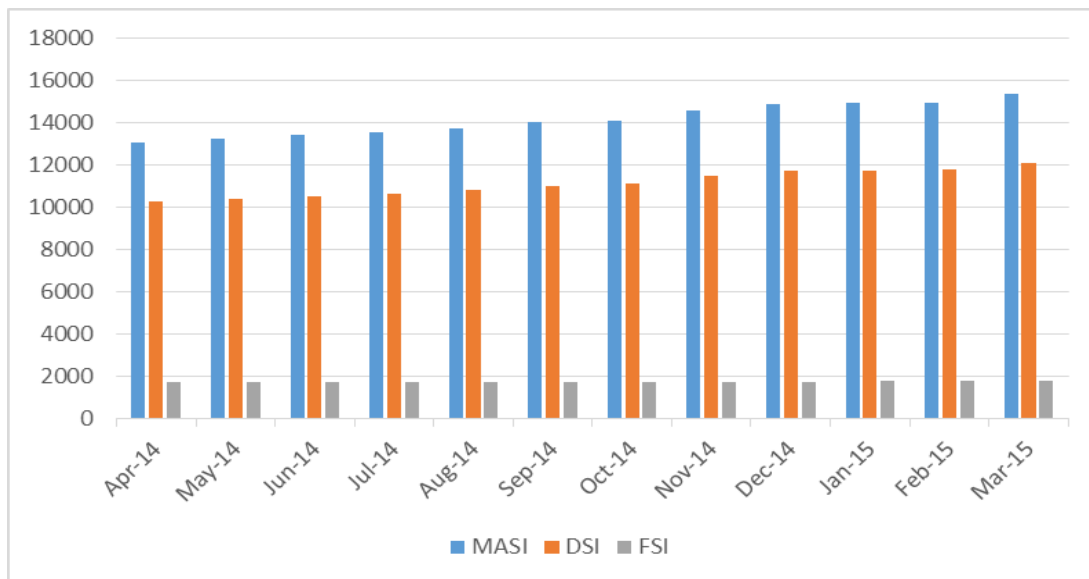




**MALAWI STOCK EXCHANGE**

## **FIRST QUARTER MARKET REPORT JANUARY – MARCH 2015**



### **MALAWI STOCK EXCHANGE**

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# MALAWI STOCK EXCHANGE LIMITED

## MARKET PERFORMANCE REPORT FOR 1<sup>st</sup> JANUARY TO 31<sup>st</sup> MARCH 2015

### 1.0 TRADING SUMMARY

The market registered a positive return on index of 3.21% higher than 2.01% registered in first quarter 2014.

It however, registered a decrease in both traded volume and value in the first quarter 2015 compared to the first quarter 2014 despite the demand on most counters.

#### Index Levels and Return – 1<sup>st</sup> Qtr. 2015

INDEX	02 <sup>nd</sup> JAN. 2015	31 <sup>st</sup> MAR. 2015	% Δ 1 <sup>st</sup> QTR. 2015	% Δ 1 <sup>st</sup> QTR. 2014	% Δ YTD. 15
MASI	14886.12	15364.50	3.21 ▲	2.01 ▲	3.21 ▲
DSI	11720.43	12100.77	3.25 ▲	2.04 ▲	3.25 ▲
FSI	1759.61	1762.13	0.14 ▲	0.00 ■	0.14 ▲

#### Trading Statistics – 1<sup>st</sup> Qtr. 2015

	1 <sup>st</sup> Qtr. 2015		1 <sup>st</sup> Qtr. 2014	% Δ
Traded Value (MK)	675,469,368.28		920,496,961.68	26.62 ▼
Traded Value (US\$)	1,510,481.94		2,173,602.17	30.51 ▼
Traded Vol. Shares	40,439,832		49,026,736	17.51 ▼
No. of Transactions	340		339	0.29 ▲
Index Close (MASI)	15364.50		14886.12	3.21 ▲
Index Close (DSI)	12100.77		11720.43	3.25 ▲
Index Close (FSI)	1762.13		1759.61	0.14 ▲
Listed companies	14		14	
Traded Companies	14		13	
Not Traded Companies	00		01	
Gainers	09		08	
Decliners	01		01	
Unchanged	04		04	

## 2.0 MARKET PERFORMANCE

### 2.1 Trade Performance Analysis

From 02<sup>nd</sup> January to 31<sup>st</sup> March, 2015 a total of 40,439,832 shares were transacted at a total consideration of MK675,469,368.28 (US\$1,510,481.94) in 340 trades. In the corresponding period 2014, the market transacted a total of 49,026,736 shares at a total consideration of MK920,496,961.68 (US\$2,173,602.17) in 339 trades. This reflects a **17.51%** decrease in terms of share volume and a **26.62%** (**30.51%** in US Dollar terms) decrease in share value.

Daily average share trades exhibited similar trends; the market registered an average daily volume of 652,255 shares compared to 790,754 shares traded in the corresponding first quarter of 2014.

The average daily turnover for the first quarter 2015 was MK10,894,667.23 (US\$24,362.61) compared to MK14,846,725.19 (US\$35,058.10) for the corresponding period 2014, reflecting a decrease of **26.62%** (**30.51%** in US Dollar terms).

The months of January and March registered the highest value of MK306,518,657.27(US\$671,125.33) and biggest traded volume 19,690,879 respectively.

#### TRADING SUMMARY FOR 02<sup>nd</sup> JANUARY – 31<sup>ST</sup> MARCH 2015

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
January	13,253,003	306,518,657.27	671,125.33
February	7,495,950	139,872,357.88	315,425.75
March	19,690,879	229,078,353.13	523,930.86
<b>1<sup>st</sup> Qtr. 2015</b>	<b>40,439,832</b>	<b>675,469,368.28</b>	<b>1,510,481.94</b>
<b>1<sup>st</sup> Qtr. 2014</b>	<b>49,026,736</b>	<b>920,496,961.68</b>	<b>2,173,602.17</b>
<b>% CHANGE</b>	<b>17.51% ▼</b>	<b>26.62% ▼</b>	<b>30.51% ▼</b>

### 2.2 Market Capitalisation and Index

The market registered a positive return on index as reflected in the increase in the Malawi All Share Index (MASI) from 14886.12 points registered in January to 15364.50 points registered on 31<sup>st</sup> March 2015, giving a return on index of **3.21%** (**11.53%** in US\$ terms) compared to **2.01%** (**7.79%** in US\$ terms) registered in quarter I of 2014. The price gains registered by 9 counters (BHL, FMB, MPICO, NBS, NITL, PCL, SUNBIRD, TNM and OML) were the major drivers in the upward movement of the Malawi All Share

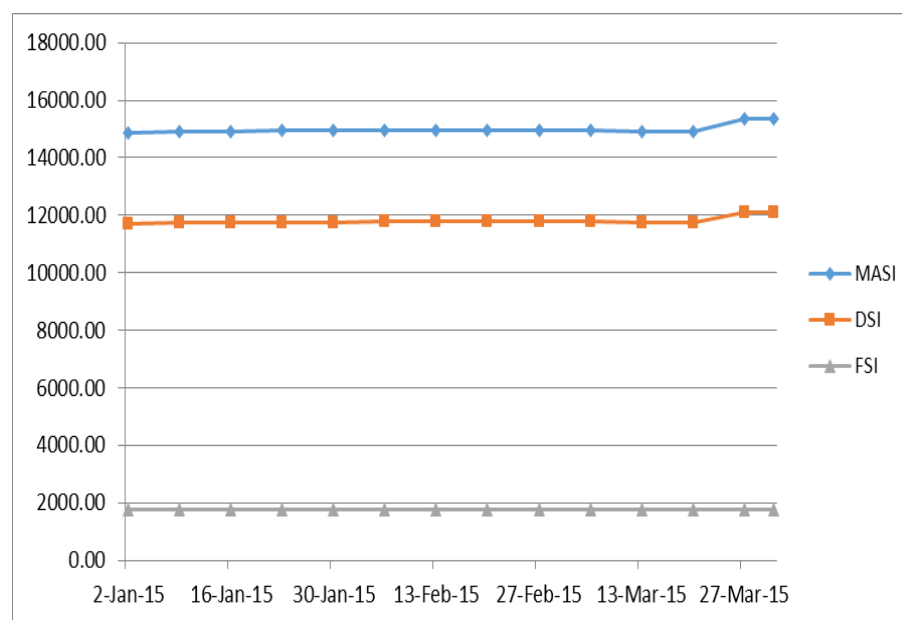
Index, arising from an increase in both the Domestic Share Index (3.24%) and the Foreign Share Index (0.14%).

### MARKET CAPITALISATION AND INDEX - 1<sup>st</sup> Quarter 2015

Month Ending	Mkt. Cap. MKm.	Mkt. Cap US\$m	Mkt. Cap. MKm*	Mkt. Cap US\$m*	MASI
January	7,487,097.19	15,735.1130	635,935.14	1,336.5008	14886.12
February	7,512,105.86	17,181.7989	639,564.77	1,462.8219	14971.01
March	7,528,915.58	17,098.0568	656,374.50	1,490.6169	15364.50
<b>1st Qtr. 15</b>	<b>7,528,915.58</b>	<b>17,098.0568</b>	<b>656,374.50</b>	<b>1,490.6169</b>	<b>15364.50</b>
<b>1st Qtr. 14</b>	<b>7,191,925.47</b>	<b>17,544.6622</b>	<b>537,781.76</b>	<b>1,311.9156</b>	<b>12782.98</b>

\* Excludes non-Malawi register Old Mutual plc shares

### FIG 1: MSE INDICES – FIRST QUARTER 2015



## 2.3 Market Liquidity

The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP\***) in the quarter under review was recorded at 0.41%, lower than 0.68% registered in first quarter 2014. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.10% in the review period while during the corresponding period of 2014 liquidity was at 0.20%.

**Table 3: Market Liquidity – 1<sup>st</sup> Quarter 2015**

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
January	263.74	22.402	0.01080	0.0482	0.075249
February	264.62	22.529	0.00493	0.0219	0.042561
March	265.21	23.122	0.00807	0.0349	0.111803
<b>1<sup>st</sup> Qtr. 15</b>	<b>265.21</b>	<b>23.122</b>	<b>0.09518</b>	<b>0.4116</b>	<b>0.918456</b>
<b>1<sup>st</sup> Qtr. 14</b>	<b>388.37</b>	<b>29.041</b>	<b>0.19883</b>	<b>0.6847</b>	<b>1.114829</b>

\* Excludes non-Malawi register Old Mutual plc shares

## 2.4 Company Trading Performance

### Top 5 Gainers

MSE CODE	COUNTER NAME	% GAIN
TNM	TNM	46.45
MPICO	MPICO Limited	24.63
NBS	NBS Bank	13.00
NITL	National Investments Trust Limited	1.33
BHL	Blantyre Hotels Limited	1.25
SUNBIRD	Sunbird Tourism Limited	1.25

9 Counters registered capital gains in the review period

### Top 5 Traded Stocks by Volume

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
TNM	TNM Limited	24,578,687	60.78
MPICO	MPICO Limited	7,213,298	17.84
FMB	FMB Bank	2,418,270	5.98
NICO	NICO Holdings Limited	1,998,072	4.94
NBS	NBS Bank	1,756,072	4.34

### Top 5 Traded Stocks by Value

MSE CODE	COUNTER NAME	MK	% OF TOTAL
TNM	TNM	126,592,641.83	18.74
STANDARD	Standard Bank Malawi	123,953,375.00	18.35
NBM	National Bank of Malawi	95,113,060.00	14.08
ILLOVO	Illovo Sugar Malawi	81,086,815.60	12.00
NICO	NICO Holdings Limited	64,048,940.00	9.48

## Company Trading Statistics

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	800	810	1.25	28,100	0.07	227,610.00
FMB	1896	1900	0.21	2,418,270	5.98	45,898,721.56
ILLOVO	29420	29420	0.00	275,618	0.68	81,086,815.60
MPICO	402	501	24.63	7,213,298	17.84	33,659,349.82
NBM	24100	24100	0.00	394,660	0.98	95,113,060.00
NBS	2700	3051	13.00	1,756,072	4.34	52,133,133.67
NICO	3250	3000	-7.69	1,998,072	4.94	64,048,940.00
NITL	4150	4205	1.33	851,142	2.10	35,777,017.10
PCL	45310	45362	0.11	9,371	0.02	4,247,300.70
REAL	230	230	0.00	613,530	1.52	1,411,119.00
STD BANK	42500	42500	0.00	291,655	0.72	123,953,375.00
SUNBIRD	800	810	1.25	3,300	0.01	26,730.00
TNM	409	599	46.45	24,578,687	60.78	126,592,641.83
OML PLC	140000	140200	0.14	8,057	0.02	11,293,554.00
				<b>40,439,832</b>	<b>100.00</b>	<b>675,469,368.28</b>

### 3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha appreciated against all major trading currencies and is premised to continue appreciating with an inflow of tobacco proceeds from the just opened tobacco auction.

#### EXCHANGE RATES – 02<sup>nd</sup> January – 31<sup>st</sup> March 2015

CURRENCY	JAN' 2015	MAR' 2015	% CHANGE
MK/US Dollar	475.8210	440.3375	8.06
MK/GBP	738.4398	636.3343	16.05
MK/ZAR	41.0210	36.3130	12.97
MK/EUR	575.4513	471.7844	21.97

Source: National Bank of Malawi

- 3.2 The year on year headline inflation eased by 1.5 points to 19.7% in February 2015 from 21.2% in January 2015 on account of a drop in both food and non-food inflation from 21.5% to 19.0% and 20.8% to 20.4% between January 2015 and February 2015.

The urban and rural inflation rates for the month of February 2015 were 22.5% and 19.0% respectively.

KEY MACROECONOMIC INDICATORS					
	Mar. 2014	Dec. 2014	Jan. 2015	Feb. 2015	Mar. 2015
Inflation Rate	24.0	24.2	21.2	19.7	19.7(Feb)
RBM Bank Rate	25.0	25.0	25.0	25.0	25.0
Prime Rate	36.0	37.0	37.0	37.0	37.0
<b>TB YIELD</b>					
91 Days T-Bill	11.71	26.96	26.96	26.65	24.30
182 Days T-Bill	13.22	26.87	26.99	26.99	24.52
364 Days T-Bill	17.99	27.02	26.97	26.89	24.82
Import Cover(Months)	2.54	3.13	3.17	3.48	3.42

Source: National Statistical Office and Reserve Bank of Malawi

Import cover inched upwards by 7.89% from 3.17 months in January 2015 to 3.42 months in March 2015.