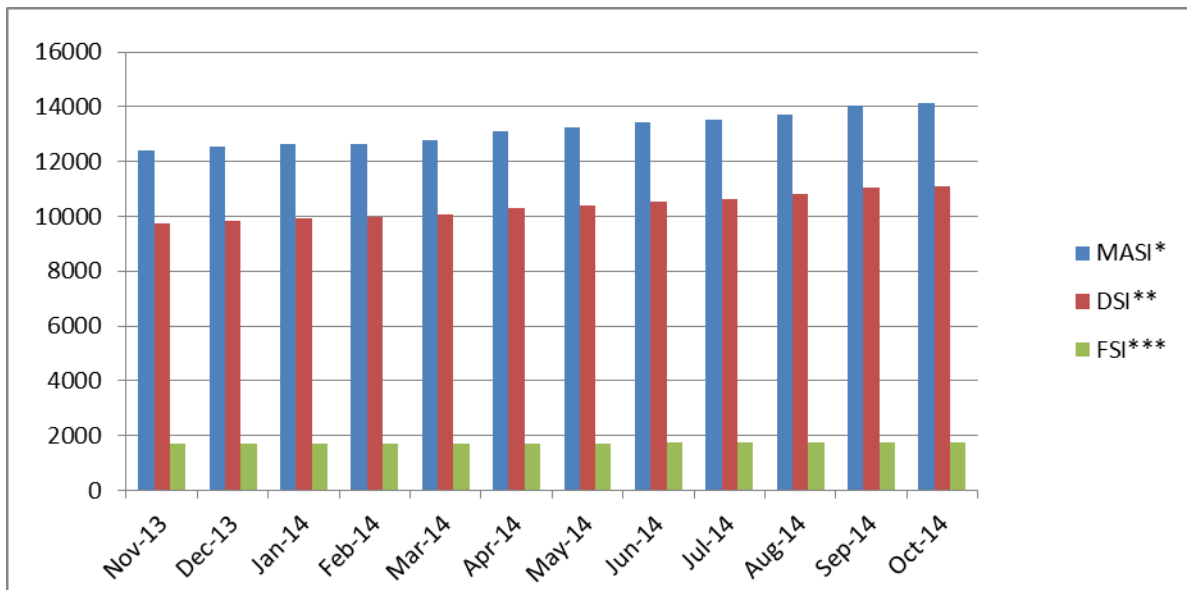




MALAWI STOCK EXCHANGE

## MONTHLY MARKET REPORT

### OCTOBER 2014



**MALAWI STOCK EXCHANGE**

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# MALAWI STOCK EXCHANGE LIMITED

## MONTHLY MARKET PERFORMANCE REPORT FOR OCTOBER 2014

### 1.0 TRADING SUMMARY

The Market registered a monthly return on index of **0.70%**(-12.74% in US Dollar terms) to close the month of October at 14127.41 points compared to 14029.74 points in September 2014.

It however, recorded a decrease in both traded value and volume compared to the previous month of September 2014.

#### Index Levels and Return – OCTOBER 2014

INDEX	Oct. 2013	Sept. 2014	Oct. 2014	Monthly % Δ	YTD % Δ
<b>MASI</b>	12219.25	14029.74	14127.41	<b>0.696 ▲</b>	<b>12.74 ▲</b>
<b>DSI</b>	9603.54	11040.46	11118.15	<b>0.704 ▲</b>	<b>12.87 ▲</b>
<b>FSI</b>	1684.20	1742.21	1742.21	<b>0.00 ■</b>	<b>1.92 ▲</b>

#### Trading Statistics – OCTOBER 2014

	OCTOBER 2014	SEPTEMBER 2014	% Δ
Traded Value (MK)	382,530,470.27	856,635,330.90	<b>55.35 ▼</b>
Traded Value (US\$)	879,348.62	2,143,058.07	<b>58.97 ▼</b>
Traded Vol. Shares	24,592,809	28,790,143	<b>14.58 ▼</b>
No. of Transactions	188	167	<b>12.57 ▲</b>
Index Close (MASI)	14127.41	14029.74	<b>0.696 ▲</b>
Index Close (DSI)	11118.15	11040.46	<b>0.704 ▲</b>
Listed companies	14	14	
Traded Companies	13	14	
Not Traded Companies	01	00	
<b>Gainers</b>	<b>06</b>	<b>08</b>	
<b>Decliners</b>	<b>00</b>	<b>00</b>	
Unchanged	07	06	

### 2.0 MARKET PERFORMANCE

#### 2.1 Trade Performance Analysis

From 1<sup>st</sup> October to 31<sup>st</sup> October, 2014 a total of 24,592,809 [62,938,188 in October 2013] shares were transacted at a total consideration of MK382,530,470.27(US\$879,348.62) [MK959,642,474.18(US\$2,472,730.41) in

October 2013] in 188 trades. In the previous month, September 2014, the market transacted a total of 28,790,143 shares at a total consideration of MK856,635,330.90(US\$2,143,058.07) in 167 trades. This reflects a **-14.58%** decrease in terms of share volume and **-55.35%** (**-58.97%** in US Dollar terms) in share value.

The market registered an average daily volume of 1,171,086 shares in October 2014 compared to 1,370,959 shares in September 2014.

The average daily turnover for October 2014 was MK18,215,736.68 (US\$41,873.74) compared to MK40,792,158.61 (US\$102,050.38) for the previous month, reflecting a decrease of **-55.35%** (**-58.97%** in US Dollar terms).

**TABLE 1: TRADING SUMMARY FOR SEPTEMBER 2014 – OCTOBER 2014**

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
September	28,790,143	856,635,330.90	2,143,058.07
October	24,592,809	382,530,470.27	879,348.62
<b>% CHANGE</b>	<b>14.58 ▼</b>	<b>55.35 ▼</b>	<b>58.97 ▼</b>

## 2.2 Market Capitalisation and Index

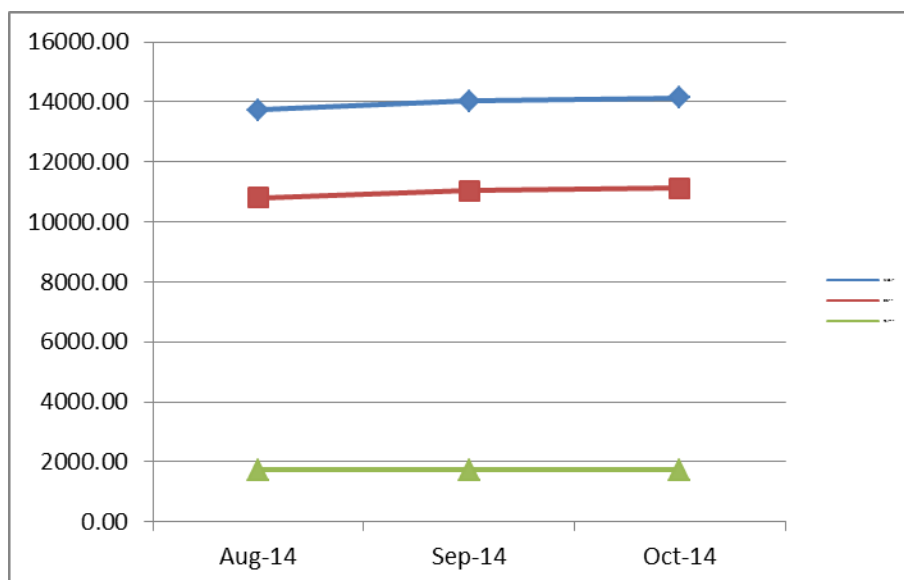
The market registered a positive return on index as reflected in the upward movement of the Malawi All Share Index (MASI) from 14029.74 points registered on 30<sup>th</sup> September 2014 to 14127.41 points registered on 31<sup>st</sup> October 2014, giving a monthly return on index of **0.70%**, (**-12.48%** in US\$ terms). The price gains registered by six counters, FMB, NBM, NBS, NICO, NITL and TNM were the major drivers resulting into an increase in the Domestic Share Index by **0.70** points from 11040.46 points to 11118.15 points. The Foreign Share Index was steady at 1742.21 points.

**Table 2: Market Capitalization and Index – October 2014**

Month Ending	Mkt. Cap. MKm.	Mkt. Cap US\$m	Mkt. Cap. MKm*	Mkt. Cap US\$m*	MASI
September	7,384,870.80	18,004.2216	601,486.33	1,466.4161	14029.74
October	7,389,058.02	15,656.7112	605,673.54	1,283.3646	14127.41

\* Excludes non-Malawi register Old Mutual plc shares

**FIG 1: MSE INDICES – October 2014**



### 2.3 Market Liquidity

The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP\***) in October was recorded at 0.06% compared to 0.14% registered in the previous month. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.02% compared to 0.04% recorded in the previous month.

**Table 3: Market Liquidity – October 2014**

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
September	302.51	24.639	0.03509	0.1424	0.163419
October	302.68	24.810	0.01567	0.0632	0.139594

\* Excludes non-Malawi register Old Mutual plc shares

## 2.4 Company Trading Performance

### Top Gainers

MSE CODE	COUNTER NAME	% GAIN
NITL	National Investment Trust Limited	12.50
NICO	NICO Holdings Limited	7.14
NBS	NBS Bank	1.95
TNM	TNM	0.75
FMB	FMB Bank	0.67
NBM	National Bank of Malawi	0.42

Six counters registered a capital gain in October 2014.

### Top Four Traded Stocks by Volume- October 2014

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
TNM	TNM	12,743,457	51.82
NICO	NICO Holdings Ltd	8,276,600	33.65
FMB	FMB Bank	1,993,992	8.11
REAL	REAL Insurance	716,133	2.91

### Top Four Traded Stocks by Value- October 2014

MSE CODE	COUNTER NAME	MK	% OF TOTAL
NICO	NICO Holdings Ltd	244,495,221.00	63.92
TNM	TNM	51,476,886.36	13.46
FMB	FMB Bank	29,917,954.80	7.82
NBM	National Bank of Malawi	24,259,885.00	6.34

## Company Trading Statistics- October 2014

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	Value Traded MK
BHL	800	800	0.00%	-	-
FMB	1500	1510	0.67%	1,993,992	29,917,954.80
ILLOVO	29400	29400	0.00%	24,384	7,168,896.00
MPICO	400	400	0.00%	269,112	1,076,448.00
NBM	24000	24100	0.42%	101,055	24,259,885.00
NBS	2050	2090	1.95%	241,056	4,971,609.30
NICO	2800	3000	7.14%	8,276,600	244,495,221.00
NITL	3600	4050	12.50%	174,821	6,661,069.50
PCL	37300	37300	0.00%	2,518	939,214.00
REAL	230	230	0.00%	716,133	1,647,105.90
STANDARD BANK	39973	39973	0.00%	17,847	7,133,981.31
SUNBIRD	800	800	0.00%	30,000	240,000.00
TNM	402	405	0.75%	12,743,457	51,476,886.36
OML	138615	138615	0.00%	1,834	2,542,199.10
				<b>24,592,809</b>	<b>382,530,470.27</b>

### 3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha depreciated against all major trading currencies between 30<sup>th</sup> September and 31<sup>st</sup> October, 2014 as shown in Table 4 below;

**TABLE 4: MONTHLY EXCHANGE RATES: Sept. 2014-OCT. 2014**

CURRENCY	END SEPT' 2014	END OCT' 2014	% CHANGE*
MK/US Dollar	410.1744	471.9419	-13.09%
MK/GBP	667.2637	754.8084	-11.60%
MK/ZAR	37.3591	44.7092	-16.44%
MK/EUR	522.9574	596.4236	-12.32%

Source: National Bank of Malawi

- 3.2 The year on year headline inflation stood at 23.7% in September 2014 down by 0.8% on account of a drop in both food and non-food inflation from 24.1% to 22.7% and 25.8% to 25.4% in August 2014 and September 2014 respectively.

The urban and rural inflation rates for the month of September 2014 were 30.9% and 19.8% respectively.

- 3.3 Key economic indicators for October 2014

	October 2013	Sept. 2014	Oct. 2014
Inflation Rate	22.2	23.7	23.7(Sept)
Policy Rate	25.0	22.5	25.0
Prime Rate	35.0	33.5	35.0
91 Days T-Bill	25.29	18.82	20.17
182 Days T-Bill	26.50	20.36	20.50
364 Days T-Bill	30.79	20.50	20.50
Import Cover(Months)	2.14	2.43	2.24

Source: Reserve Bank of Malawi, National Bank of Malawi and National Statistical Office

The 91 days and 182 days treasury bills inched upwards by 7.17% and 0.69% respectively whilst the 364 day treasury bill was steady at 20.50% between September and October.

Import cover fell by 7.82% from 2.43 months on 30<sup>th</sup> September to 2.24 months on 25<sup>th</sup> October, 2014.