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Title: Weekly Market Update

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MSE Price Review (MWK) →

Counter	7-Apr-17	31-Mar-17	% Δ Wkly	31-Dec-16	% Δ Ytd
MASI	14577.62	14577.62	0.000	13320.51	9.44
DSI	11437.62	11437.62	0.000	10456.92	9.38
FSI	2308.87	2308.87	0.000	2026.07	13.96
BHL	20.25	20.25	0.000	20.10	0.75
FMB	16.00	16.00	0.000	17.00	-5.88
ILV	215.01	215.01	0.000	160.00	34.38
MPICO	8.60	8.60	0.000	7.83	9.83
NBM	240.00	240.00	0.000	237.12	1.21
NBS	6.00	6.00	0.000	6.00	0.00
NICO	10.00	10.00	0.000	17.00	-41.18
NITL	30.00	30.00	0.000	34.00	-11.76
PCL	540.00	540.00	0.000	540.00	0.00
SBM	550.00	550.00	0.000	500.00	10.00
SUN	58.50	58.50	0.000	58.50	0.00
TNM	7.00	7.00	0.000	6.05	15.70
OML	1837.00	1837.00	0.000	1612.00	13.96

CAPITAL MARKET DEVELOPMENTS

Eight (8) counters traded during the week in review and it was only BHL, MPICO, NBS and SBM that were inactive. The other counters traded flat which resulted in all indexes remaining unchanged from the previous week. Seventeen (17) deals were completed.

A total of 0.8 million shares were transacted at total a consideration of MK20.4 million. This presents a drop in both trade volume and turnover week-over-week compared to the MK95.5 million that was realised from 8.4 million shares traded in the previous week. With a weekly turnover of MK9.3 million, Sunbird (SUN) accounted for 45.6 percent of turnover and 20.8 percent of trade volume.

The DSI and FSI were firm at 11,437.62 points and 2,308.87 points respectively. Resultantly, the MASI was unchanged from the previous week at 14,577.62 points.

Investor Indicators →

Counter	Price	% DY	Div(t)	P/E(x)	P/BV
MASI		4.64	1917.27	9.54	1.02
DSI		3.49	117.50	8.62	1.55
BHL	20.25	4.94	100.00	5.94	0.55
FMB	16.00	3.13	50.00	4.88	1.18
ILV	215.01	0.00	0.00	27.84	3.27
MPICO	8.60	0.00	0.00	25.45	1.14
NBM	240.00	4.25	1007.00	6.75	1.16
NBS	6.00	0.00	0.00	N/A	0.64
NICO	10.00	10.00	100.00	1.89	0.32
NITL	30.00	3.33	100.00	N/A	0.62
PCL	540.00	2.31	1250.00	5.30	0.71
SBM	550.00	4.65	25.57	6.64	2.06
SUN	58.50	0.68	40.00	11.45	1.16
TNM	7.00	4.71	33.00	8.56	3.37
OML	1 837.00	4.72	8674.00	9.61	0.99

CORPORATE EVENTS

NICO Holdings Limited (NICO) has announced an interim dividend in respect of the financial year ended 31st December, 2016. The company will pay a dividend of MK0.40 per share representing MK417 million. The dividend will be paid on 28th April, 2017 and only to shareholders who will appear in the shareholder register at the close of business on 24th April, 2017 which will be the last day to register.

Two banks, NBS and NBM, have released financials for the year ended 31st December, 2016. NBM has posted profit after tax of MK16.6 billion, a 24.2 percent increase from MK13.4 billion in 2015. Total assets increased to MK329.5 billion from MK288.9 billion. Directors have proposed a final dividend of MK3.2 billion to be tabled at the next AGM in June, 2017. NBS posted a loss for the second consecutive year. Loss after tax for the bank increased to MK4.3 billion from MK195 million in 2015. The bank's total assets increased by 3.5 percent year-over-year to MK86.7 billion from MK83.7 billion. The directors have recommended no payment of dividend due to unsatisfactory results.

TB Auction & Money Market Developments

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Treasury Bill Tenors (days)	91	182	364
Applied for (MK' m)	65.98	638.81	1 868.07
Allotted (MK' m)	65.98	638.81	1 868.07
% Rejection	0.00	0.00	0.00
Average	21.50	21.75	24.50
Current yield (%)	21.50	22.47	23.37
Previous yield (%)	21.00	22.00	23.00
Δ in Yield (%)	0.50	0.47	0.37
Highest Accepted Yield (%)	21.50	22.50	25.50
Lowest Accepted Yield (%)	21.50	21.00	23.50
Spread	-	1.50	2.00
Auction date	04-Apr-17	04-Apr-17	04-Apr-17
Settlement date	06-Apr-17	06-Apr-17	06-Apr-17
Maturity date	06-Jul-17	05-Oct-17	05-Apr-18
Next auction	11-Apr-17	11-Apr-17	11-Apr-17

MONEY MARKET DEVELOPMENTS

The T-bill auction held on 4th April achieved full allotment as bids worth MK2.6 billion were taken up by the Reserve Bank of Malawi. Average yields were buoyant on all tenors increasing by 50 bps, 47 bps and 37 bps to 21.5 percent, 22.47 percent and 23.37 percent on the 91TB, 182TB and 364TB respectively.

During the week in review, excess reserves in the banking system dropped to MK67 million from MK14.6 billion in the previous week. The overnight inter-bank lending rate averaged 21.9 percent, almost unchanged from the previous week.

The Malawi Kwacha was firm against the US Dollar at MK725.65/US\$, but depreciated against the Japanese Yen before recording gains against the British Pound, Euro and South African Rand. Gross official reserves increased by 3.8 percent week-over-week though the gains were partly offset by a 3.4 percent drop in private sector foreign exchange reserves.

FX Movement	07-Apr-17	31-Mar-17	% Δ Wk	31-Dec-16	% Δ Ytd	Volatility
MWK/USD	725.65	725.65	0.00	725.43	0.03	0.00
MWK/GBP	904.84	906.11	(0.14)	890.61	1.60	3.07
MWK/EUR	772.03	774.72	(0.35)	764.02	1.05	1.43
MWK/JPY	6.76	6.67	1.31	6.40	5.71	0.03
MWK/ZAR	52.90	53.80	(1.67)	53.67	(1.44)	0.74

The Source: NBM (Indicative TT Middle Rate)

Foreign Exchange Reserves	06-Apr-17	31-Mar-17	31-Dec-16	% Δ Wk	% Δ Ytd
Gross Official Reserves (US\$ ml)	573.92	552.85	606.93	3.81	(5.44)
Gross Official Import Cover (months)	2.75	2.65	2.90	3.77	(5.17)
Private Sector Reserves (US\$ ml)	321.70	333.01	336.61	(3.40)	(4.43)
Private Sector Import Cover (months)	1.54	1.59	1.61	(3.14)	(4.35)

Source: RBM

For further advice on investment matters, please contact us on:
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