



Services by NBM Capital Markets Limited include:

1. Fund Management
2. Wealth/Cash Management
3. Corporate Finance
4. Financial Advisory

Title: Weekly Market Update

Editor: Investment Analyst

Country: Malawi

Date: April 28, 2017

Issued by: NBM Capital Markets Limited

MSE Price Review (MWK) →

Counter	28-Apr-17	21-Apr-17	% Δ Wkly	31-Dec-16	% Δ Ytd
MASI	15203.97	15112.97	0.60	13320.51	14.14
DSI	11935.73	11863.36	0.61	10456.92	14.14
FSI	2308.87	2308.87	0.00	2026.07	13.96
BHL	20.25	20.25	0.00	20.10	0.75
FMB	16.00	16.00	0.00	17.00	-5.88
ILV	215.01	215.01	0.00	160.00	34.38
MPICO	8.60	8.60	0.00	7.83	9.83
NBM	262.00	260.15	0.71	237.12	10.49
NBS	6.00	5.00	20.00	6.00	0.00
NICO	10.00	10.00	0.00	17.00	-41.18
NITL	30.00	30.00	0.00	34.00	-11.76
PCL	540.00	540.00	0.00	540.00	0.00
SBM	555.00	550.10	0.89	500.00	11.00
SUN	61.00	61.00	0.00	58.50	4.27
TNM	8.50	8.38	1.43	6.05	40.50
OML	1837.00	1837.00	0.00	1612.00	13.96

CAPITAL MARKET DEVELOPMENTS

Eight (8) counters, namely, NBM, NBS, NITL, PCL, SBM, SUNBIRD, TNM and OML registered trading activity during the week ended 28th April, 2017. Market turnover during the week was a modest MK38.4 million compared to MK699.3 million realised in the previous week. A total of 2.7 million shares were exchanged compared to 5.3 million in the previous week whereas deals went up to 23 from 19.

Three of the four listed banks registered price gains to close a bullish week on the local bourse. NBS (+20%), NBM (+0.71%) and SBM (+0.89%) closed the week at MK6.00, MK262.00 and MK555.00 from MK5.00, MK260.15 and MK550.00 respectively. TNM (+1.43%) was the only non-banking sector counter to register price movement with a gain of MK0.12 to MK8.50. The gains on the four counters saw the DSI gain 72.37 points to close at 11935.73 points. The FSI was steady at 2308.87 points but driven by the gains on DSI, the MASI inched upwards to 15203.97 points from 15112.97 points.

Investor Indicators →

Counter	Price	% DY	Div(t)	P/E(x)	P/BV
MASI		4.63	1917.27	9.51	1.02
DSI		3.36	117.50	8.24	1.52
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	9.94	0.71
NBM	262.00	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	555.00	4.65	25.57	6.64	2.06
SUN	61.00	0.68	40.00	11.45	1.16
TNM	8.50	4.33	33.00	9.34	3.68
OML	1 837.00	4.72	8674.00	9.61	0.99

ECONOMIC EVENTS

Management of New Finance Bank (NFB) has issued a press release advising the public that negotiations for a proposed merger with Opportunity Bank Malawi have been aborted. The two banks had started negotiations for the merger as part of restructuring with the goal of complying with RBM capital requirements under Basel II.

Average price for cumulative sales for tobacco as at the end of the third week of the 2017 tobacco sales season stood at US\$1.70 per kilogram compared to US\$1.20 per kilogram in 2016. There was no big improvement in volume as total volume stood at 8.46 million kilograms (2016: 8.37 million kilograms) but the high prices drove total revenues to US\$14.35 million, 43 percent higher than total turnover from the previous month (Source: TCC).

CORPORATE EVENTS

National Investment Trust Limited (NITL) issued a press release notifying the investing public of a change in the date of payment of the final dividend for 2016. The company had earlier communicated 19th May, 2017 as the payment date of the dividend. The rescheduled payment date will be communicated later but as a result of the change, the shareholder register will not be closed from 12-19 May as previously communicated.

TB Auction & Money Market Developments



Treasury Bill Tenors (days)	91	182	364
Applied for (MK' m)	998.24	1 665.95	2 528.72
Allotted (MK' m)	998.24	1 665.95	1 580.18
% Rejection	0.00%	0.00%	37.51%
Average	21.25	22.25	23.25
Current yield (%)	21.50	22.47	23.47
Previous yield (%)	21.32	22.49	23.46
Δ in Yield (%)	0.18	(0.03)	0.01
Highest Accepted Yield (%)	21.50	22.50	23.50
Lowest Accepted Yield (%)	21.00	22.00	23.00
Spread	0.50	0.50	0.50
Auction date	25-Apr-14	25-Apr-17	25-Apr-17
Settlement date	27-Apr-14	27-Apr-17	27-Apr-17
Maturity date	27-Jul-14	26-Oct-17	26-Apr-18
Next auction	02-May-14	02-May-17	02-May-17

MONEY MARKET DEVELOPMENTS

The Treasury Bill auction held on 25th April, 2017 raised MK4.85 billion from MK5.19 billion in applications representing a rejection rate of 18.3 percent. All rejections during the auction were on the 364TB resulting in the tenor accounting for 37 percent of the allotted value even after accounting for 49 percent of amount bid for. The 182TB and 91TB accounted for 39 percent and 24 percent of the value allotted respectively.

Banking sector liquidity dropped week-over-week as excess reserves stood at MK0.6 billion from MK6.9 billion in the previous week. The drop in liquidity saw the interbank rate inch upwards by 30bps week-over-week from 21.1 percent to 21.4 percent.

The Malawi Kwacha gained against the Japanese Yen but traded flat against the US Dollar and depreciated against GB Pound, Euro and SA Rand. Total foreign exchange reserves stood at US\$909 million, translating to 4.35 months of import cover. Private sector reserves registered a slight increase to offset a drop in gross official reserves to keep total import cover unchanged from the previous week.

FX Movement	21-Apr-17	13-Apr-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	928.37	911.32	1.87	890.61	4.24	8.95
MWK/EUR	777.68	774.27	0.44	764.02	1.79	2.82
MWK/JPY	6.84	6.86	(0.29)	6.40	6.97	0.02
MWK/ZAR	55.25	54.18	1.97	53.67	2.94	0.35

The Source: NBM (Indicative TT Middle Rate)

Foreign Exchange Reserves	26-Apr-17	21-Apr-17	31-Dec-16	% Δ Wk	% Δ Ytd
Gross Official Reserves (US\$ ml)	566.81	567.48	606.93	(0.12)	(6.61)
Gross Official Import Cover (months)	2.71	2.72	2.90	(0.37)	(6.55)
Private Sector Reserves (US\$ ml)	342.22	341.84	336.61	0.11	1.67
Private Sector Import Cover (months)	1.64	1.64	1.61	0.00	1.86

Source: RBM

Cumulative Tobacco Sales (Week 3)	2016	2017	% Δ over 2016
Volume (Kg mn)	8.37	8.46	1
Value (US\$ mn)	10.02	14.35	43
Average Price (US cents/Kg)	1.20	1.70	42

Source: TCC

For further advice on investment matters, please contact us on:
01 831 179, 01 831 177

Disclaimer: This report is not an offer or a solicitation to buy or sell the securities mentioned herein, and is provided solely for the information of clients of NBM Capital Markets Limited who are expected to make their own investment decisions without relying solely on this report. Investments fluctuate in price and value and neither the investment nor a return on the investment is guaranteed. NBM Capital Markets Limited shall accept no liability for any direct or consequential loss arising from the use of any information and opinions contained herein.