

# MONTHLY MARKET REPORT

## FEBRUARY 2018



**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](mailto:info@mse-mw.com)  
Website: [www.mse.co.mw](http://www.mse.co.mw)

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MALAWI STOCK EXCHANGE

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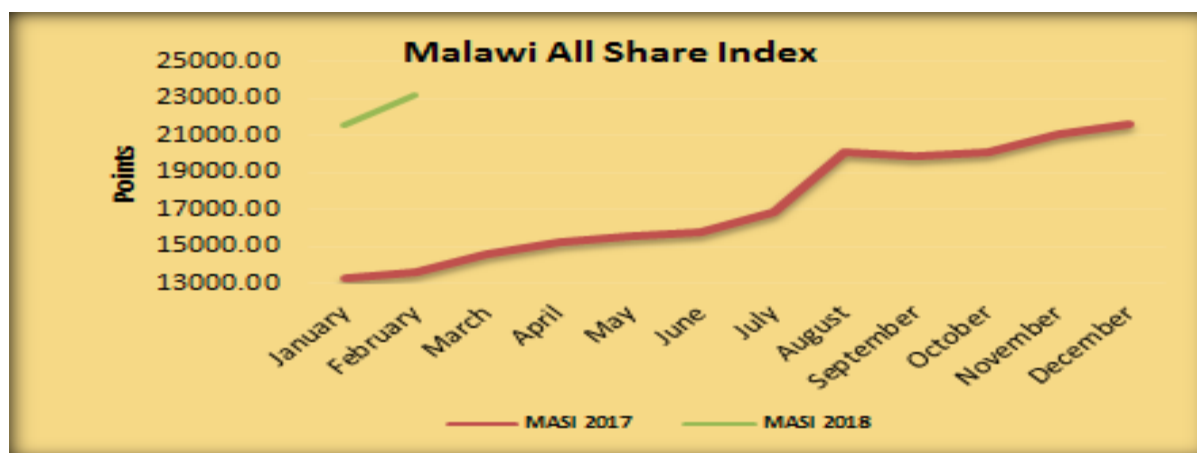
## 1. TRADING SUMMARY

The market was bullish for the second month in a row as it registered a positive return on investment of 4.32% (4.32% in US\$ terms) in February 2018 and an increase both total traded value and total traded volume.

The Exchange officially listed a 5 year Treasury Note with a coupon rate of 10% on 26 February, 2018.

### Index Levels and Return – February 2018

INDEX	FEBRUARY, 2018	JANUARY, 2018	Monthly Δ 2018	Monthly Δ 2017	% Δ YTD. 2018
MASI	23182.59	22223.44	4.32 ▲	3.87 ▲	7.34 ▲
DSI	17535.66	16692.97	5.05 ▲	3.92 ▲	7.76 ▲
FSI	3706.12	3673.87	0.88 ▲	0.00 ■	5.30 ▲



	February 2018	January 2018	Monthly % Δ	February 2017	Y-O-Y %Δ
Traded Value (MK)	7,696,394,315.30	1,318,037,153.35	483.93 ▲	179,654,629.77	4183.99▲
Traded Value (US\$)	10,606,029.73	1,816,341.81	483.92 ▲	247,650.92	4182.65▲
Traded Vol. Shares	245,801,275	36,519,356	573.07 ▲	12,896,314	1805.98▲
No. of Transactions	118	108	9.26 ▲	80	47.50 ▲
Index Close (MASI)	23182.59	22223.44	4.32 ▲	13635.67	70.01 ▲
Listed companies	13	13		13	
Traded Companies	12	11		11	
Not Traded Companies	01	02		02	
Gainers	05	05		04	
Decliners	00	00		01	
Unchanged	07	06		06	

## 2. MARKET PERFORMANCE

### A. Trade Performance Analysis

The market transacted a total of 245,801,275 shares at a total consideration of MK7,696,394,315.30 (US\$10,606,029.73) in 118 trades. In the previous month, January 2018, the market transacted a total of 36,519,356 shares at a total consideration of MK1,318,037,153.35 (US\$1,816,341.81) in 108 trades. This reflects a **573.07%** increase in terms of share volume and a **483.93%** (**483.92%** in US Dollar terms) increase in share value. Of the shares traded, 131,787,578 NBS shares were traded as a Special Bargain.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 11,704,823 shares compared to 1,739,017 shares traded in January 2018.

The average daily turnover for February 2018 was MK366,494,967.40 (US\$505,049.03) compared to MK62,763,673.97 (US\$86,492.47) in January 2018, reflecting an increase of **483.93%** (**483.92%** 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 22223.44 points registered in January 2018 to 23182.59 points registered in February 2018, giving a return on index of **4.32%** (**4.32%** in US\$ terms). The price gains registered by FMBCH, NBS, NICO, TNM and OML were the drivers resulting into an upward movement of the Malawi All Share Index, arising from an increase in both the Domestic Share Index (**5.05%**) and the Foreign Share Index (**0.88%**).

Market capitalization increased in both Kwacha and United States Dollar terms from MK984,410.21 million (US\$1,356.58 million) in January 2018 to MK1,026,897.03 million (US\$1,415.13 million) in February 2018.

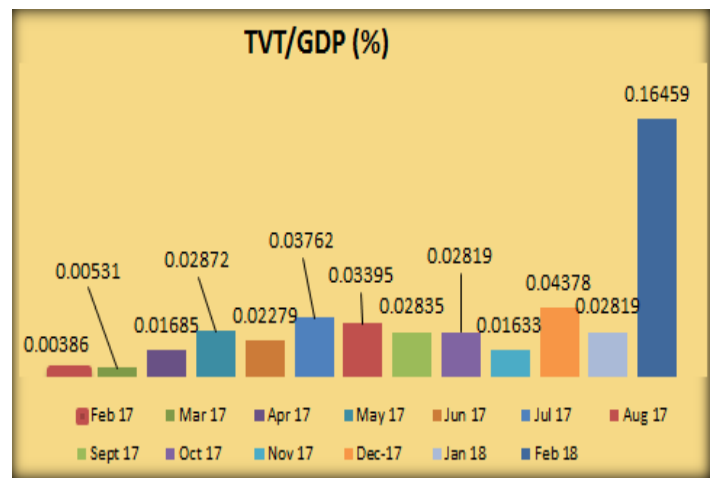
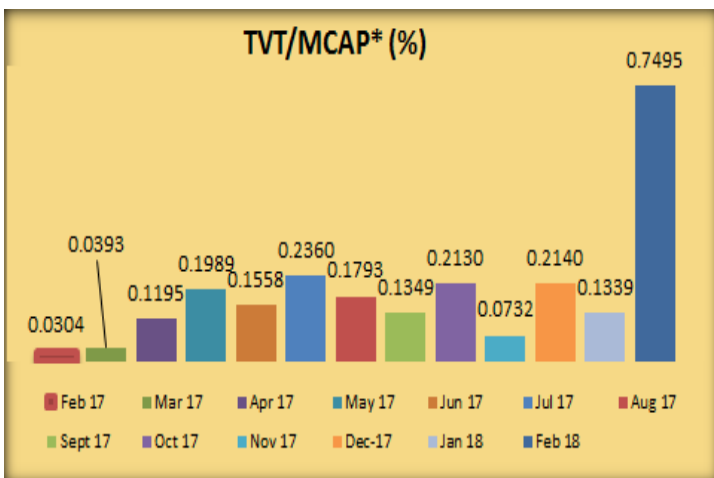
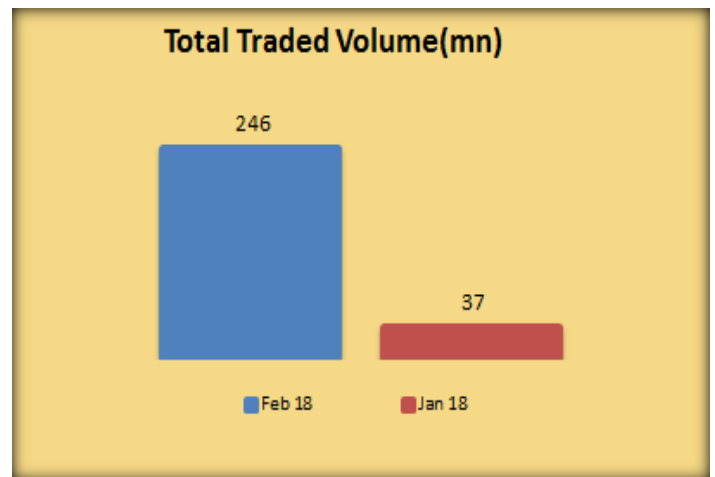
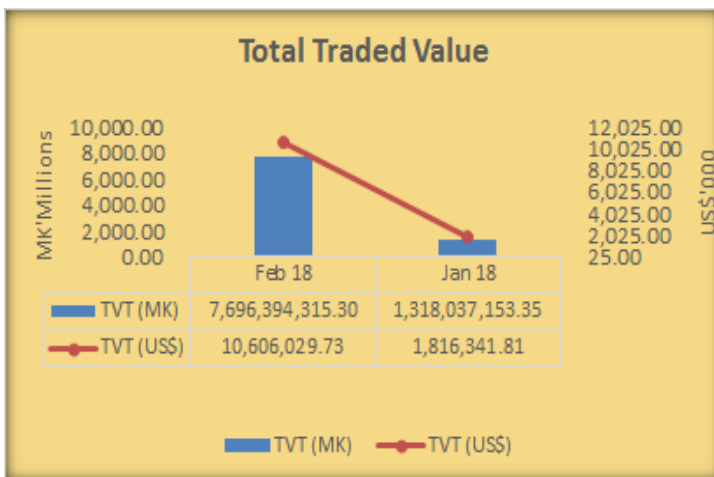
### C. Market Liquidity

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 February 2018 was recorded at 0.75%, higher than 0.13% registered in January 2018. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.16% in February 2018 while during the previous month, January 2018, liquidity was at 0.03%.

## 2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



### 3. COMPANY TRADING PERFORMANCE

A. Top gainers: Five counters registered capital gains

MSE CODE	COUNTER NAME	% GAIN
NICO	NICO Holdings plc	32.35 ▲
TNM	Telekom Networks Malawi plc	17.83 ▲
NBS	NBS Bank plc	2.35 ▲
OML	Old Mutual plc	1.27 ▲
FMBCH	FMB Capital Holdings plc	0.86 ▲

B. Top Five Traded Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
NBS	NBS Bank plc	143,266,911	58.29
FMBCH	FMB Capital Holdings plc	89,258,799	36.31
NICO	NICO Holdings plc	5,417,620	2.20
MPICO	MPICO plc	4,868,826	1.98
TNM	Telekom Networks Malawi plc	2,575,520	1.05

C. Top Five Traded Stocks by value

MSE CODE	COUNTER NAME	VALUE	% of Total
FMBCH	FMB Capital Holdings plc	6,310,353,538.65	81.99
NBS	NBS Bank plc	955,674,779.30	12.42
NICO	NICO Holdings plc	206,928,101.34	2.69
ILLOVO	Illovo Sugar Malawi plc	81,653,040.00	1.06
MPICO	MPICO plc	76,440,568.20	0.99

### 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	28.00	12.17	8.21	0.76	3,617.39	4.99
FMBCH	70.70	70.10	4.64	21.56	3.77	165,172.88	227.62
ILLOVO	240.00	240.00	4.13	24.18	4.68	171,226.65	235.96
MPICO	15.70	15.70	5.51	18.14	1.29	36,079.35	49.72
NBM	270.08	270.08	13.17	7.59	1.86	126,108.92	173.79
NBS	8.70	8.50	N/A	N/A	3.72	25,321.99	34.90
NICO	45.00	34.00	5.83	17.16	1.46	46,936.85	64.68
NITL	60.06	60.06	N/A	N/A	1.24	8,108.10	11.17
PCL	600.00	600.00	23.86	4.19	0.70	72,153.49	99.43
STANDARD	610.00	609.99	13.57	7.37	2.28	143,145.23	197.26
SUNBIRD	110.00	110.00	4.64	21.53	2.18	28,774.08	39.65
TNM	19.03	16.15	4.29	23.28	9.17	191,069.76	263.31
OML	1,990.00	1,990.00	7.67	13.04	0.99	9,182.33	12.65

### 3. COMPANY TRADING PERFORMANCE

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	2800	2800	0.00%	0	0.0000%	0.00
FMBCH	7010	7070	0.86%	89,258,799	36.3134%	6,310,353,538.65
ILLOVO	24000	24000	0.00%	340,221	0.1384%	81,653,040.00
MPICO	1570	1570	0.00%	4,868,826	1.9808%	76,440,568.20
NBM	27008	27008	0.00%	47,026	0.0191%	12,700,782.08
NBS	850	870	2.35%	143,266,911	58.2857%	955,674,779.30
NICO	3400	4500	32.35%	5,417,620	2.2041%	206,928,101.34
NITL	6006	6006	0.00%	16,600	0.0068%	996,996.00
PCL	60000	60000	0.00%	1,000	0.0004%	600,000.00
STANDARD	61000	60999	0.00%	6,239	0.0025%	3,805,138.00
SUNBIRD	11000	11000	0.00%	1,814	0.0007%	199,540.00
TNM	1615	1903	17.83%	2,575,520	1.0478%	45,650,821.73
OML PLC	196500	199000	1.27%	699	0.0003%	1,391,010.00
				245,801,275	100.00%	7,696,394,315.30



## 4. BOND TRADING SUMMARY

BOND	MATURITY DATE	COUPON DATE	COUPON RATE (%)	NOMINAL VALUE (MK' MN)
TN02YR31082019	31 August 2019	February & August	11	20,000.00
TN02YR250120	25 January 2020	June & December	10	5,000.00
<b>Total Outstanding Treasury notes</b>				<b>25,000.00</b>

There were no trades on the two Treasury Notes in the period under review which were priced at an average yield of 18.88% and 17.79% respectively by the current holders. There is however, a willing buyer for Treasury Note S/N TN02YR250120 at a price of MK86.8287 (18.49% Yield).

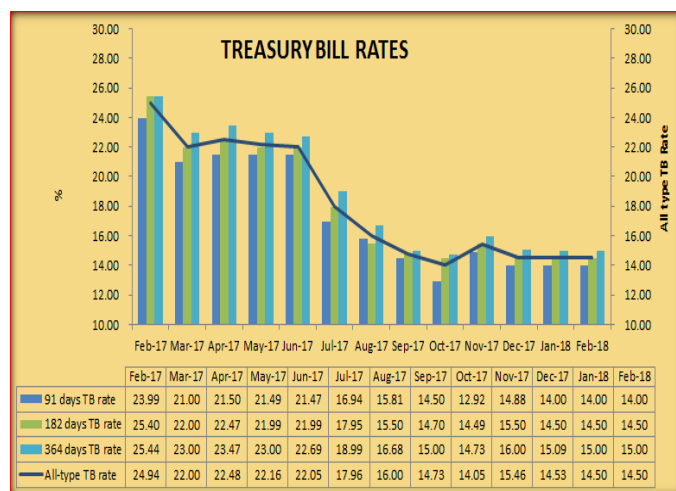
## 5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

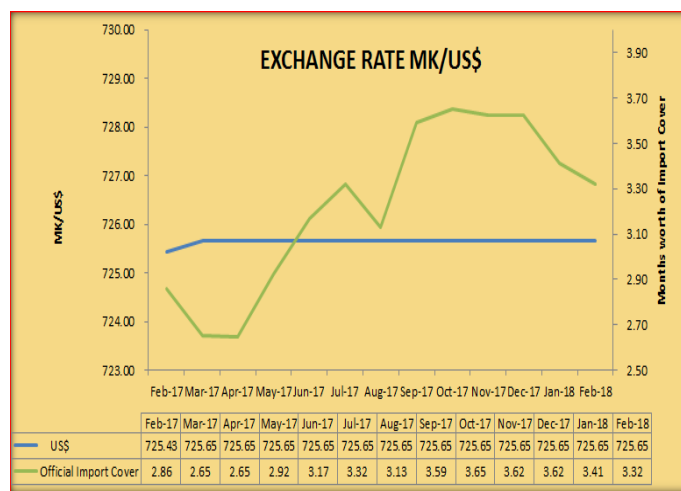
### Interest Rates

During the period under review, the yield on the 91 days T-bill inched upwards from 13.9992% to 14.0000% whilst the yield on the 182 days T-bill and the 364 days T-bill were steady at 14.5000% and 15.0000% respectively.



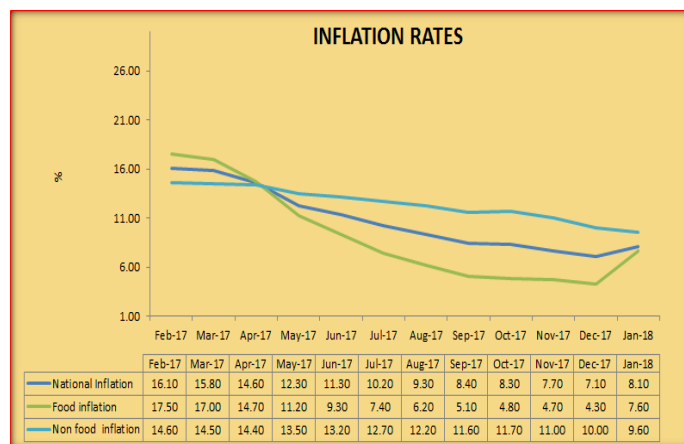
### Exchange Rates

The Kwacha was stable against the United States Dollar in the period under review. Gross official reserves marginally decreased from 3.41 months of import cover on 31 January 2018 to 3.32 months of import cover on 27 February 2018.



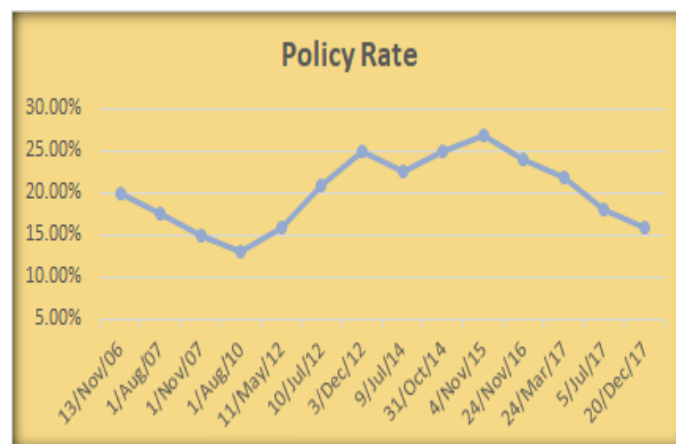
### Inflation Rates

Headline inflation increased by 1 percentage point from 7.1% in December, 2017 to 8.1% in January, 2018. This comes at the back of changes in the weighting in the inflation basket effected in January.



### 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%.



## 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	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
Cedar Capital Ltd (Formerly African Alliance Securities) 4th Floor, Livingstone Towers P.O Box 3340 Blantyre Tel:+265 1 831 995 Fax: +265 1 831 859 Email: kamphonia@cedarcapital.mw	