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Title: Weekly Market Update**Editor: Investment Analyst****Country: Malawi****Date: June 9, 2017****Issued by: NBM Capital Markets Limited****MSE Price Review (MWK) →**

Counter	9-Jun-17	2-Jun-17	% Δ Wkly	31-Dec-16	% Δ Ytd
MASI	15573.68	15573.68	0.00	13320.51	16.92
DSI	12228.65	12228.65	0.00	10456.92	16.94
FSI	2325.21	2325.21	0.00	2026.07	14.76
BHL	20.25	20.25	0.00	20.10	0.75
FMB	16.00	16.00	0.00	17.00	-5.88
ILV	216.05	216.05	0.00	160.00	35.03
MPICO	8.00	8.00	0.00	7.83	2.17
NBM	262.00	262.00	0.00	237.12	10.49
NBS	6.00	6.00	0.00	6.00	0.00
NICO	12.08	12.08	0.00	17.00	-28.94
NITL	34.00	34.00	0.00	34.00	0.00
PCL	570.00	570.00	0.00	540.00	5.56
SBM	560.00	560.00	0.00	500.00	12.00
SUN	64.00	64.00	0.00	58.50	9.40
TNM	9.33	9.33	0.00	6.05	54.21
OML	1850.00	1850.00	0.00	1612.00	14.76

Investor Indicators →

Counter	Price	% DY	Div(t)	P/E(x)	P/BV
MASI		4.59	1917.27	9.59	1.03
DSI		3.26	117.50	8.49	1.57
BHL	20.25	4.94	100.00	5.94	0.55
FMB	16.00	3.13	50.00	4.88	1.18
ILV	216.05	0.00	0.00	27.97	3.29
MPICO	8.00	0.00	0.00	9.24	0.66
NBM	262.00	6.82	1788.00	7.37	1.80
NBS	6.00	0.00	0.00	N/A	0.64
NICO	12.08	8.28	100.00	2.29	0.39
NITL	34.00	2.94	100.00	N/A	0.70
PCL	570.00	2.19	1250.00	3.98	0.66
SBM	560.00	4.57	25.57	677.00	2.09
SUN	64.00	0.63	40.00	12.53	1.27
TNM	9.33	3.54	33.00	11.42	4.49
OML	1,850.00	3.26	8674.00	9.68	1.00

CAPITAL MARKET DEVELOPMENTS

There were no price changes during the period under review and this resulted in the local bourse closing the week flat. BHL, NBS and SBM were the only counters to close the week without trading activity whereas trades were thin on the other 10 counters that managed to record trading activity. Total consideration for the week stood at MK8.4 million from 0.1 million shares that changed hands. The weekly figures present a huge drop compared to the MK215.3 million realised from 22.1 million shares transacted in the previous week.

The Domestic Share Index (DSI) was firm at 12,228.65 points whilst the Foreign Share Index (FSI) was unchanged at 2,325.21 points. Resultant of no movement on the DSI or FSI, the MASI was unchanged from the previous week at 15,573.68 points.

CORPORATE EVENTS**FMB- Cautionary Statement**

First Merchant Bank (FMB) has issued a cautionary statement giving notice that the restructuring process is still on-going. This notice follows the cautionary statement issued on the 28th of March 2017 in which the Bank made the initial announcement of the restructuring changes. The offer document to transfer all shares in FMB to FMB Capital Holdings Plc (FMBCH) will be issued in the coming weeks. Further, following negotiations between FMBCH and Barclays Bank PLC (BBPLC), an agreement was reached for FMBCH to acquire majority shareholding in Barclays Bank of Zimbabwe. Additional details regarding this transaction will be made available in the circulars of FMB and BBZ that will be published soon. All shareholders are advised to exercise caution on dealing in the shares of FMB.

Sunbird Hotels and Resorts-Notice of the 29th Annual General Meeting

The Company has given notice that the 29th annual general meeting will be held at Sunbird Mount Soche, on Thursday, 29th June 2017 at 15.30 hours.

ECONOMIC EVENTS

The World Bank released the May, 2017 edition of the Malawi Economic Monitor in which they outlined their analysis of economic and structural development issues in the country. In their forecasts of the country's economic fortunes for 2017, they have pegged real GDP growth at 4.4 percent and they have placed the average inflation for the year at 15.2 percent (*Source: World Bank*).

Treasury Bill Tenors (days)	91	182	364
Applied for (MK' m)	803.67	847.11	3 662.67
Allotted (MK' m)	803.67	847.11	3 662.67
% Rejection	0.00%	0.00%	0.00%
Average	20.38	19.70	18.71
Current yield (%)	21.47	21.84	23.00
Previous yield (%)	21.49	21.99	23.00
Δ in Yield (%)	(0.01)	(0.15)	(0.00)
Highest Accepted Yield (%)	21.50	22.00	23.00
Lowest Accepted Yield (%)	21.25	21.40	23.00
Spread	0.25	0.60	-
Auction date	06-Jun-17	06-Jun-17	06-Jun-17
Settlement date	08-Jun-17	08-Jun-17	08-Jun-17
Maturity date	06-Sep-17	06-Dec-17	06-Jun-18
Next auction	13-Jun-17	13-Jun-17	13-Jun-17

There were no rejections again in the week under review as the total amount applied and allotted for amounted to MK5.31billion up from MK1.74billion in the previous week. The average yield across all tenors was 22.11 percent against a 22.16 percent average for the previous week.

The overnight interbank lending rate closed at 21.5 percent, unchanged from the previous week. There was a slight increase in money market liquidity as excess reserves in the banking system increased to MK1.7billion from MK0.7billion in the previous week.

The Malawi Kwacha was firm against the USD at MK725.65 but appreciated against the other hard currencies. Private sector foreign exchange reserves increased by 1.3 percent week-over-week to USD 321.2 million from USD 316.9 million. Gross official reserves were also on the incline, going up 0.3 percent to USD 617.6 million (Previous Week: USD 615.8 million).

FX Movement	09-June-17	02-June-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	925.72	934.07	(0.89)	890.61	3.94	2.22
MWK/EUR	812.56	813.72	(0.14)	764.02	6.35	3.26
MWK/JPY	6.78	6.69	(1.35)	6.40	5.94	0.03
MWK/ZAR	56.39	56.42	(0.05)	53.67	5.07	0.42

The Source: NBM (Indicative TT Middle Rate)

Foreign Exchange Reserves	09-Jun-17	02-Jun-17	31-Dec-16	% Δ Wk	% Δ Ytd
Gross Official Reserves (US\$ ml)	617.64	615.77	606.93	0.30	1.76
Gross Official Import Cover (months)	2.96	2.95	2.90	0.34	2.07
Private Sector Reserves (US\$ ml)	321.15	316.90	336.61	1.34	(4.59)
Private Sector Import Cover (months)	1.54	1.52	1.61	1.32	(4.35)

Cumulative Tobacco Sales (Week 8)	2016	2017	% Δ over 2016
Volume (Kg mn)	36.89	36.58	(1)
Value (US\$ mn)	50.65	67.37	33
Average Price (US cents/Kg)	1.37	1.84	34

Source: TCC

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

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