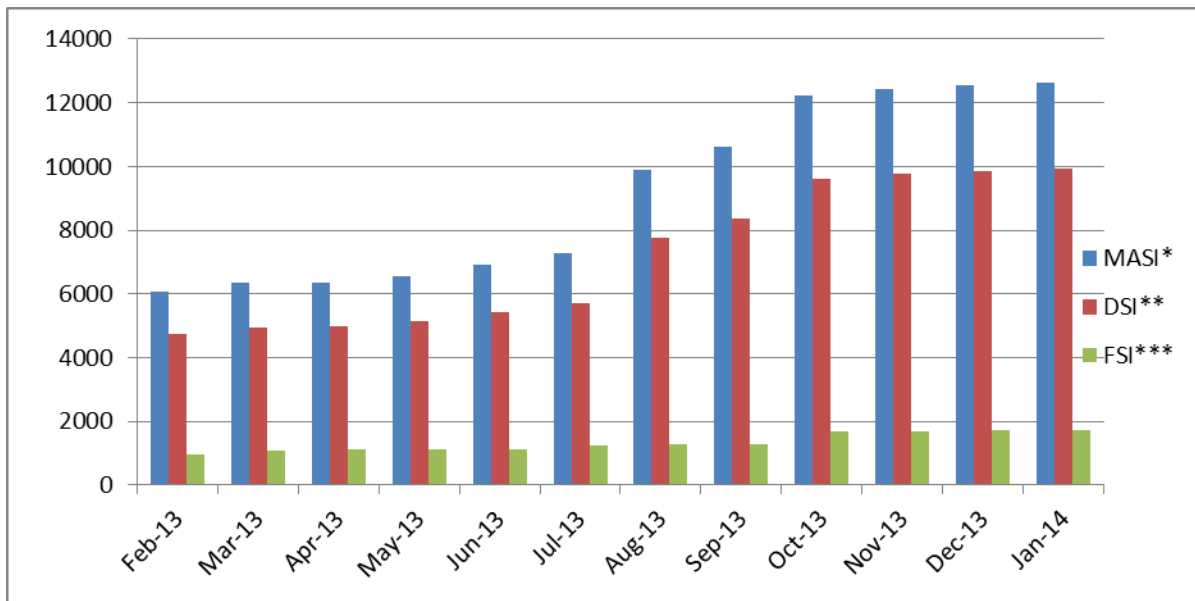




MALAWI STOCK EXCHANGE

## MONTHLY MARKET REPORT

### JANUARY 2014



#### MALAWI STOCK EXCHANGE

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# MALAWI STOCK EXCHANGE LIMITED

## MONTHLY MARKET PERFORMANCE REPORT FOR JANUARY 2014

### 1.0 TRADING SUMMARY

The Market registered a monthly return on index of **0.92% ▲** (**0.70%▲** in US Dollar terms) to close the month of January at 12646.78 points compared to 12531.04 points in December 2013.

It however recorded a decrease in both traded value and volume compared to the previous month of December 2013.

#### Index Levels and Return – JANUARY 2014

INDEX	Jan. 2013	Dec. 2013	Jan. 2014	Monthly % Δ	YTD % Δ
<b>MASI</b>	6023.94	12531.04	12416.60	<b>0.92 ▲</b>	<b>0.92 ▲</b>
<b>DSI</b>	4732.24	9850.19	9759.96	<b>0.94 ▲</b>	<b>0.94 ▲</b>
<b>FSI</b>	854.67	1709.34	1696.77	<b>0.00 ■</b>	<b>0.00 ■</b>

#### Trading Statistics – JANUARY 2014

	JANUARY 2014	DECEMBER 2013	% Δ
Traded Value (MK)	140,412,156.07	214,927,160.12	<b>34.67 ▼</b>
Traded Value (US\$)	323,615.98	504,197.22	<b>35.82 ▼</b>
Traded Vol. Shares	7,255,289	7,611,318	<b>4.68 ▼</b>
No. of Transactions	110	101	<b>8.91 ▲</b>
Index Close (MASI)	12646.78	12531.04	<b>0.92 ▲</b>
Index Close (DSI)	9942.58	9850.19	<b>0.94 ▲</b>
Listed companies	14	14	
Traded Companies	12	12	
Not Traded Companies	02	02	
<b>Gainers</b>	<b>02</b>	<b>02</b>	
<b>Decliners</b>	<b>01</b>	<b>00</b>	
Unchanged	09	10	

### 2.0 MARKET PERFORMANCE

#### 2.1 Trade Performance Analysis

A total of 7,255,289 [20,116,394, Jan. 2013] shares were transacted in the month of January 2014 at a total consideration of MK140,412,156.07(US\$323,615.98) [MK210,161,869.30(US\$1,266,614.97),

Jan. 2013] in 110 trades. In the previous month, December 2013, the market transacted a total of 7,611,318 shares at a total consideration of MK214,927,160.12(US\$504,197.22) in 101 trades. This reflects a 4.68% decrease in terms of share volume and 34.67%▼ (35.82%▼ in US Dollar terms) in share value.

The market registered an average daily volume of 345,490 shares in January 2014 compared to 362,444 shares in December 2013.

The average daily turnover for January 2014 was MK6,686,293.15 (US\$15,410.28) compared to MK10,234,626.67 (US\$24,009.39) for the previous month, reflecting a decrease of 34.67% (35.82% in US Dollar terms).

**TABLE 1: TRADING SUMMARY FOR JANUARY 2014**

DATE	VOLUME	VALUE (MWK)	VALUE (US\$)
December	7,611,318	214,927,160.12	504,197.22
January	7,255,289	140,412,156.07	323,615.98
<b>% CHANGE</b>	<b>4.68 ▼</b>	<b>34.67 ▼</b>	<b>35.82 ▼</b>

## 2.2 Market Capitalisation and Index

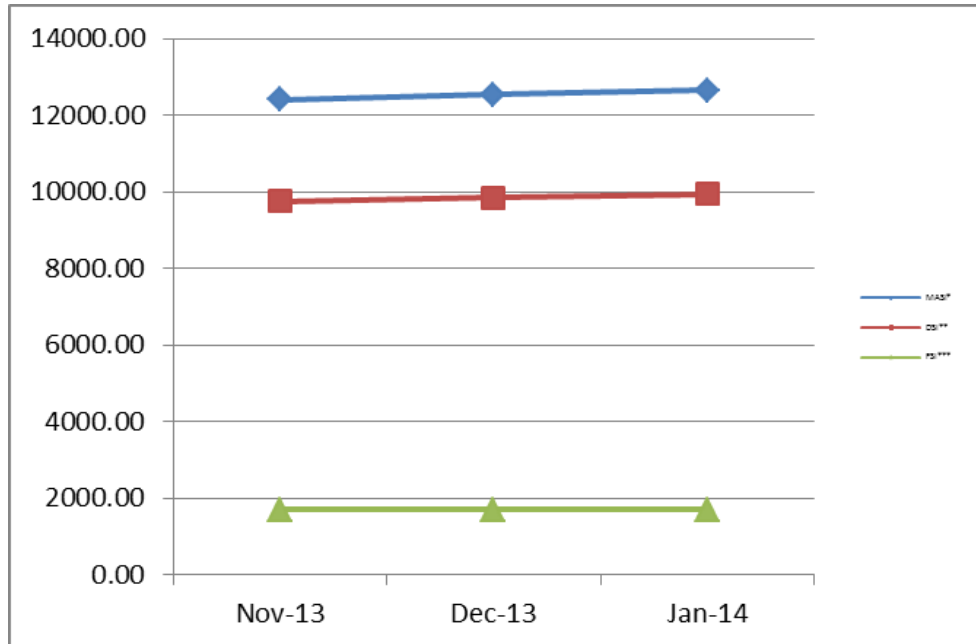
The market registered a positive return on index as reflected in the upward movement of the Malawi All Share Index (MASI) from 12531.04 points registered on 31<sup>st</sup> December 2013 to 12646.78 points registered on 31<sup>st</sup> January 2014, giving a monthly return on index of 0.92%, (0.70% ▲ in US\$ terms). The price gains registered by two counters, ILLOVO and PCL were enough to offset a share price loss registered by Standard Bank resulting into an increase in the Domestic Share Index by 0.94%▲ from 9850.19 points to 9942.58 points (0.71% ▲ in US\$ terms). The Foreign Share Index was steady at 1709.34 points.

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

Month Ending	Mkt. Cap. MKm.	Mkt. Cap US\$m	Mkt. Cap. MKm*	Mkt. Cap US\$m*	MASI
December	7,179,933.27	16,576.3538	529,002.28	1,221,3106	12531.04
January	7,184,819.29	16,550.7722	533,888.30	1,229.8519	12646.78

\* Excludes non-Malawi register Old Mutual plc shares

**FIG 1: MSE INDICES – January 2014**



### 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 0.03% compared to 0.04% 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% for January 2014 and December 2013.

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

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
December	387.73	28.567	0.01161	0.0406	0.043266
January	387.99	28.831	0.00758	0.0263	0.041242

\* Excludes non-Malawi register Old Mutual plc shares

## 2.4 Company Trading Performance

### Top Gainers

MSE CODE	COUNTER NAME	% GAIN
ILLOVO	Illovo Sugar Malawi	1.74
PCL	Press Corporation Ltd	0.70

Two counters registered a capital gain in January 2014.

### Top Decliners

MSE CODE	COUNTER NAME	% LOSS
STANDARD BANK	Standard Bank Malawi	-0.65

One counter registered a capital loss in January 2014.

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

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
TNM	TNM	3,466,270	47.78
NBS	NBS Bank	2,116,865	29.18
MPICO	MPICO Ltd	796,125	10.97
NITL	National Investment Trust Ltd	724,731	3.37

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

MSE CODE	COUNTER NAME	MK	% OF TOTAL
STANDARD BANK	Standard Bank Malawi	36,048,922.97	25.67
NBS	NBS Bank	33,869,840.00	24.12
NBM	National Bank of Malawi	31,017,405.00	22.09
ILLOVO	Illovo Sugar Malawi	11,000,574.00	7.83

## Company Trading Statistics- January 2014

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	Value Traded MK
BHL	800	800	0.00%	-	-
FMB	1500	1500	0.00%	241,564	3,623,460.00
ILLOVO	28700	29200	1.74%	37,848	11,000,574.00
MPICO	200	200	0.00%	796,125	1,592,250.00
NBM	21500	21500	0.00%	144,267	31,017,405.00
NBS	1600	1600	0.00%	2,116,865	33,869,840.00
NICO	1780	1780	0.00%	65,341	1,163,069.80
NITL	2950	2950	0.00%	244,465	7,217,287.50
PCL	28500	28700	0.70%	7,473	2,187,967.00
REAL	100	100	0.00%	-	-
STANDARD BANK	40000	39741	-0.65%	90,677	36,048,922.97
SUNBIRD	700	700	0.00%	40,726	285,082.00
TNM	214	214	0.00%	3,466,270	7,417,817.80
OML	136000	136000	0.00%	3,668	4,988,480.00
				<b>7,255,289</b>	<b>140,412,156.07</b>

### 3.0 ECONOMIC POSITION

- 3.1 The Malawi Kwacha gained against the South African Rand(ZAR) and the EURO(€) but depreciated marginally against the United States Dollar (US\$) and the British Pound(GBP) between 31<sup>st</sup> December 2013 and 31<sup>st</sup> January, 2014 as shown in Table 2 below;

**TABLE 2: MONTHLY EXCHANGE RATES: Dec 2013-Jan. 2014**

CURRENCY	END DEC' 2013	END JAN' 2014	% CHANGE*
MK/US Dollar	433.1431	434.1078	-0.22
MK/GBP	713.7209	714.9633	-0.17
MK/ZAR	42.9449	40.0999	7.09
MK/EUR	597.2119	590.2315	1.18

Source: National Bank of Malawi.

- 3.2 The year on year headline inflation for 2013 was 27.1% whilst that for the month of December 2013 stood at 23.5% up by 0.6% on account of an increase in both food and non-food inflation from 20.0% to 22.3% and from 24.6% to 25.1% between November 2013 and December 2013 respectively.

The urban and rural inflation rates for the month of December 2013 were 32.5% and 20.0% respectively.

### Key Economic Indicators- January 2014

	Jan. 2013	Dec. 2013	Jan. 2013
Inflation Rate	35.1	23.5	23.5(Dec)
RBM Bank Rate	25.0	25.0	25.0
Prime Rate	35.0	35.0	40.0
91 Days T-Bill	27.99	36.47	22.87
182 Days T-Bill	29.84	35.92	24.66
364 Days T-Bill	33.00	37.93	25.03
Import Cover(Months)	0.89	2.13	2.13

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

The 91 days, 182 days and 364 days treasury bills decreased by 37.29%, 31.35% and 34.01% respectively between December 2013 and January 2014.

Import cover remained at 2.13 months between December 2013 and January 2014.