NICO Holdings Ltd	5.94
PCL	Press Corporation Ltd	5.84
OML	Old Mutual plc	3.15

Ten counters registered a capital gain in August 2013.

### Top Decliners

MSE CODE	COUNTER NAME	% LOSS

There were no capital losses in August 2013.

### Top Four Traded Stocks by Volume- August 2013

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
TNM	TNM	394,107,271	95.58
NICO	NICO Holdings Ltd	4,873,381	1.18
FMB	FMB Bank	4,208,953	1.02
NBM	National Bank of Malawi	4,113,193	1.00

### Top Four Traded Stocks by Value- August 2013

MSE CODE	COUNTER NAME	MK	% OF TOTAL
TNM	TNM	650,458,577.15	44.25
NBM	National Bank of Malawi	511,789,260.80	34.81
PCL	Press Corporation Ltd	94,760,613.50	6.45
NICO	NICO Holdings Ltd	71,610,348.30	4.87

## Company Trading Statistics- August 2013

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	Value Traded MK
BHL	700	700	0.00%	50,000	350,000.00
FMB	854	1599	87.24%	4,208,953	46,428,959.00
ILLOVO	20000	23600	18.00%	97,468	21,960,831.00
MPICO	200	200	0.00%	2,287,459	4,574,918.00
NBM	7000	15500	121.43%	4,113,193	511,789,260.80
NBS	1000	1250	25.00%	1,284,196	15,175,856.50
NICO	1430	1515	5.94%	4,873,381	71,610,348.30
NITL	1900	2550	34.21%	461,856	10,985,093.80
PCL	18897	20000	5.84%	474,054	94,760,613.50
REAL	100	100	0.00%	-	-
STANDARD BANK	17200	25967	50.97%	153,057	39,265,718.50
SUNBIRD	657	657	0.00%	224,082	1,472,218.74
TNM	165	200	21.21%	394,107,271	650,458,577.15
OML	100000	103150	3.15%	1,223	1,253,053.00
				<b>412,336,193</b>	<b>1,470,085,448.29</b>

### 3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha appreciated marginally against all major trading currencies between 31<sup>st</sup> July and 31<sup>st</sup> August, 2013 as shown in Table 2 below;

**TABLE 2: MONTHLY EXCHANGE RATES: JULY 2013-AUG. 2013**

CURRENCY	END JUL ' 2013	END AUG' 2013	% CHANGE*
MK/US Dollar	331.4435	338.2863	-2.02
MK/GBP	504.9713	526.2241	-4.04
MK/ZAR	33.9807	33.0550	2.80
MK/EUR	439.5083	447.4905	-1.78

Source: National Bank of Malawi; \*Used the reciprocal method to calculate % change

- 3.2 The year on year headline inflation stood at 25.2% in July 2013 down by 2.7%. The urban and rural inflation rates for the month of July 2013 were 34.2% and 24.2% respectively.

### Key Economic Indicators- August 2013

	August 2012	July 2013	August 2013
Inflation Rate	25.5	27.9	25.2(Jul)
RBM Bank Rate	21.0	25.0	25.0
Prime Rate	31.0	35.0	35.0
91 Days T-Bill	18.61	29.06	17.96
182 Days T-Bill	22.00	30.00	18.04
364 Days T-Bill	23.00	30.12	22.12
Import Cover(Months)	1.03(20 Aug)	2.60(29 Jul)	2.36(28 Aug)

Source: Reserve Bank of Malawi, National Bank of Malawi and National Statistical Office

The 91 days, 182 days and 364 days treasury bills fell by 11.53%, 16.09% and 9.57% respectively.

Import cover fell by 9.23% from 2.60 months on 29<sup>th</sup> July to 2.36 months on 28<sup>th</sup> August which is 21.33% below the internationally recommended cover of 3 months.