



MALAWI STOCK EXCHANGE

MONTHLY MARKET REPORT

JANUARY 2013

MALAWI STOCK EXCHANGE

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MALAWI STOCK EXCHANGE LIMITED

MONTHLY MARKET PERFORMANCE REPORT FOR JANUARY 2013

1.0 TRADING SUMMARY

The Market recorded a positive return on index of 0.14% and an increase in traded volume in the month of January 2013. It however, recorded a decrease in total value traded compared to the previous month. The Malawi All Share Index closed the month of January 2013 at 6023.94 points compared to 6015.51 points in December 2012.

Index Levels and Return – JANUARY 2013

| INDEX | Jan, 2012 | Dec. 2012 | Jan. 2013 | Monthly % Δ | YTD % Δ |
|-------|-----------|-----------|-----------|-------------|---------|
| MASI | 5369.42 | 6015.51 | 6023.94 | 0.14 ▲ | 0.14 ▲ |
| DSI | 4238.39 | 4725.51 | 4732.24 | 0.14 ▲ | 0.14 ▲ |
| FSI | 535.42 | 854.67 | 854.67 | 0.00 ■ | 0.00 ■ |

Trading Statistics – JANUARY 2013

| | | | |
|---------------------|----------------|-------------------------|----|
| Traded Value (MK) | 167,718,107.40 | No. of Listed companies | 14 |
| Traded Value (US\$) | 477,645.62 | Traded Companies | 8 |
| Traded Vol. Shares | 20,116,394 | Not Traded Companies | 6 |
| No. of Transactions | 68 | Gainers | 3 |
| Index Close (MASI) | 6023.94 | Decliners | 3 |
| Index Close (DSI) | 4732.24 | Unchanged | 8 |

2.0 MARKET PERFORMANCE

2.1 Trade Performance Analysis

From 1st January to 31st January, 2013 a total of 20,116,394 shares were transacted at a total consideration of MK167,718,107.40 (US\$477,645.62) in 68 trades. In the previous month, December 2012, the market transacted a total of 9,957,665 shares at a total consideration of MK523,248,534.87 (US\$1,569,958.57) in 65 trades. This reflects a 102.02% increase in terms of share volume and -67.95 % (-69.57% in US Dollar terms) decrease in share value.

The market registered an average daily volume of 957,924 shares in January 2013 compared to 474,175 shares in December 2012.

The average daily turnover for January 2013 was MK7,986,576.54 (US\$22,745.03) compared to MK24,916,596.90 (US\$74,745.65) for the previous month, reflecting a decrease of **-67.95%** (**-69.57%** in US Dollar terms)

TABLE 1: TRADING SUMMARY FOR DEC 2012 – JAN 2013

| DATE | VOLUME | VALUE (MWK) | VALUE (US\$) |
|-----------------|-----------------|----------------|----------------|
| December | 9,957,665 | 523,248,534.87 | 1,569,658.57 |
| January | 20,116,394 | 167,718,107.40 | 477,645.62 |
| % CHANGE | 102.02 ▲ | 67.95 ▼ | 69.57 ▼ |

2.2 Market Capitalisation and Index

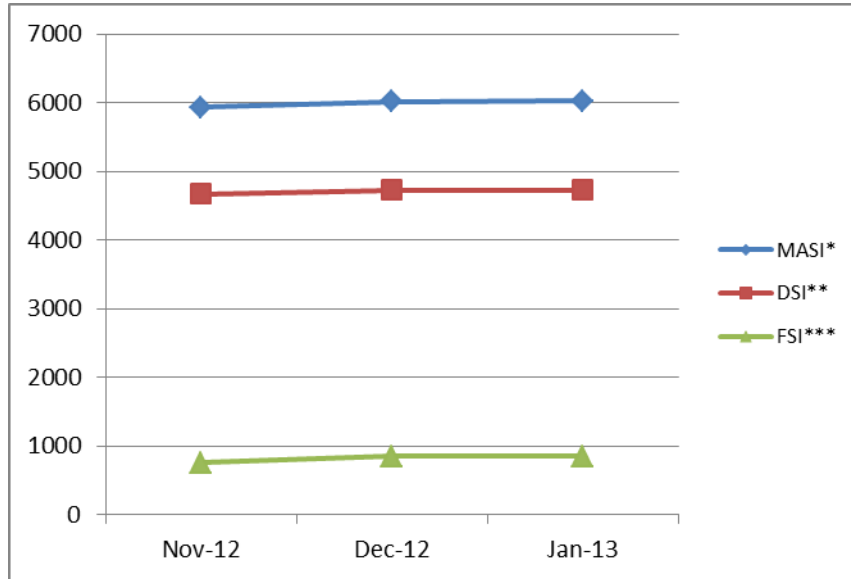
The market registered a positive return on index as reflected in the upward movement of the Malawi All Share Index (MASI) from 6015.51 points registered on 31st December 2012 to 6023.94 points registered on 31st January 2013, giving a return on index of 0.14%, (-5.87% in US\$ terms). The price gains registered by ILLOVO, National Bank of Malawi and STANDARD BANK were enough to offset the share price losses registered by MPICO, NBS and TNM resulting into an increase in the Domestic Share Index by 6.73 points from 4725.51 points to 4732.24 points (**-5.87%** in US\$ terms). The Foreign Share Index was steady at 854.67 points.

Table 2: Market Capitalization and Index – January 2013

| Month Ending | Mkt. Cap. MKm. | Mkt. Cap. US\$m | Mkt. Cap. MKm* | Mkt. Cap. US\$m* | MASI |
|--------------|----------------|-----------------|----------------|------------------|---------|
| December | 3,562,267.61 | 10,570.5270 | 253,946.93 | 753.5517 | 6015.51 |
| January | 3,562,623.42 | 9,951.4621 | 254,302.74 | 710.3429 | 6023.94 |

* Excludes non-Malawi register Old Mutual plc shares

FIG 1: MSE INDICES – JANUARY 2013



2.3 Market Liquidity

The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP***) in January was recorded at 0.07% compared to 0.21% registered in the previous month. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.01% in January while in the previous month liquidity was at 0.04%.

Table 3: Market Liquidity – January 2013

| MONTH Ended | Mkt. Cap/GDP % | Mkt. Cap/GDP* % | TVT/GDP % | TVT/Mkt. Cap* % | Shares Traded/Shares In Issue* % |
|-------------|----------------|-----------------|-----------|-----------------|----------------------------------|
| December | 279.79 | 19.946 | 0.04110 | 0.2060 | 0.056603 |
| January | 279.82 | 19.974 | 0.01317 | 0.0660 | 0.114354 |

* 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 | 9.76 |
| STANDARD BANK | Standard Bank | 1.66 |
| ILLOVO | Illovo Sugar Mw | 0.07 |

Three counters registered a capital gain in January 2013.

Top Decliners

| MSE CODE | COUNTER NAME | % LOSS |
|----------|--------------|--------|
| NBS | NBS Bank | -18.18 |
| MPICO | MPICO Ltd | -8.33 |
| TNM | TNM | -7.14 |

Three counters registered a capital loss in January 2013.

Top Four Traded Stocks by Volume- January 2013

| MSE CODE | COUNTER NAME | SHARES | % OF TOTAL |
|----------|-------------------|-----------|------------|
| NBS | NBS Bank | 6,475,346 | 32.19 |
| TNM | TNM | 5,004,147 | 24.88 |
| MPICO | MPICO Ltd | 4,444,309 | 22.09 |
| NICO | NICO Holdings Ltd | 3,400,000 | 16.90 |

Top Four Traded Stocks by Value- January 2013

| MSE CODE | COUNTER NAME | MK | % OF TOTAL |
|----------|-------------------------|---------------|------------|
| NBS | NBS Bank | 58,357,476.00 | 34.79 |
| NICO | NICO Holdings Ltd | 48,620,000.00 | 28.99 |
| NBM | National Bank of Malawi | 37,244,928.30 | 22.21 |
| MPICO | MPICO Ltd | 9,781,310.70 | 5.83 |

Company Trading Statistics- January 2013

| Company | Opening Price | Closing Price | % Price Change | Share Vol. Traded | Value Traded MK |
|--------------|---------------|---------------|----------------|-------------------|-----------------------|
| BHL | 700 | 700 | 0.00 | - | - |
| FMB | 850 | 850 | 0.00 | 90,000 | 765,000.00 |
| ILLOVO | 15335 | 15346 | 0.07 | 37,500 | 5,751,375.00 |
| MPICO | 240 | 220 | -8.33 | 4,444,309 | 9,781,310.70 |
| NBM | 5510 | 6048 | 9.76 | 659,782 | 37,244,928.30 |
| NBS | 1100 | 900 | -18.18 | 6,475,346 | 58,357,476.00 |
| NICO | 1430 | 1430 | 0.00 | 3,400,000 | 48,620,000.00 |
| NITL | 1700 | 1700 | 0.00 | - | - |
| PCL | 18800 | 18800 | 0.00 | - | - |
| REAL | 120 | 120 | 0.00 | - | - |
| STANDARDBANK | 12823 | 13036 | 1.66 | 5,310 | 692,211.60 |
| SUNBIRD | 650 | 650 | 0.00 | - | - |
| TNM | 140 | 130 | -7.14 | 5,004,147 | 6,505,805.80 |
| OML | 68000 | 68000 | 0.00 | - | - |
| | | | | 20,116,394 | 167,718,107.40 |

3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha using the reciprocal method moved during period from 31st December 2012 to 31st January 2013 as follows: -

TABLE 2: MONTHLY EXCHANGE RATES: DEC 2012-JAN 2013

| CURRENCY | END DEC' 2012 | END JAN' 2013 | % CHANGE* |
|-----------------------|---------------|---------------|-----------|
| MK/US Dollar | 337.0000 | 358.0000 | -5.87 |
| MK/GBP | 560.5989 | 580.7023 | -3.46 |
| MK/ZAR | 42.0194 | 43.2198 | -2.78 |
| MK/EUR | 463.6794 | 505.1004 | -8.20 |
| Import Cover (Months) | 1.17 | 0.89 | |

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

- 3.2 The year on year headline inflation stood at 34.6 % in December 2012. The urban and rural inflation rates for the month of December 2012 were 39.8% and 31.4% respectively.

Key Economic Indicators- January 2013

| | Jan. 2012 | Dec. 2012 | Jan. 2013 |
|----------------------|-----------|-----------|-----------|
| Inflation Rate | 10.3 | 34.6 | 34.6(Dec) |
| RBM Bank Rate | 13.0 | 25.0 | 25.0 |
| Prime Rate | 17.75 | 35.0 | 35.0 |
| 91 Days T-Bill | 0.00 | 20.11 | 27.99 |
| 182 Days T-Bill | 0.00 | 24.78 | 29.84 |
| 364 Days T-Bill | 0.00 | 0.00 | 33.00 |
| Import Cover(Months) | 1.7 | 1.17 | 0.89 |

Source: Reserve Bank of Malawi and National Statistical Office