



**MALAWI STOCK EXCHANGE**

# **SECOND QUARTER MARKET REPORT**

**APRIL – JUNE 2011**

**MALAWI STOCK EXCHANGE**

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# MALAWI STOCK EXCHANGE LIMITED

## MARKET PERFORMANCE REPORT FOR 1<sup>st</sup> APRIL TO 30<sup>th</sup> JUNE 2011

### 1.0 TRADING SUMMARY

The market was strong and buoyant in the second quarter 2011 anchored by an increase in both traded volume and value compared to the second quarter 2010. It registered a positive return on index of 1.11 % than a -1.02 % registered in second quarter 2010.

#### Index Levels and Return – 2<sup>nd</sup> Qtr. 2011

INDEX	APRIL, 2011	JUNE, 2011	% Δ 2 <sup>nd</sup> QTR. 11	% Δ 2 <sup>nd</sup> QTR. 10	% Δ YTD. 11
MASI	4857.94	4912.30	1.12 ▲	-1.02 ▼	-0.82 ▼
DSI	3842.44	3878.68	0.94 ▲	-1.03 ▼	-1.12 ▼
FSI	398.42	477.61	19.88 ▲	0.00 ■	35.72 ▲

#### Trading Statistics – 2<sup>nd</sup> Qtr. 2011

Traded Value (MK)	1,590,371,216.66	No. of Listed companies	15
Traded Value (US\$)	10,546,375.64	Traded Companies	13
Traded Vol. Shares	716,711,749.00	Not Traded Companies	2
No. of Transactions	338.00	Gainers	7
Index Close (MASI)	4,912.30	Decliners	4
Index Close (DSI)	3,878.68	Unchanged	4
Index Close (FSI)	477.61		

### 2.0 MARKET PERFORMANCE

#### 2.1 Trade Performance Analysis

For the period from 1<sup>st</sup> April to 30<sup>th</sup> June, 2011 a total of 716,711,749 shares were transacted at a total consideration of MK1,590,371,216.66 (US\$10,546,375.64) in 338 trades. In the corresponding period 2010, the market transacted a total of 69,398,224 shares at a total consideration of MK587,298,877.15 (US\$3,894,538.27) in 378 trades, reflecting a 932.75 % increase in terms of share volume and a 170.79 % (170.80% in US Dollar terms) increase in value.

Daily average share trades exhibited similar trends as the market registered an average daily volume of 11,559,867 shares compared to 1,119,326 shares traded in the corresponding second quarter of 2010.

The average daily turnover for the second quarter 2011 was MK25,651,148.66 (US\$170,102.83) compared with MK9,472,562.53 (US\$62,815.13) for the corresponding second quarter 2010, reflecting an increase by 170.79 % (170.80% in US Dollar terms).

The highest sales of shares in terms of both volume and value were transacted in June at a total of 643,509,501 shares at a total turnover of MK1,163,291,354.99 (US\$7,714,218.12).

**TABLE 1: TRADING SUMMARY FOR 1<sup>st</sup> APRIL – 30<sup>th</sup> JUNE 2011**

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
April	41,673,945	205,324,300.90	1,361,559.38
May	31,528,303	221,755,560.75	1,470,598.14
June	643,509,501	1,163,291,354.99	7,714,218.12
<b>2<sup>nd</sup> Qtr 2011</b>	<b>716,711,749</b>	<b>3,831,381,197.47</b>	<b>10,546,375.64</b>
<b>2<sup>nd</sup> Qtr 2010</b>	<b>69,398,224</b>	<b>587,298,877.15</b>	<b>3,894,538.27</b>
<b>% CHANGE</b>	<b>932.75</b>	<b>170.79</b>	<b>170.80</b>
<b>1<sup>st</sup> Qtr 2011</b>	<b>751,409,367</b>	<b>3,831,381,197.47</b>	<b>25,406,934.12</b>

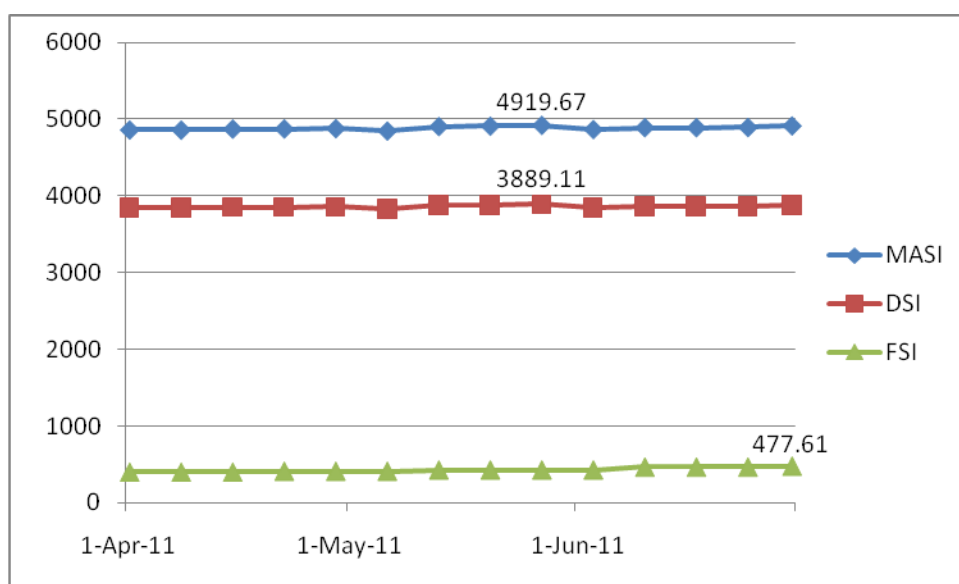
## 2.2 Market Capitalisation and Index

The market registered a positive return on index as reflected in the increase in The Malawi All Share Index (MASI) from 4857.94 points registered in April to 4912.30 points registered on 30<sup>th</sup> June 2011, giving a return on index of 1.12 %, (1.12% in US\$ terms) compared to -1.03 %, (-1.02% in US\$ terms) registered in quarter II of 2010. The price gainers registered by 7 counters (REAL, OML, NITL, NICO, FMB, STANDARD BANK and TNM) were the major drivers in the increase in the Malawi All Share Index, arising from the increase in both the Domestic Share and Foreign Share Indices which have registered positive return on indices of 0.94 % and 16.58%, respectively.

**Table 2: Market Capitalization and Index – 2<sup>nd</sup> Quarter 2011**

Month Ending	Mkt. Cap. MKm.	Mkt. Cap. US\$m	Mkt. Cap. MKm*	Mkt. Cap. US\$m*	MASI
April	1,416,409.47	9,392.5797	203,537.92	1,349.7129	4857.94
May	1,506,996.22	9,993.5690	206,124.52	1,366.9043	4919.67
June	2,395,156.18	15,883.0828	205,825.85	1,364.9001	4912.30
<b>2<sup>nd</sup> Qtr. 2011</b>	<b>2,395,156.18</b>	<b>15,883.0828</b>	<b>205,825.85</b>	<b>1,364.9001</b>	<b>4912.30</b>
<b>2<sup>nd</sup> Qtr. 2010</b>	<b>1,159,454.97</b>	<b>7,688.6577</b>	<b>202,931.66</b>	<b>1,345.6944</b>	<b>4851.50</b>
<b>1<sup>st</sup> Qtr. 2011</b>	<b>1,416,638.94</b>	<b>9,394.1263</b>	<b>203,767.39</b>	<b>1,351.2382</b>	<b>4863.41</b>

\* Excludes non-Malawi register Old Mutual plc shares

**FIG 1: MSE INDICES – SECOND QUARTER 2011**

### 2.3 Market Liquidity

The turnover velocity as measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP\***) in the quarter under review was recorded at 5.27%, higher than 1.18% registered in second quarter 2010. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 1.67% in the review period while during the corresponding period of 2010 liquidity was at 0.37 %.

**Table 3: Market Liquidity – 2<sup>nd</sup> Quarter 2011**

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
Apr-11	218.62	31.415	0.03169	0.1009	0.238662
May-11	232.60	31.814	0.03423	0.1076	0.180559
Jun-11	369.68	31.768	0.17955	0.5652	3.685299
<b>2<sup>nd</sup> Qtr. 11</b>	<b>369.68</b>	<b>31.768</b>	<b>1.67364</b>	<b>5.2683</b>	<b>16.815496</b>
<b>2<sup>nd</sup> Qtr. 10</b>	<b>178.96</b>	<b>31.321</b>	<b>0.37041</b>	<b>1.1826</b>	<b>1.577752</b>
<b>1<sup>st</sup> Qtr. 11</b>	<b>218.65</b>	<b>31.450</b>	<b>2.36542</b>	<b>7.5211</b>	<b>17.212914</b>

\* Excludes non-Malawi register Old Mutual plc shares

## 2.4 Company Trading Performance

### Top Gainers

MSE CODE	COUNTER NAME	% GAIN
REAL	Real Insurance Limited	33.33
OML	Old Mutual Ltd.	19.87
NITL	National Investment Trust Ltd.	14.53
NICO	NICO Holdings Ltd	13.84
FMB	FMB Bank	4.77
STANDARD	Standard Bank	4.17
TNM		0.72

7 counters registered a capital gain during the review period.

### Top Decliners

MSE CODE	COUNTER NAME	% LOSS
SUNBIRD	Sunbird Tourism Limited	- 12.50
NBM	National Bank of Malawi	- 5.36
NBS	NBS Bank	- 4.76
MPICO	Malawi Property Investment Company	- 2.28

4 Counters registered a capital loss in quarter II of 2011.

### Top 5 Traded Stocks by Volume

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
TNM	TNM	676,667,355	94.41
FMB	FMB Bank	13,725,544	1.92
NITL	National Investment Trust Ltd.	9,163,016	1.28
MPICO	Malawi Property Investment Company	4,230,191	0.59
NICO	NICO Holdings Ltd	3,657,575	0.51

### Top 5 Traded Stocks by Value

MSE CODE	COUNTER NAME	MK	% OF TOTAL
TNM	TNM	1,072,238,894.68	67.42
NITL	National Investment Trust Ltd.	138,868,199.50	8.73
ILLOVO	Illovo Sugar Malawi Limited	96,415,760.00	6.06
FMB	FMB Bank	90,523,181.77	5.69
NBM	National Bank of Malawi	63,808,343.00	4.01

## Company Trading Statistics

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	640	640	0.00	0	0.00	0.00
FMB	650	681	4.77	<b>13,725,544</b>	<b>1.92</b>	<b>90,523,181.77</b>
ILLOVO	11000	11000	0.00	876,641	0.12	<b>96,415,760.00</b>
MPICO	307	300	-2.28	<b>4,230,191</b>	<b>0.59</b>	12,933,564.91
NBM	5600	5300	-5.36	1,203,931	0.17	63,808,343.00
NBS	1050	1000	-4.76	3,038,274	0.42	31,522,198.90
NICO	1142	1300	13.84	3,657,575	0.51	45,113,257.50
NITL	1397	1600	14.53	<b>9,163,016</b>	<b>1.28</b>	<b>138,868,199.50</b>
PCL	17700	17700	0.00	62,076	0.01	10,987,452.00
PIM	625	625	0.00	0	0.00	0.00
REAL	90	120	33.33	3,191,844	0.45	3,542,932.40
STD.BANK	9600	10000	4.17	183,602	0.03	17,637,792.00
SUNBIRD	800	700	-12.50	706,700	0.10	4,986,240.00
TNM	139	140	0.72	<b>676,667,355</b>	<b>94.41</b>	<b>1,072,238,894.68</b>
OML PLC	31700	38000	19.87	5,000	0.00	1,793,400.00
				<b>716,711,749</b>	<b>100.00</b>	<b>1,590,371,216.66</b>

## 3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha moved during the three months period from 1<sup>st</sup> April to 30<sup>th</sup> June 2011 as follows: -

**TABLE 2: EXCHANGE RATES: SECOND QUARTER 2011**

CURRENCY	APRIL ' 2011	JUNE 2011	% CHANGE
MK/US Dollar	150.8009	150.7992	0.00
MK/GBP	244.7517	243.0431	0.70
MK/ZAR	23.1505	22.7915	1.58
MK/EUR	216.0290	218.9303	1.33

- 3.2 The year on year headline inflation slightly decreased by 0.1 points to 7.0% in May 2011 from 7.1 % in April 2011 on account of a decrease in food inflation by 2.7%.. The urban and rural inflation rates for the month of May 2011 were 8.9% and 6.0% respectively.

<b>KEY MACROECONOMIC INDICATORS</b>					
	<b>June, 2010</b>	<b>Dec. 2010</b>	<b>April, 2011</b>	<b>May, 2011</b>	<b>June, 2011</b>
Inflation Rate	7.0 (May)	6.3	7.1	7.0	7.0 (May)
RBM Bank Rate	13.0	13.0	13.0	13.0	13.0
Prime Rate	22.5	22.5	22.5	22.5	22.5
<b>TB YIELD</b>					
91 Days T-Bill	7.24	6.20	6.01	7.27	7.47
182 Days T-Bill	11.11	7.15	5.72	7.20	7.07
271 Days T-Bill	11.90	7.39	5.75	7.98	7.90