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Title: Weekly Market Update

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MSE Price Review (MWK) →

Counter	30-Jun-17	23-Jun-17	% Δ Wkly	31-Dec-16	% Δ Ytd
MASI	15772.51	15767.84	0.03	13320.51	18.41
DSI	12386.77	12383.05	0.03	10456.92	18.46
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	18.51	0.00	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	36.50	35.00	4.29	34.00	7.35
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		3.13	114.12	8.74	1.63
BHL	20.25	4.94	100.00	5.94	0.55
FMB	18.51	2.70	50.00	5.64	1.36
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	3.31	40.00	4.61	0.39
NITL	36.50	2.74	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

NITL share price went up by 4.3 percent to push the market indices 0.03 percent upwards during the week ended 30th June, 2017. Eight counters traded during the week in review, namely, FMB, ILV, MPICO, NBM, NICO, NITL, SBM and TNM at a total consideration of MK98.2 million, 79.9 percent down from the MK490.1 million in the previous week.

NITL was the sole share price mover, inching upwards from MK35.00 from MK36.50 and this pushed the DSI upwards by 3.71 points to 12386.77 points (Previous Week: 12383.05 points). The FSI was steady at 2325.21 points but the movement on the DSI was enough to see the MASI rise by 4.67 points to settle at 15772.51 points (Previous Week: 15767.84 points).

CORPORATE EVENTS

NICO Holdings PLC has issued a trading statement for the period ending 30th June, 2017. The company is advising the investing public that the profit after tax for the half year ended 30th June, 2017 is expected to be higher than the previous corresponding period. NICO realized a profit of MK1.1 billion in 1HY2016.

National Investment Trust PLC (NITL) has released a trading statement advising that the profit after tax for the 6 months ended 30 June 2017 is expected to be more than 150% higher than the previous period ended 30 June 2016. The company posted a loss of MK968.1 million in the first half of FY2016.

First Merchant Bank PLC (FMB) advises that its forecast profit attributable to shareholders for the six months ended 30th June, 2017 is expected to be at least 60% higher than that achieved for the six months period ended 30th June, 2016. The Bank posted a profit of MK2.5 billion in the first half of 2016. FMB has also announced that it has agreed with the U.S., U.K. and Canadian affiliates of Opportunity International to acquire their ownership of Opportunity International Bank of Malawi (OIBM). The transaction is subject to regulatory and statutory approval by the Reserve Bank of Malawi and the Competition and Fair Trading Commission of Malawi.

TB Auction & Money Market Developments →			
Treasury Bill Tenors (days)	91	182	364
Applied for (MK' m)	291.91	352.50	15 799.87
Allotted (MK' m)	291.91	352.50	15 799.87
% Rejection	0.00%	0.00%	0.00%
Average	21.25	21.90	22.50
Current yield (%)	21.47	21.99	22.69
Previous yield (%)	21.32	21.96	23.00
Δ in Yield (%)	0.14	0.03	(0.31)
Highest Accepted Yield (%)	21.50	22.00	23.00
Lowest Accepted Yield (%)	21.00	21.80	22.00
Spread	0.50	0.20	1.00
Auction date	27-Jun-17	27-Jun-17	27-Jun-17
Settlement date	29-Jun-17	29-Jun-17	29-Jun-17
Maturity date	28-Sep-17	28-Dec-17	28-Jun-18
Next auction	04-Jul-17	04-Jul-17	04-Jul-17

MONEY MARKET DEVELOPMENTS

The t-bill auction conducted on 27th June, 2017 attracted a total of MK16.4 billion in applications which was fully allotted. The 364TB received the majority of the bids with 96 percent of amount applied for while the 91TB and 182TB accounted for 2 percent each. Average yield increased by 14 bps and 3 bps on the 91TB and 182TB respectively but decreased by 31 bps on the 364TB.

Excess reserves in the banking remained in negative territory as money market liquidity remained tight. Excess reserves closed the week at minus MK3.0 billion from minus MK0.3 billion in the week ended 23rd June, 2017.

In the forex market, the Malawi Kwacha stood firm against the USD Dollar at MK725.65 but produced a mixed bag of a performance against the other hard currencies. The Kwacha gained against the JPY and ZAR but depreciated against the GBP and EUR. Driven by proceeds from tobacco sales, private sector foreign exchange continued to surge upwards increasing by 11 percent week-over-week but the gross official reserves registered a 0.9 Percent drop within the same period.

FX Movement	30-Jun-17	23-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	943.64	921.30	2.43	890.61	5.95	8.93
MWK/EUR	828.50	809.80	2.31	764.02	8.44	7.28
MWK/JPY	6.68	6.72	(0.59)	6.40	4.39	0.01
MWK/ZAR	55.46	56.16	(1.25)	53.67	3.32	0.50

The Source: NBM (Indicative TT Middle Rate)

Foreign Exchange Reserves	28-Jun-17	23-Jun-17	31-Dec-16	% Δ Wk	% Δ Ytd
Gross Official Reserves (US\$ ml)	643.03	648.63	606.93	(0.86)	5.95
Gross Official Import Cover (months)	3.08	3.10	2.90	(0.65)	6.21
Private Sector Reserves (US\$ ml)	372.01	335.02	336.61	11.04	10.52
Private Sector Import Cover (months)	1.78	1.60	1.61	11.25	10.56

Source: NBM

Cumulative Tobacco Sales (Week 11)	2016	2017	% Δ over 2016
Billion Volume (Kg mn)	69.47	74.75	8
Value (US\$ mn)	104.59	144.47	38
Average Price (US cents/Kg)	150.57	193.25	28

Source: TCC

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