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Title: Weekly Market Update

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MSE Price Review (MWK) →

Counter	23-Jun-17	16-Jun-17	% Δ Wkly	31-Dec-16	% Δ Ytd
MASI	15767.84	15639.08	0.82	13320.51	18.37
DSI	12383.05	12280.65	0.83	10456.92	18.42
FSI	2308.87	2308.87	0.00	2026.07	13.96
BHL	20.25	20.25	0.00	20.10	0.75
FMB	18.51	16.12	14.83	17.00	8.88
ILV	216.15	216.15	0.00	160.00	35.09
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	35.00	35.00	0.00	34.00	2.94
PCL	570.00	570.00	0.00	540.00	5.56
SBM	570.01	570.01	0.00	500.00	14.00
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		2.94	1227.36	9.51	0.95
DSI		3.25	117.50	8.36	1.62
BHL	20.25	4.94	100.00	5.94	0.55
FMB	18.51	3.10	50.00	4.92	1.19
ILV	216.15	0.00	0.00	21.78	4.21
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	35.00	2.86	100.00	N/A	0.72
PCL	570.00	2.31	1250.00	3.98	0.66
SBM	570.01	4.49	25.57	6.89	2.13
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	2.92	5394.00	12.12	0.92

CAPITAL MARKET DEVELOPMENTS

Four counters were active during the week in review as the local bourse continued its bullish run. The active counters include FMB, NBM, PCL and TNM and 13 deals were completed.

Weekly market turnover increased by 5 percent to MK490 million (Previous Week: MK465.5 million). NBM was the most active counter, accounting for 42 percent of turnover, followed by PCL and TNM which accounted for 29 percent and 27 percent of turnover respectively. Despite accounting for 2 percent of weekly turnover, FMB was the only counter to register price movement. FMB share price jumped 14.8 percent up to MK18.51 from MK16.12. The price gain on FMB pushed the DSI and MASI to 12383.05 points and 15767.84 points from 12280.65 points and 15639.08 points respectively. The FSI was firm at 2308.87 points.

CORPORATE EVENTS

TNM Board of Directors have elected Dr. George Partridge as the new Chairman of the Board. Dr. George Partridge succeeds Professor Mathews Chikaonda who retired from the Board on 15th June, 2017. Dr. George Partridge is the Group Chief Executive of PCL. In other developments, TNM approved a dividend of MK1.3 billion representing 13 tambala per share payable on 14th July, 2017.

Sunbird Tourism Limited (Sunbird) has released a trading statement regarding the performance for the half year period ending 30th June, 2017. The company has announced that profit after tax for the period is expected to exceed the previous corresponding period by more than 35 percent.

ECONOMIC EVENTS

The Reserve Bank of Malawi has released a monetary policy statement under the theme "Maintaining the Declining path of Inflation". The monetary authorities envisage a continued slowdown in inflation and projects inflation at 10.7 percent and 8.5 percent in June and December 2017, respectively. While the upside risks on inflation all remain at anticipated levels, the bank will continue supporting the disinflation by keeping the Policy rate above headline inflation.

Treasury Bill Tenors (days)	91	182	364
Applied for (MK' m)	1 238.55	202.75	1 419.78
Allotted (MK' m)	1 238.55	202.75	1 419.78
% Rejection	0.00%	0.00%	0.00%
Average	21.25	21.92	23.00
Current yield (%)	21.41	21.96	23.00
Previous yield (%)	21.35	21.97	23.00
Δ in Yield (%)	0.06	(0.01)	-
Highest Accepted Yield (%)	21.50	22.00	23.00
Lowest Accepted Yield (%)	21.00	21.84	23.00
Spread	0.50	0.16	-
Auction date	20-Jun-17	20-Jun-17	20-Jun-17
Settlement date	22-Jun-17	22-Jun-17	22-Jun-17
Maturity date	21-Sep-17	21-Dec-17	21-Jun-18
Next auction	27-Jun-17	27-Jun-17	27-Jun-17

MONEY MARKET DEVELOPMENTS

A total of MK2.9 billion was raised during the treasury auction held on 20th June, 2017. All bids submitted for the auction were successful. The 364TB accounted for 50 percent of the applications, followed by the 91TB with 43 percent, and lastly the 182TB with 7 percent. Average yield on the 364TB was unchanged from the previous week at 23 percent but average yield increased by 6 bps on the 91TB but declined by 1 bp on the 182TB.

Liquidity remained tight in the banking system but excess reserves increased to minus MK0.3 billion from minus MK6.2 billion in the previous week. The overnight interbank lending rate was unchanged from the previous week at 21.5 percent.

The Malawi Kwacha gained against the GBP, JPY and ZAR but depreciated against the EUR and was flat against the USD. Private sector foreign exchange reserves increased by 8.8 percent to US\$363.5 from US\$335.0 million. Gross foreign reserves stood at US\$639.9 million (Previous week: US\$638.5 million). Total import cover stood at 4.8 months.

FX Movement	23-Jun-17	16-Jun-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	921.30	926.74	(0.59)	890.61	3.45	3.97
MWK/EUR	809.80	808.64	0.14	764.02	5.99	1.74
MWK/JPY	6.72	6.72	(0.06)	6.40	5.01	0.02
MWK/ZAR	56.16	56.74	(1.02)	53.67	4.63	0.54

The Source: NBM (Indicative TT Middle Rate)

Foreign Exchange Reserves	21-Jun-17	16-Jun-17	31-Dec-16	% Δ Wk	% Δ Ytd
Gross Official Reserves (US\$ ml)	639.87	638.51	606.93	0.21	5.43
Gross Official Import Cover (months)	3.06	3.06	2.90	0.00	5.52
Private Sector Reserves (US\$ ml)	363.50	335.02	336.61	8.50	7.99
Private Sector Import Cover (months)	1.74	1.60	1.61	8.75	8.07

Source: NBM

Cumulative Tobacco Sales (Week 10)	2016	2017	% Δ over 2016
Volume (Kg mn)	61.0	65.1	7
Value (US\$ mn)	90.2	124.7	38
Average Price (US cents/Kg)	147.86	191.43	29

Source: TCC

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