



MALAWI STOCK EXCHANGE

# THIRD QUARTER MARKET REPORT

JULY – SEPTEMBER 2011

MALAWI STOCK EXCHANGE  
OLD RESERVE BANK BUILDING, VICTORIA AVENUE  
PRIVATE BAG 270  
BLANTYRE

TEL. (265) 01 824 233

FAX. (265) 01 823 636

E-mail. [mse@mse-mw.com](mailto:mse@mse-mw.com)

WEBSITE. [www.mse.co.mw](http://www.mse.co.mw)

# MALAWI STOCK EXCHANGE LIMITED

## MARKET PERFORMANCE REPORT FOR 1<sup>st</sup> JULY TO 30<sup>th</sup> SEPTEMBER 2011

### 1.0 TRADING SUMMARY

The market continued to register growth in the third quarter 2011 anchored by an increase in both traded volume and value compared to the third quarter 2010. It also registered a positive return on index of **2.34 %** compared to **1.51 %** registered in third quarter 2010.

#### Index Levels and Return – 3<sup>rd</sup> Qtr. 2011

INDEX	JULY, 2011	SEP. 2011	% $\Delta$ 3 <sup>rd</sup> QTR. 11	% $\Delta$ 3 <sup>rd</sup> QTR. 10	% $\Delta$ YTD. 11
<b>MASI</b>	4912.30	5027.27	<b>2.34</b> ▲	1.51 ▲	1.50 ▲
<b>DSI</b>	3878.68	3966.49	<b>2.26</b> ▲	1.50 ▲	1.12 ▲
<b>FSI</b>	477.61	521.60	<b>9.21</b> ▲	2.40 ▲	48.22 ▲

#### Trading Statistics – 3<sup>rd</sup> Qtr. 2011

Traded Value (MK)	470,054,183.86	No. of Listed companies	15
Traded Value (US\$)	2,909,469.80	Traded Companies	12
Traded Vol. Shares	91,375,212	Not Traded Companies	3
No. of Transactions	335.00	<b>Gainers</b>	<b>4</b>
Index Close (MASI)	5,027.27	<b>Decliners</b>	<b>2</b>
Index Close (DSI)	3,966.49	Unchanged	6
Index Close (FSI)	521.60		

### 2.0 MARKET PERFORMANCE

#### 2.1 Trade Performance Analysis

In the third quarter period from 1<sup>st</sup> July to 30<sup>th</sup> September, 2011 a total of 91,375,212 shares were transacted at a total consideration of MK470,054,183.86 (US\$2,909,469.80) in 335 trades. In the corresponding period 2010, the market transacted a total of 63,985,888 shares at a total consideration of MK418,768,490.91 (US\$2,776,967.36) in 434 trades, reflecting a 42.81 % increase in terms of share volume and a 12.25 % (4.77% in US Dollar terms) increase in value.

Daily average share trades exhibited increasing trends as the market registered an average daily volume of 1,522,920 shares compared to 1,032,030 shares traded in the corresponding third quarter of 2010.

The average daily turnover for the third quarter 2011 was MK7,834,236.40 (US\$48,491.16) compared with MK6,754,330.50 (US\$44,789.80) for the corresponding third quarter 2010, reflecting an increase by 15.99 % (8.26% in US Dollar terms).

The highest sales of shares in terms of both volume and value were transacted in August at a total of 50,648,182 shares at a total turnover of MK236,230,421.60 (US\$1,431,363.16).

#### TRADING SUMMARY FOR 1<sup>st</sup> JULY – 30<sup>th</sup> SEPTEMBER 2011

DATE	VOLUME	VALUE (MK)	VALUE (US\$)
July	10,688,654	104,714,630.26	694,396.11
August	50,648,182	236,230,421.60	1,431,363.16
September	30,038,376	129,109,132.00	783,710.54
<b>3<sup>rd</sup> Qtr 2011</b>	<b>91,375,212</b>	<b>470,054,183.86</b>	<b>2,909,489.80</b>
<b>3<sup>rd</sup> Qtr 2010</b>	<b>63,985,888</b>	<b>418,768,490.91</b>	<b>2,776,967.36</b>
<b>% CHANGE</b>	<b>42.81</b>	<b>12.25</b>	<b>4.77</b>
<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>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>

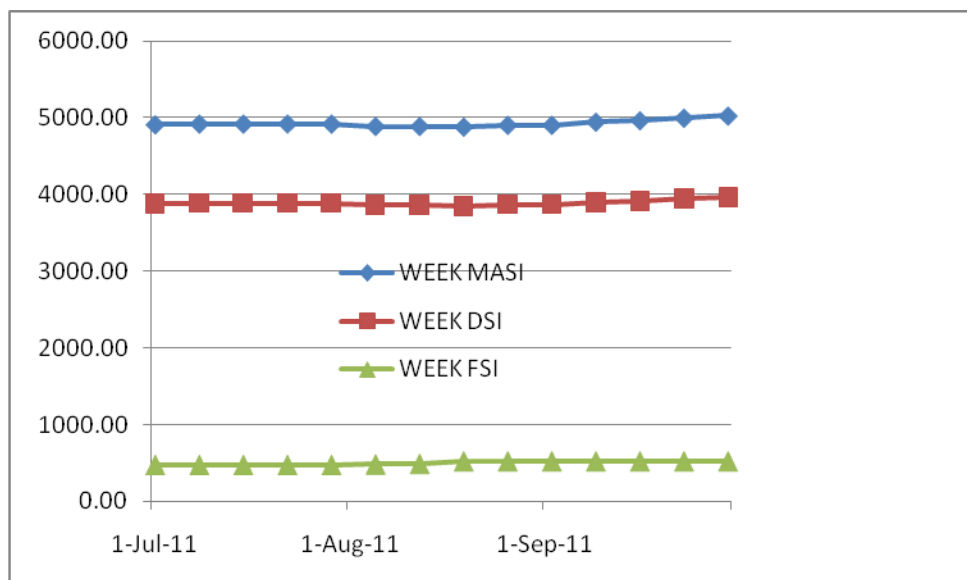
## 2.2 Market Capitalisation and Index

The market registered a positive return on index as reflected in the increase in The Malawi All Share Index (MASI) from 4912.30 points registered in July to 5027.27 points registered on 30<sup>th</sup> September 2011, giving a return on index of 2.34 %, (-7.01 in US\$ terms) compared to 1.51 %, (1.50% in US\$ terms) registered in quarter III of 2010. The price gainers registered by 4 counters (TNM, OML, STANDARD Bank and FMB Bank) 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 2.26 % and 9.21%, respectively.

#### MARKET CAPITALISATION AND INDEX - 1<sup>st</sup> JULY – 30<sup>th</sup> SEPTEMBER 2011

Month Ending	Mkt. Cap. MKm.	Mkt. Cap. US\$m	Mkt. Cap. MKm*	Mkt. Cap. US\$m*	MASI
July	2,395,156.18	15,883.0512	205,825.85	1,364.8974	4912.30
August	2,596,539.48	15,709.0027	205,560.30	1,243.6349	4905.96
September	2,601,622.33	15,675.2471	210,643.15	1,269.1632	5027.27
<b>3<sup>rd</sup> Qtr. 2011</b>	<b>2,601,622.33</b>	<b>15,675.2471</b>	<b>210,643.15</b>	<b>1,269.1632</b>	<b>5027.27</b>
<b>3<sup>rd</sup> Qtr. 2010</b>	<b>1,185,578.52</b>	<b>7,861.8796</b>	<b>206,098.65</b>	<b>1,366.6938</b>	<b>4927.21</b>
<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>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 – THIRD QUARTER 2011**

### 2.3 Market Liquidity

The market liquidity as measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP\***) in the quarter under review was recorded at 3.73%, higher than 1.05% registered in third quarter 2010. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 1.21% in the review period while during the corresponding period of 2010 liquidity was at 0.33 %.

#### MARKET LIQUIDITY – 1<sup>st</sup> JULY – 30<sup>th</sup> SEPTEMBER 2011

MONTH Ended	Mkt. Cap/GDP %	Mkt. Cap/GDP* %	TVT/GDP %	TVT/Mkt. Cap* %	Shares Traded/Shares In Issue* %
July	369.68	31.768	0.01616	0.0509	0.061213
August	400.76	31.727	0.03646	0.1149	0.290056
September	401.55	32.512	0.01993	0.0613	0.172026
<b>3<sup>rd</sup> Qtr. 11</b>	<b>401.55</b>	<b>32.512</b>	<b>1.21249</b>	<b>3.7294</b>	<b>11.908057</b>
<b>3<sup>rd</sup> Qtr. 10</b>	<b>182.99</b>	<b>31.810</b>	<b>0.33312</b>	<b>1.0472</b>	<b>1.541483</b>
<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>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
TNM	Real Insurance Limited	35.71
OML	Old Mutual Ltd.	9.21
STANDARD	Standard Bank	5.00
FMB	FMB Bank	2.79

4 counters registered a capital gain during the review period.

### Top Decliners

MSE CODE	COUNTER NAME	% LOSS
NBM	National Bank of Malawi	- 5.66
NICO	NICO Holdings Ltd	- 3.85

2 Counters registered a capital loss in quarter III of 2011.

### Top 5 Traded Stocks by Volume

MSE CODE	COUNTER NAME	SHARES	% OF TOTAL
TNM	TNM	73,846,288	80.82
NITL	National Investment Trust Ltd.	5,528,796	6.05
MPICO	Malawi Property Investment Company	3,580,245	3.92
NBS	NBS Bank	3,238,669	3.54
FMB	FMB Bank	2,153,973	2.36

### Top 5 Traded Stocks by Value

MSE CODE	COUNTER NAME	MK	% OF TOTAL
ILLOVO	Illovo Sugar Malawi Limited	111,874,180.00	23.80
TNM	TNM Limited	110,000,863.20	23.40
NITL	National Investment Trust Ltd.	88,460,736.00	18.82
STANDARD	Standard Bank	35,135,200.00	7.47
NBS	NBS Bank	32,386,690.00	6.89

### COMPANY TRADING STASTICS - 1<sup>st</sup> JULY – 30<sup>th</sup> SEPTEMBER 2011

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	681	700	2.79	2,153,973	2.36	15,061,929.66
ILLOVO	11000	11000	0.00	1,017,338	1.11	111,874,180.00
MPICO	300	300	0.00	3,580,245	3.92	10,740,735.00
NBM	5300	5000	-5.66	289,512	0.32	14,616,408.00
NBS	1000	1000	0.00	3,238,669	3.54	32,386,690.00
NICO	1300	1250	-3.85	1,187,932	1.30	15,089,561.00
NITL	1600	1600	0.00	5,528,796	6.05	88,460,736.00
PCL	17700	17700	0.00	123,542	0.14	21,866,934.00
PIM	625	625	0.00	0	0.00	0.00
REAL	120	120	0.00	21,560	0.02	25,872.00
STD.BANK	10000	10500	5.00	351,252	0.38	35,135,200.00
SUNBIRD	700	700	0.00	0	0.00	0.00
TNM	140	190	35.71	73,846,288	80.82	110,000,863.20
OML PLC	38000	41500	9.21	36,105	0.04	14,795,075.00
<b>TOTAL</b>				91,375,212	100.000	470,054,183.86

### 3.0 ECONOMIC POSITION

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

#### EXCHANGE RATES – 1<sup>st</sup> JULY – 30<sup>th</sup> SEPTEMBER 2011

CURRENCY	Sept. 2010	July 2011	Sept. 2011	% CHANGE
MK/US Dollar	150.8010	150.7995	165.9701	- 9.141
MK/GBP	238.2050	242.2896	259.3780	- 6.590
MK/ZAR	21.6260	22.8213	20.8447	9.480
MK/EUR	205.5410	219.0514	225.6695	- 2.930

- 3.2 The year on year headline inflation slightly increased by 0.2 points to 7.6% in August 2011 from 7.4 % in July 2011 on account of a continued rise in non food inflation. The urban and rural inflation rates for the month of August 2011 were 9.6% and 6.4% respectively.

KEY MACROECONOMIC INDICATORS					
	Sept. 2010	Dec. 2010	July. 2011	August 2011	Sept. 2011
Inflation Rate	7.0	6.3	7.4	7.6	7.6 (August)
RBM Bank Rate	13.0	13.0	13.0	13.0	13.0
Prime Rate	17.75	17.75	17.75	17.75	17.75
<b>TB YIELD</b>					
91 Days T-Bill	7.14	6.20	6.01	7.27	7.47
182 Days T-Bill	9.75	7.15	5.72	7.20	7.07
271 Days T-Bill	10.47	7.39	5.75	7.98	7.90