

MONTHLY MARKET REPORT

AUGUST 2016



Old Reserve Bank Building, Victoria Avenue
P/Bag 270
Blantyre
Malawi

Telephone: (265) 01 824 233; Fax: (265) 01 823 636

E-mail: info@mse-mw.com

Website: www.mse.co.mw

Malawi's global portal

CONTENTS



MALAWI STOCK EXCHANGE

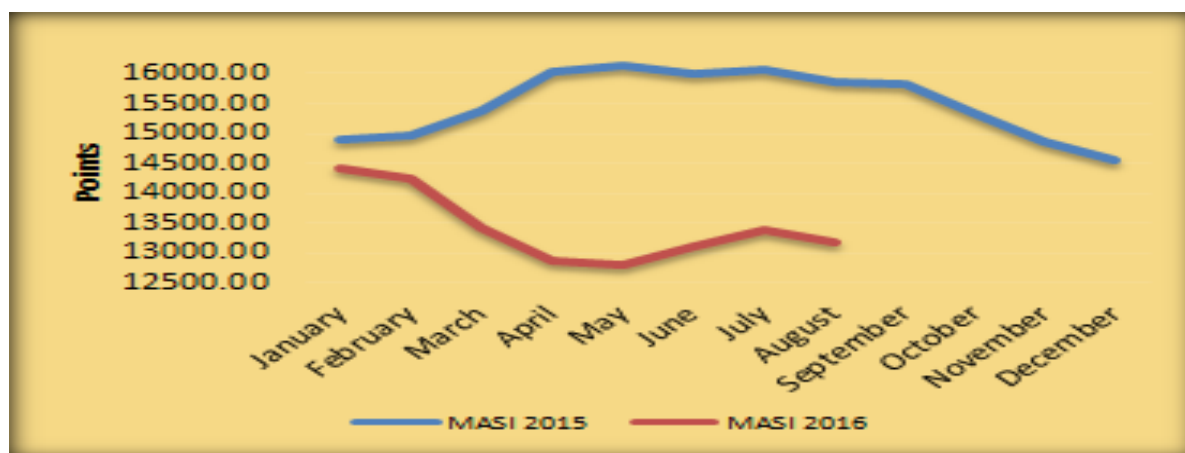
<i>Trading Summary</i>	1
<i>Market performance</i>	2
<i>Trade performance analysis</i>	2
<i>Market capitalization and index</i>	2
<i>Market liquidity</i>	2
<i>Company trading performance</i>	3
<i>Bonds</i>	4
<i>Economic review</i>	5

1. EQUITY TRADING SUMMARY

The market was marginally bearish in the month of August 2016 as it registered a negative return on investment of 1.55% (-1.67% in US\$ terms). It however, registered an increase in both total traded volume and total traded value.

Index Levels and Return – August 2016

INDEX	AUGUST 2016	JULY, 2016	Monthly Δ 2016	Monthly Δ 2015	% Δ YTD. 2016
MASI	13174.36	13381.50	1.55 ▼	1.30 ▼	9.53 ▼
DSI	10358.69	10523.46	1.57 ▼	1.31 ▼	9.63 ▼
FSI	1762.13	1762.13	0.00 ■	0.00 ■	0.00 ■



Trading Statistics – August 2016

	August 2016	July 2016	% Δ
Traded Value (MK)	985,792,369.78	79,415,164.70	1141.32▲
Traded Value (US\$)	1,367,968.41	110,989.31	1132.52▲
Traded Vol. Shares	42,384,723	9,822,509	331.51 ▲
No. of Transactions	72	67	7.46 ▲
Index Close (MASI)	13174.36	13381.50	1.55 ▼
Listed companies	13	13	
Traded Companies	10	11	
Gainers	02	02	
Decliners	01	01	
Unchanged	07	08	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 42,384,723 shares at a total consideration of MK985,792,369.78 (US\$1,367,968.41) in 72 trades. In the previous month, July 2016, the market transacted a total of 9,822,509 shares at a total consideration of MK79,415,164.70 (US\$110,989.31) in 67 trades. This reflects a **331.51%** increase in terms of share volume and a **1141.32%** (**1132.52%** in US Dollar terms) increase in share value.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 2,018,320 shares compared to 467,739 shares traded in July 2016.

The average daily turnover for August 2016 was MK46,942,493.80 (US\$65,141.35) compared with MK3,781,674.51 (US\$5,285.21) in July 2016, reflecting an increase of **1141.32%** (**1132.52%** 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 13381.50 points registered in July 2016 to 13174.36 points registered in August 2016, giving a return on index of **-1.55%**, (**-1.67%** in US\$ terms). The price gains registered by NBS and SUNBIRD were not enough to offset a share price loss registered by ILLOVO resulting into a downward movement of the Malawi All Share Index, arising from a decrease in the Domestic Share Index (**-1.57%**). The Foreign Share Index was steady at 1762.13 points.

Market capitalization decreased in both Kwacha and United States Dollar terms from K571,143.38 million (US\$793.4059 mln) in July 2016 to K562,302.27 million (US\$780.1875 mln) in August 2016.

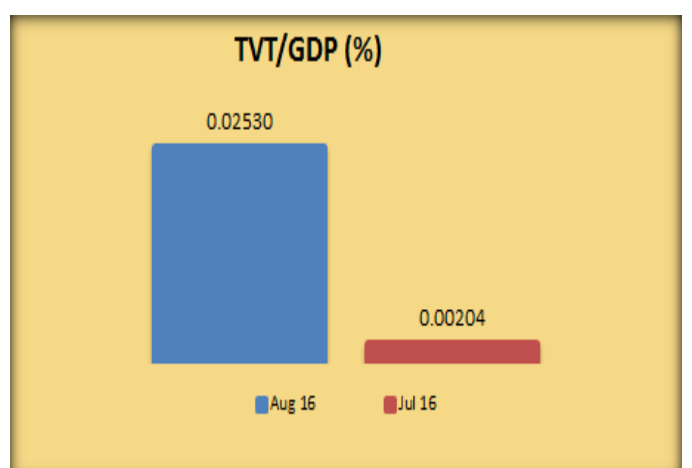
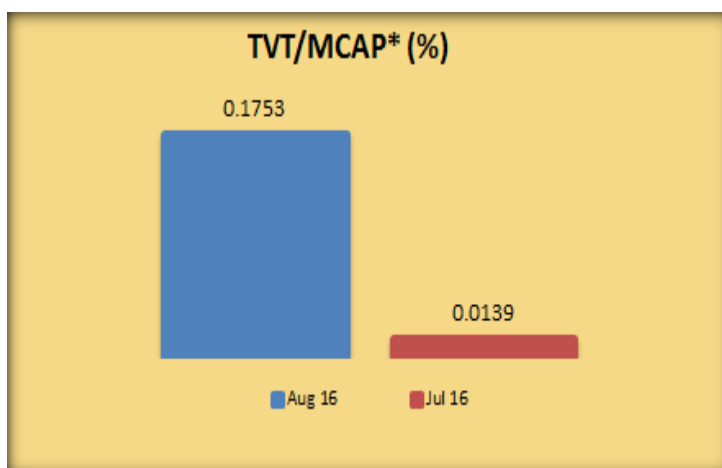
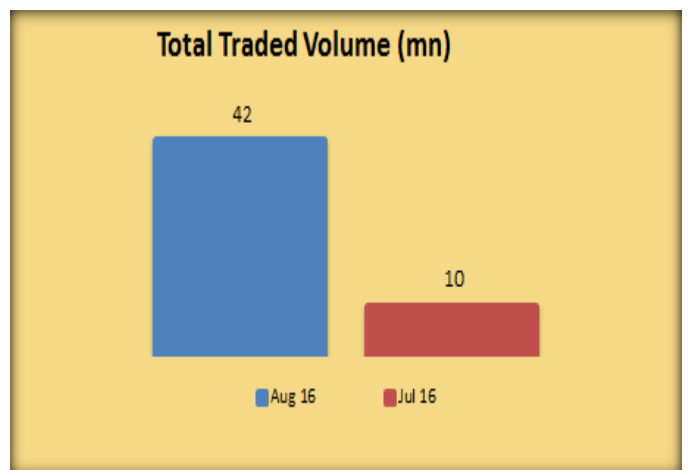
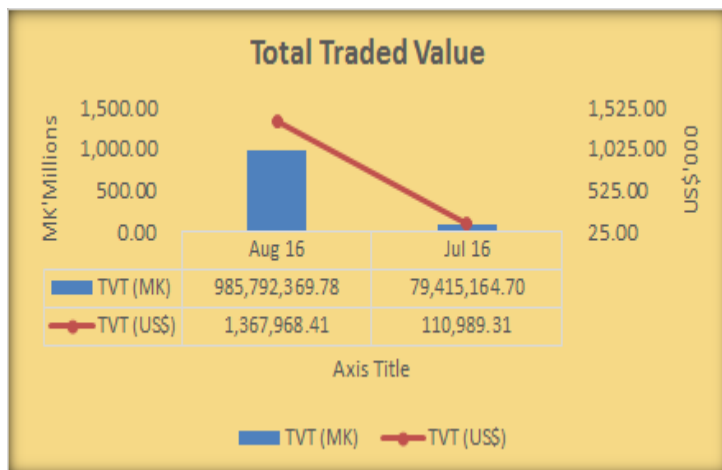
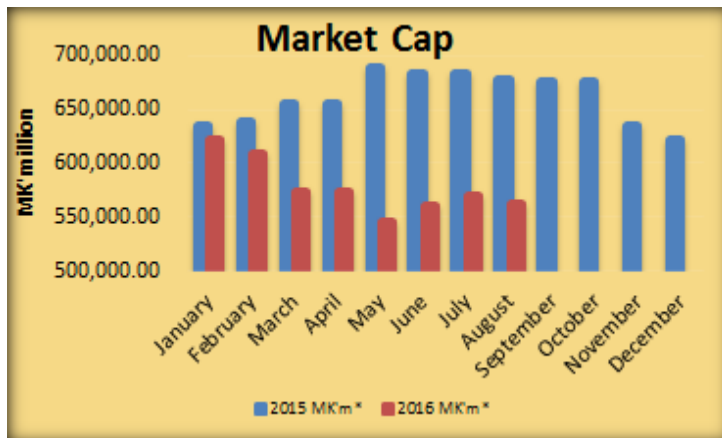
C. Market Liquidity

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 August 2016 was recorded at 0.18%, higher than 0.01% registered in July 2016. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.025% in August 2016 while during the previous month, July 2016, liquidity was at 0.002%.

2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



3. COMPANY TRADING PERFORMANCE



Top gainers: Two
counters registered
capital gain

MSE CODE	COUNTER NAME	% GAIN
SUNBIRD	Sunbird Tourism Limited	16.44 ▲
NBS	NBS Bank Limited	5.71 ▲

Top Losers: One
counter registered
a capital loss

MSE CODE	COUNTER NAME	% LOSS
ILLOVO	Illovo Sugar Malawi	8.82 ▼

C. Top Five Traded
Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
TNM	Telekom Networks Malawi	33,557,245	79.17
NBS	NBS Bank	4,960,673	11.70
ILLOVO	Illovo Sugar Malawi Limited	1,994,980	4.71
NBM	National Bank of Malawi	1,169,716	2.76
MPICO	MPICO Limited	408,310	0.96

C. Top Five Traded
Stocks by value

MSE CODE	COUNTER NAME	VALUE	% of Total
ILLOVO	Illovo Sugar Malawi Limited	309,223,640.00	31.37
NBM	National Bank of Malawi	301,786,705.05	30.61
TNM	Telekom Networks Malawi	240,941,019.10	24.44
PCL	Press Corporation Limited	50,860,845.00	5.16
STANDARD	Standard Bank Malawi	41,038,560.00	4.16

3. COMPANY TRADING PERFORMANCE

COUNTER	HIGH (MK)	LOW (MK)	MKT CAP (MK'MIn)	MKT CAP (US\$'MIn)
BHL	12.90	12.90	166.58	0.23
FMB	10.60	10.60	24,764.25	34.36
ILLOVO	170.00	155.00	110,583.88	153.43
MPICO	6.00	6.00	6,894.14	9.57
NBM	258.00	258.00	120,468.39	167.15
NBS	7.40	7.00	5,384.56	7.47
NICO	19.00	19.00	19,817.78	27.50
NITL	44.95	44.95	6,068.25	8.42
PCL	535.00	535.00	64,336.86	89.27
STANDARD	480.00	440.00	112,640.72	156.29
SUNBIRD	42.50	36.50	11,117.26	15.43
TNM	7.18	7.18	72,090.43	100.02
OML	1,420.00	1,420.00	6,469.16	8.98

3. COMPANY TRADING PERFORMANCE

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	1290	1290	0.00%	-	0.00%	-
FMB	1060	1060	0.00%	102,780	0.24%	1,089,468.00
ILLOVO	17000	15500	-8.82%	1,994,980	4.71%	309,223,640.00
MPICO	600	600	0.00%	408,310	0.96%	2,449,860.00
NBM	25800	25800	0.00%	1,169,716	2.76%	301,786,705.05
NBS	700	740	5.71%	4,960,673	11.70%	34,839,797.63
NICO	1900	1900	0.00%	-	0.00%	-
NITL	4495	4495	0.00%	-	0.00%	-
PCL	53500	53500	0.00%	95,067	0.22%	50,860,845.00
STANDARD	48000	48000	0.00%	85,702	0.20%	41,038,560.00
SUNBIRD	3650	4250	16.44%	7,950	0.02%	337,875.00
TNM	718	718	0.00%	33,557,245	79.17%	240,941,019.10
OML PLC	140200	140200	0.00%	2,300	0.01%	3,224,600.00
				42,384,723	100.00%	985,792,369.78

4. BOND TRADING SUMMARY

BOND	MATURITY DATE	COUPON DATE	COUPON RATE (%)	NOMINAL VALUE (MK' M N)
MW5YN	31 December, 2016	30 June & 31 Dec	10	822.04
MW3YNR	30 June, 2017	30 June & 31 Dec	15	106,870.00
Total Outstanding Treasury bonds				107,692.04

The first coupon payments for 2016 were paid on 30th June, 2016.

There were no trades on the two government bonds in the period under review.

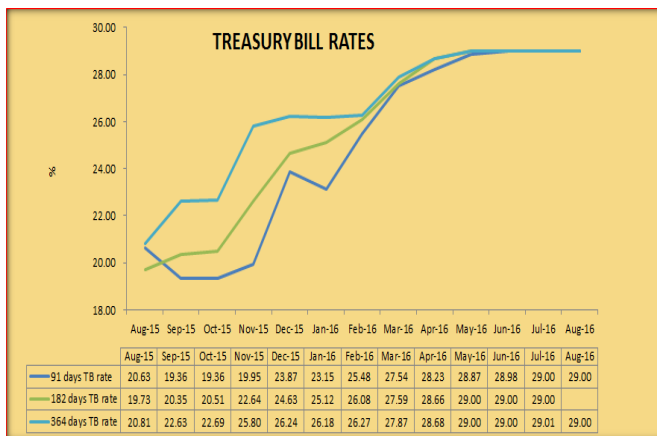
5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

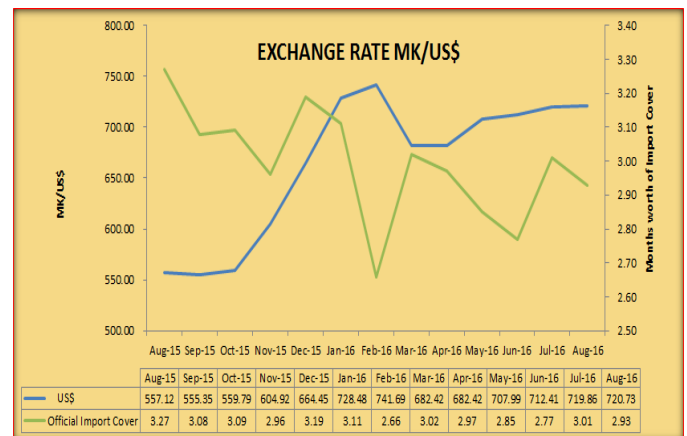
Interest Rates

During the period under review, the yield on the 91 days T-bill was steady at 29.00% whilst the 364 days T-bill decreased from 29.01% to 29.00%. There was no auction conducted on the 182 days T-bill.



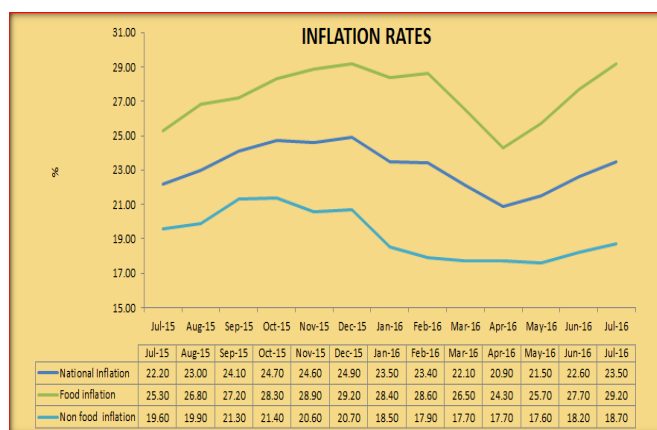
Exchange Rates

The Kwacha depreciated against the United States Dollar by **-0.12%** in the period under review. Gross official reserves fell from 3.01 months in July 2016 to 2.93 months in August 2016.



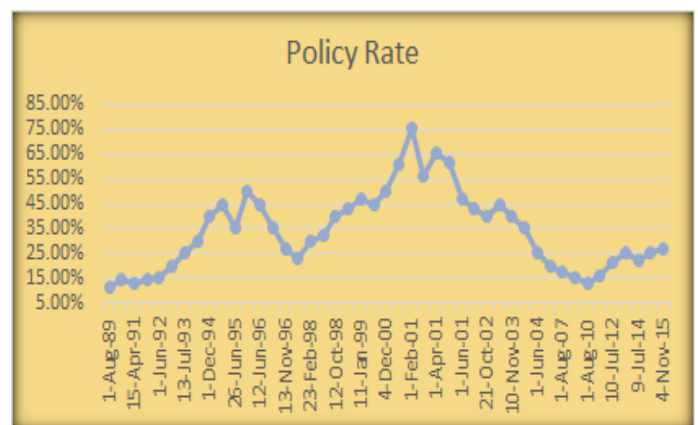
Inflation Rates

Headline inflation inched upwards by 0.9 percentage points from 22.6% in June, 2016 to 23.5% in July, 2016.



Monetary Policy Rate

The policy rate remained at 27%.



CONTACTS AND ADDRESSES OF MSE STOCK BROKERS

Stockbrokers Malawi Limited
NBM Business Complex
P.O Box 31180
Blantyre
Tel: +265 1 836 213
Fax: +265 1 824 353
Email: sml@smlmw.com

FDH Stockbrokers
Umoyo House
P.O Box 512
Blantyre
Tel: +265 1 831 132
Fax: +265 1 823 044
Email: fdhsl@fdh.co.mw

African Alliance Securities
4th Floor, Livingstone Towers
P.O Box 3340
Blantyre
Tel: +265 1 831 995
Fax: +265 1 831 859
Email: kamphonia@africanalliance.com

Continental Capital Limited
1st Floor, Unit House
P.O Box 1444
Blantyre
Tel: +265 1 830 638
Email: capital@continental.mw
capital@cdh-malawi.com