

FIRST QUARTER MARKET REPORT JANUARY – MARCH 2017



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MALAWI STOCK EXCHANGE

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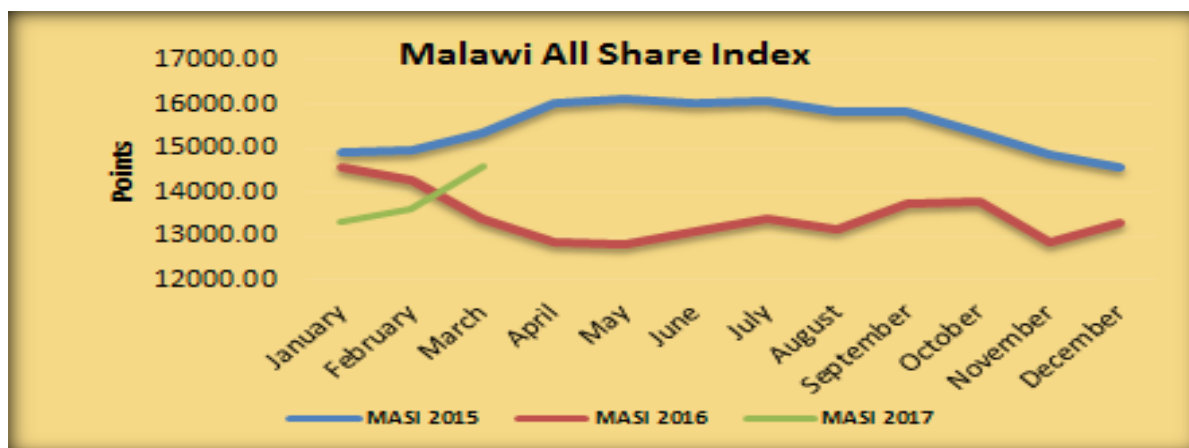
1. TRADING SUMMARY

The market was bullish in Q1 2017 as it registered a positive return on investment of 9.44%(9.40% in US\$ terms) and an increase in both total traded value and volume.

There were no trades on the government bond.

Index Levels and Return – 1st Qtr. 2017

INDEX	JAN., 2017	MAR., 2017	% Δ 1st QTR. 2017	% Δ 1st QTR. 2016	% Δ YTD. 2017
MASI	13320.51	14577.62	9.44 ▲	7.85 ▼	9.44 ▲
DSI	10456.92	11437.62	9.38 ▲	7.93 ▼	9.38 ▲
FSI	2026.07	2308.87	13.96 ▲	0.00 ■	13.96 ▲



Trading Statistics – 1st Qtr. 2017

	1st Qtr. 2017	1st Qtr. 2016	% Δ
Traded Value (MK)	727,638,207.36	295,881,824.83	145.92 ▲
Traded Value (US\$)	1,003,043.01	410,965.31	144.07 ▲
Traded Vol. Shares	37,416,181	9,693,004	286.01 ▲
No. of Transactions	270	218	23.85 ▲
Index Close (MASI)	14577.62	13419.95	8.63 ▲
Listed companies	13	14	
Traded Companies	13	14	
Not Traded Companies	00	00	
Gainers	07	02	
Decliners	03	07	
Unchanged	03	05	

2. MARKET PERFORMANCE



A. Trade Performance Analysis

The market transacted a total of 37,416,181 shares a total consideration of MK727,638,207.36 (US\$1,003,043.01) in 270 trades. In the corresponding period 2016, the market transacted a total of 9,693,004 shares at a total consideration of MK295,881,824.83 (US\$410,965.31) in 218 trades. This reflects a **286.01%** increase in terms of share volume and a **145.92%** (**144.07%** in US Dollar terms) increase in share value.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 603,487 shares compared to 156,339 shares traded in the corresponding first quarter of 2016.

The average daily turnover for the first quarter 2017 was MK11,736,100.12 (US\$16,178.11) compared with MK4,772,287.50 (US\$6,628.47) for the corresponding first quarter 2016, reflecting an increase of **145.92%** (**144.07%** in US Dollar terms).

The months of January and March registered the highest in terms of value MK299,523,065.19 (US\$412,890.94) and volume of 15,057,251 respectively.

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 13320.51 points registered on 1 January 2017 to 14577.62 points registered on 31 March 2017, giving a return on index of **9.44%**, (**9.40%** in US\$ terms) compared to **-7.85%**, (**-9.72%** in US\$ terms) registered in Q1 of 2016. The price gains registered BHL, ILLOVO, MPICO, NBM, STANDARD, TNM and OML were enough to offset share price losses registered by FMB, NICO and NITL resulting into an upward movement of the Malawi All Share Index, arising from an increase in both the Domestic Share Index by **9.38%** from 10456.92 points to 11437.62 points and the Foreign Share Index by **13.96%** from 2026.07 points to 2308.87 points.

Market capitalization increased in both Kwacha and United States Dollar terms from K577,621.92 million (US\$796.25 mln) in January 2017 to K632,134.64 million (US\$871.12 mln) in March 2017.

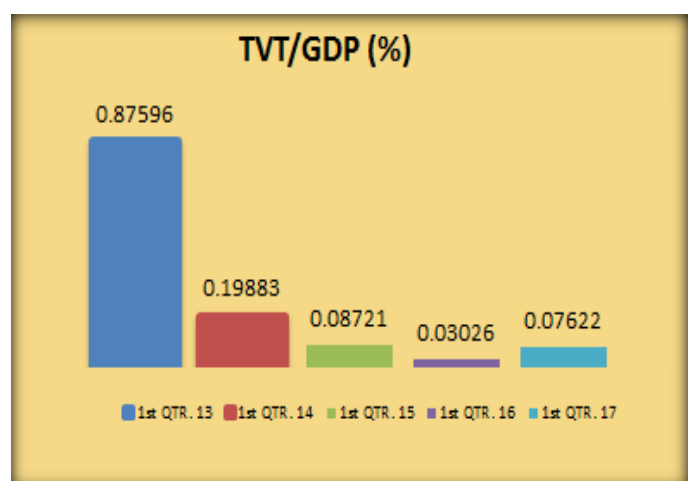
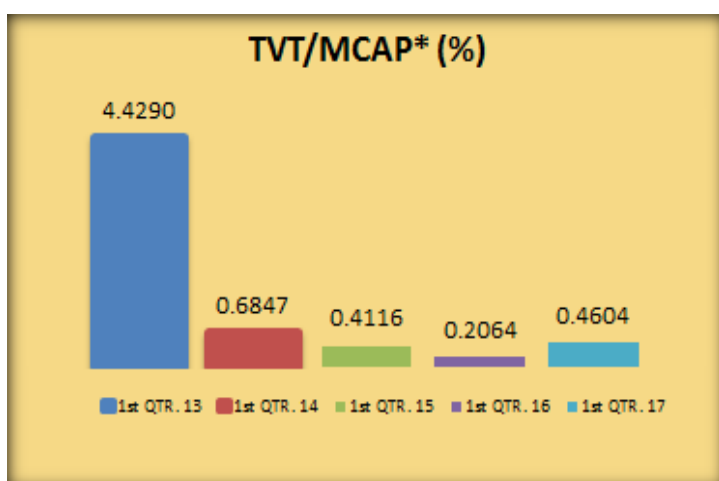
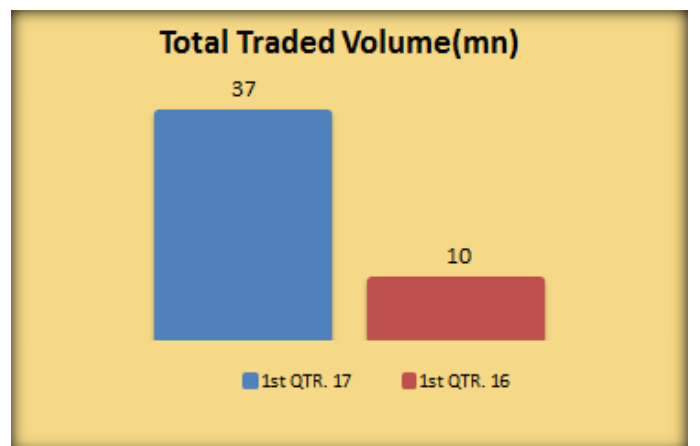
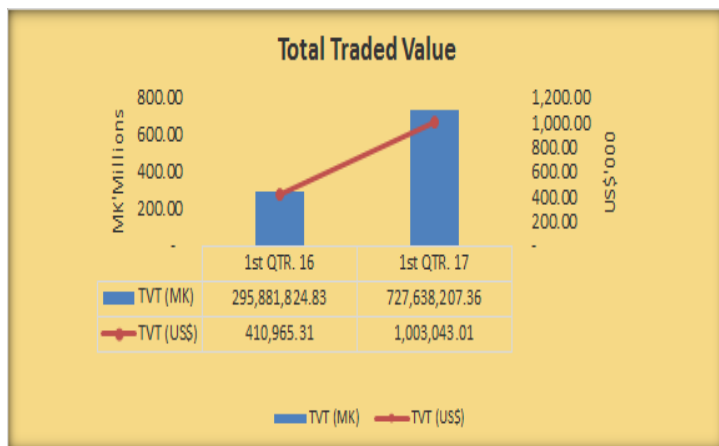
C. Market Liquidity

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 the quarter under review was recorded at 0.46%, higher than 0.21% registered in first quarter 2016. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.08% in the review period while during the corresponding period of 2016 liquidity was at 0.03%.

2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



3. COMPANY TRADING PERFORMANCE

A. Top gainers: Seven
Counters registered
gains

MSE CODE	COUNTER NAME	% GAIN
ILLOVO	Illovo Sugar Malawi	34.38 ▲
TNM	Telekom Networks Malawi	15.70 ▲
OML	Old Mutual plc	13.96 ▲
STANDARD	Standard Bank Malawi	10.00 ▲
MPICO	MPICO Limited	9.83 ▲

B. Top Losers: Three
Counters registered
losses

MSE CODE	COUNTER NAME	% LOSS
NICO	NICO Holdings Limited	41.18 ▼
NITL	National Investments Trust Limited	11.76 ▼
FMB	FMB Bank	5.88 ▼

C. Top Five Traded
Stocks by volume

MSE	COUNTER NAME	SHARES	% of Total
TNM	Telekom Networks Malawi	12,897,621	34.47
NICO	NICO Holdings Limited	12,434,840	33.23
FMB	FMB Bank	4,119,326	11.01
NITL	National Investments Trust Limited	3,269,587	8.74
MPICO	MPICO Limited	2,140,455	5.72

C. Top Five Traded
Stocks by value

MSE	COUNTER NAME	VALUE	% of Total
ILLOVO	Illovo Sugar Malawi	193,091,087.92	26.54
NICO	NICO Holdings Limited	143,463,333.50	19.72
NITL	National Investments Trust Limited	87,659,658.00	12.05
TNM	Telekom Networks Malawi	83,686,423.28	11.50
FMB	FMB Bank	65,909,216.00	9.06

3. COMPANY TRADING PERFORMANCE

COUNTER	HIGH (MK)	LOW (MK)	Earnings Yield (%)	P/E	P/BV	MKT CAP (MK'MIn)	MKT CAP (US\$'MIn)
BHL	20.25	20.10	16.83	5.94	0.55	2,616.15	3.61
FMB	17.00	16.00	20.49	4.88	1.18	37,380.00	51.51
ILLOVO	215.01	150.00	3.59	27.84	3.27	153,397.68	211.39
MPICO	8.60	7.83	3.93	25.45	1.14	19,763.21	27.24
NBM	250.00	237.12	14.82	6.75	1.65	112,063.62	154.43
NBS	6.00	6.00	N/A	N/A	0.64	4,365.86	6.02
NICO	17.00	10.00	52.86	1.89	0.32	10,430.41	14.37
NITL	34.00	25.00	N/A	N/A	0.62	4,050.00	5.58
PCL	540.00	540.00	18.85	5.30	0.71	64,938.14	89.49
STANDARD	550.10	500.00	15.05	6.64	2.06	129,067.49	177.86
SUNBIRD	58.50	58.50	8.73	11.45	1.16	15,302.58	21.09
TNM	7.00	6.05	11.68	8.56	3.37	70,283.15	96.85
OML	1,837.00	1,612.00	10.40	9.61	0.99	8,476.36	11.68

3. COMPANY TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	2010	2025	0.75	50,000	0.13	1,010,700.00
FMB	1700	1600	-5.88	4,119,326	11.01	65,909,216.00
ILLOVO	16000	21501	34.38	1,179,722	3.15	193,091,087.92
MPICO	783	860	9.83	2,140,455	5.72	17,827,171.33
NBM	23712	24000	1.21	187,903	0.50	45,425,569.33
NBS	600	600	0.00	579,880	1.55	3,479,280.00
NICO	1700	1000	-41.18	12,434,840	33.23	143,463,333.50
NITL	3400	3000	-11.76	3,269,587	8.74	87,659,658.00
PCL	54000	54000	0.00	10,207	0.03	5,511,780.00
STANDARD	50000	55000	10.00	34,500	0.09	17,740,500.00
SUNBIRD	5850	5850	0.00	493,162	1.32	28,849,977.00
TNM	605	700	15.70	12,897,621	34.47	83,686,423.28
OML PLC	161200	183700	13.96	18,978	0.05	33,983,511.00
				37,416,181	100.00	727,638,207.36

4. BOND TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

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

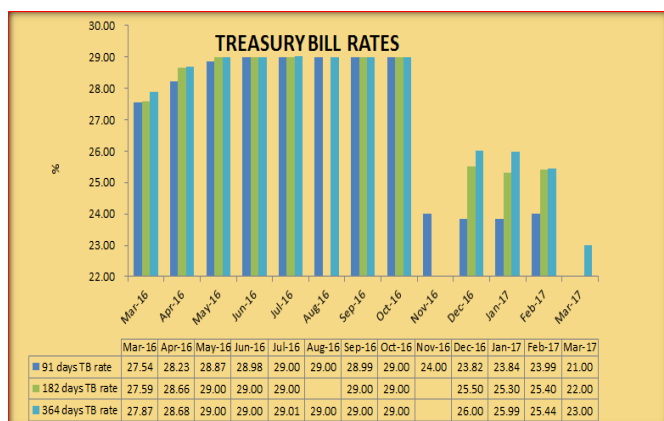
The next and last coupon payments for 2017 will be paid on 30th June, 2017.

There were no trades in the period under review.

5. ECONOMIC REVIEW

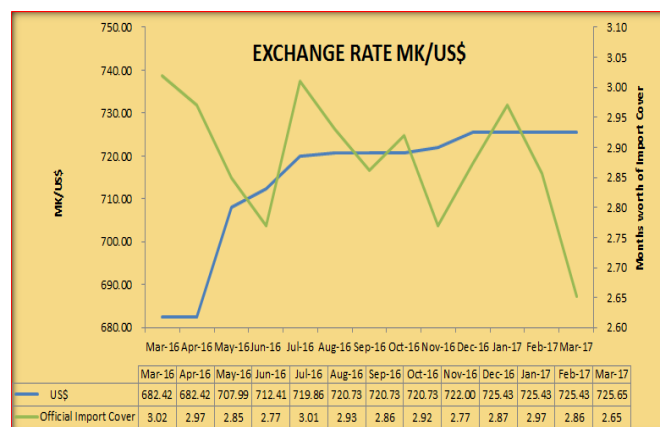
Interest Rates

During the quarter under review, the yields on treasury bills decreased in all tenors as follows; 91 Tbill from 23.84% to 21.00%, 182 Tbill from 25.30% to 22.00% and the 364 Tbill from 25.99% to 23.00%.



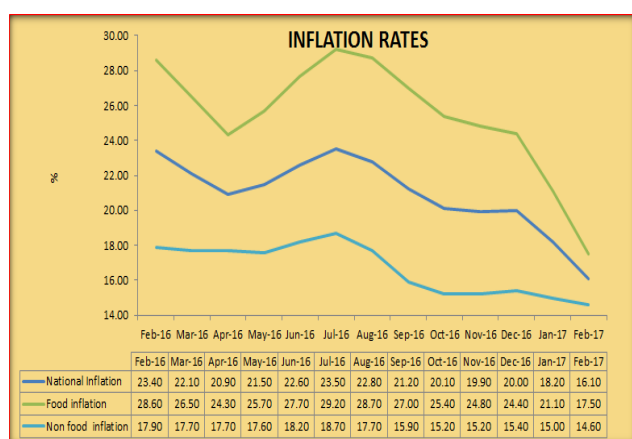
Exchange Rates

The Kwacha marginally depreciated against the United States Dollar by 0.03% in the period under review.



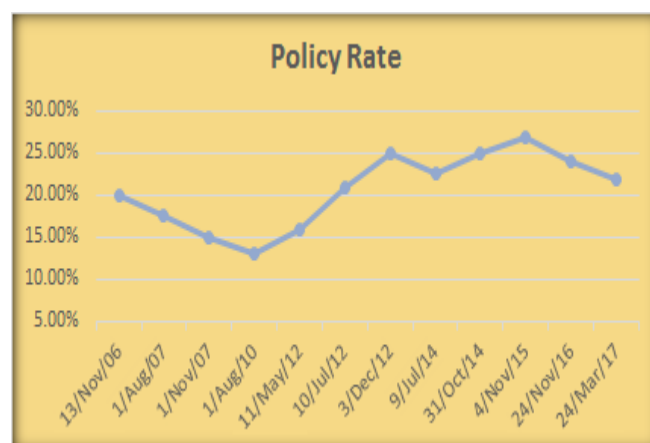
Inflation Rates

Headline inflation eased by 2.1 percentage points from 18.2% in January, 2017 to 16.1% in February, 2017.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 23 and 24 March, 2017 reduced the policy rate from 24% to 22%.



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