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#### Title: Weekly Market Update

Editor: Investment Analyst

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#### MSE Price Review (MWK) →

Counter	28-Jul-17	21-Jul-17	% Δ Wkly	31-Dec-16	% Δ Ytd
MASI	17009.98	16693.07	1.90	13320.51	27.70
DSI	13370.74	13118.77	1.92	10456.92	27.86
FSI	2325.21	2325.21	0.00	2026.07	14.76
BHL	25.00	25.00	0.00	20.10	24.38
FMB	18.61	18.61	0.00	17.00	9.47
ILV	216.15	216.15	0.00	160.00	35.09
MPICO	9.05	8.50	6.47	7.83	15.58
NBM	266.00	265.99	0.00	237.12	12.18
NBS	6.05	6.88	-12.06	6.00	0.83
NICO	25.05	17.00	47.35	17.00	47.35
NITL	56.11	50.00	12.22	34.00	65.03
PCL	570.00	570.00	0.00	540.00	5.56
SBM	650.00	650.00	0.00	500.00	30.00
SUN	64.00	64.00	0.00	58.50	9.40
TNM	10.73	10.14	5.82	6.05	77.36
OML	1850.00	1850.00	0.00	1612.00	14.76

#### Investor Indicators →

Counter	Price	% DY	Div(t)	P/E(x)	P/BV
MASI		2.91	1224.69	11.87	0.95
DSI		2.90	102.08	9.43	1.76
BHL	25.00	4.00	100.00	7.33	0.68
FMB	18.61	2.69	50.00	5.68	1.37
ILV	216.15	0.00	0.00	21.78	4.21
MPICO	9.05	0.00	0.00	10.46	0.74
NBM	266.00	6.72	1788.00	7.48	1.83
NBS	6.05	0.00	0.00	N/A	2.59
NICO	25.05	1.60	40.00	9.55	0.81
NITL	56.11	1.78	100.00	N/A	1.16
PCL	570.00	2.31	1250.00	3.98	0.66
SBM	650.00	3.93	25.57	7.85	2.43
SUN	64.00	0.63	40.00	12.53	1.27
TNM	10.73	3.08	33.00	13.13	5.17
OML	1 850.00	2.92	5394.00	12.12	0.92

#### CAPITAL MARKET DEVELOPMENTS

The market was bullish during the week ended 28<sup>th</sup> July, 2017. A total of 8 counters traded, namely, ILV, MPICO, NBM, NBS, NICO, NITL, PCL and TNM. Market turnover closed at MK1.4 billion compared to MK142.8 million that was realised in the previous week. Trade volume was upbeat as it jumped to 218.4 million shares from 6.0 million shares.

The main market index rose by 1.9 percent courtesy of gains on MPICO (+6.5%), NICO (+47.4%), NITL (+12.2%) and TNM (+5.8%). Share price gains were recorded on MPICO from MK8.50 to MK9.05, NBM from MK265.99 to MK266.00, NICO from MK17.00 to MK25.05, NITL from MK50.00 to MK56.11 and TNM from MK10.14 to MK10.73. The gains were partly offset by a share price drop on NBS from MK6.88 to MK6.05. The MASI rose to 17009.98 points from 16693.07 points and the DSI closed at 13370.74 points from 13118.77 points. The FSI was flat at 2325.21

#### CORPORATE EVENTS

First Merchant Bank (FMB) released a public announcement advising that its Board of Directors have received a notification from FMB Capital Holdings (FMBCH) of Mauritius of its firm intention to make a takeover offer for the entire issued share capital of FMB. FMBCH will propose a takeover scheme whereby FMBCH will make an offer to FMB shareholders to acquire their shares in exchange for FMBCH. One share in FMB will be exchanged for one share in FMBCH and no cash option will be offered.

#### ECONOMIC EVENTS

Fintech (Frankfurt), MyBucks (South Africa) and New Finance Bank (Malawi) released a joint statement announcing the completion of the acquisition of 50 percent of New Finance Bank in Malawi by MyBucks. MyBucks also owns 100 percent of GetBucks Malawi, a microfinance institution.

Treasury Bill Tenors (days)	91	182	364
Applied for (MK' m)	1 428.31	770.64	5 735.59
Allotted (MK' m)	1 428.31	770.64	5 735.59
% Rejection	0.00%	0.00%	0.00%
Average	16.64	17.90	18.90
Current yield (%)	16.94	17.95	18.99
Previous yield (%)	16.98	17.82	19.00
Δ in Yield (%)	(0.04)	0.13	(0.02)
Highest Accepted Yield (%)	17.00	18.00	19.00
Lowest Accepted Yield (%)	16.27	17.80	18.80
Spread	0.73	0.20	0.20
Auction date	25-Jul-17	25-Jul-17	25-Jul-17
Settlement date	27-Jul-17	27-Jul-17	27-Jul-17
Maturity date	26-Oct-17	25-Jan-18	26-Jul-18
Next auction	01-Aug-17	01-Aug-17	01-Aug-17

## MONEY MARKET DEVELOPMENTS

The Treasury Bill auction held on 25th July, 2017 raised MK7.9 billion from bids worth MK7.9 billion, representing a 100 percent allotment rate. Yields went down by 4bps and 2bps on the 91TB and 364TB respectively but went up by 13 bps on the 182TB.

Excess liquidity in the banking system increased to ML13.9 billion from minus MK10.7 billion. Some banks were still in a liquidity squeeze despite the increase in market liquidity as the overnight interbank lending rate hardly moved from the 18.0 percent mark set in the previous week.

The GBP, EUR, ZAR and JPY appreciated against the Malawian Kwacha on the forex market but the Kwacha traded flat against the USD at MK725.65/USD. Private sector foreign exchange reserves decreased by 2.2 percent week-over-week but the drop was partly offset by a 0.7 percent jump in gross official reserves.

FX Movement	28-Jul-17	21-Jul-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	948.29	940.75	0.80	890.61	6.48	2.49
MWK/EUR	846.82	842.55	0.51	764.02	10.84	6.31
MWK/JPY	6.73	6.68	0.79	6.40	5.22	0.03
MWK/ZAR	55.91	55.76	0.27	53.67	4.17	0.23

The Source: NBM (Indicative TT Middle Rate)

Foreign Exchange Reserves	27-Jul-17	21-Jul-17	31-Dec-16	% Δ Wk	% Δ Ytd
Gross Official Reserves (US\$ mn)	698.13	693.30	606.93	0.70	15.03
Gross Official Import Cover (months)	3.34	3.32	2.90	0.60	15.17
Private Sector Reserves (US\$ mn)	354.05	362.03	336.61	(2.20)	5.18
Private Sector Import Cover (months)	1.69	1.73	1.61	(2.31)	4.97

Source: NBM

Cumulative Tobacco Sales (Week 14)	2016	2017	% Δ over 2016
Volume (Kg mn)	92.4	94.4	2
Value (US\$ mn)	143.5	186.5	30
Average Price (US cents/Kg)	155.3	197.6	27

Source: TCC

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