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Title: Weekly Market Update

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MSE Price Review (MWK) →

Counter	10-Mar-17	2-Mar-17	% Δ Wkly	31-Dec-16	% Δ Ytd
MASI	14036.44	13672.69	2.660	13320.51	5.37
DSI	11026.27	10736.99	2.694	10456.92	5.44
FSI	2026.07	2026.07	0.000	2026.07	0.00
BHL	20.25	20.25	0.000	20.10	0.75
FMB	16.00	16.00	0.000	17.00	-5.88
ILV	200.00	180.00	11.111	160.00	25.00
MPICO	8.60	8.60	0.000	7.83	9.83
NBM	240.00	238.00	0.840	237.12	1.21
NBS	6.00	6.00	0.000	6.00	0.00
NICO	12.90	13.00	-0.769	17.00	-24.12
NITL	30.00	25.00	20.000	34.00	-11.76
PCL	540.00	540.00	0.000	540.00	0.00
SBM	500.00	500.00	0.000	500.00	0.00
SUN	58.50	58.50	0.000	58.50	0.00
TNM	6.70	6.70	0.000	6.05	10.74
OML	1612.00	1612.00	0.000	1612.00	0.00

Investor Indicators →

Counter	Price	% DY	Div(t)	P/E(x)	P/BV
MASI		5.21	1891.88	8.46	0.90
DSI		2.71	85.35	8.85	1.59
BHL	20.25	4.94	100.00	5.94	0.55
FMB	16.00	4.38	70.00	9.68	1.61
ILV	200.00	0.00	0.00	25.90	3.04
MPICO	8.60	0.00	0.00	25.45	1.14
NBM	240.00	4.25	1007.00	8.38	2.08
NBS	6.00	0.00	0.00	N/A	0.39
NICO	12.90	6.67	100.00	2.46	0.42
NITL	30.00	4.67	140.00	7.39	0.52
PCL	540.00	2.31	1250.00	5.30	0.71
SBM	500.00	5.11	25.57	6.04	1.87
SUN	58.50	0.48	28.00	14.96	1.28
TNM	6.70	4.48	30.00	12.43	4.30
OML	1 612.00	5.38	8674.00	8.44	0.87

CAPITAL MARKET DEVELOPMENTS

The local bourse put up a strong bullish performance during the week in review as it went up by 2.7 percent week-over-week. Ten counters were active, leaving BHL, SUN and OML as the only counters to close the week without any trades. A total of 23 deals were completed.

Market turnover registered a 48 percent improvement from the previous week as MK26.5 million was realised from the trading of 0.8 million shares compared to MK17.9 million shares realised from 1.6 million shares traded in the previous week.

Four counters, namely, NBM, ILV, NICO and NITL registered price movement during the week. NBM (+0.8%), ILV (+11.1%), and NITL (+20.0%) were the price gain and NICO (-0.8%) share price dropped to partly offset the gains. The DSI and the MASI went up to 11026.27 points from 10736.99 points. The MASI rose from 13672.69 to 14036.44 points but the FSI was flat at 2026.07 points.

CORPORATE EVENTS

National Bank of Malawi (NBM) has announced payment of second interim dividend for the 2016 financial year. The NBM Board resolved to pay a second interim of MK1.54 billion (representing MK3.30 per share). Payment of the dividend is on 31st March, 2017 and 24th March will be the last day to register. The register for shareholders will be re-opened on 27th March, 2017.

ECONOMIC EVENTS

The MERA Board has resolved to maintain the prices for petrol, diesel and paraffin as implemented on 4th November, 2016. Movement in foreign exchange rates and free on board (FOB) prices resulted in increase of landed cost for petrol, diesel and paraffin by 12.27 percent, 15.33 percent and 16.11 percent respectively, resulting in all three products qualifying for upward price adjustment. The Board resolved to tap into the Price Stabilisation Fund to cushion the increase in landed cost for all products. Prices per litre for petrol, diesel and paraffin have been maintained at MK824.70, MK815.80 and MK648.70 respectively.

TB Auction & Money Market Developments



Treasury Bill Tenors (days)	91	182	364
Applied for (MK' m)	2 690.62	4 355.93	4 070.80
Allotted (MK' m)	2 690.62	4 355.93	4 070.80
% Rejection	0.00%	0.00%	0.00%
Average	23.90	25.40	25.29
Current yield (%)	24.00	25.40	25.35
Previous yield (%)	23.99	25.40	25.44
Δ in Yield (%)	0.01	-	(0.09)
Highest Accepted Yield (%)	24.00	25.40	25.48
Lowest Accepted Yield (%)	23.80	25.40	25.10
Spread	0.20	-	0.38
Auction date	07-Mar-17	07-Mar-17	07-Mar-17
Settlement date	09-Mar-17	09-Mar-17	09-Mar-17
Maturity date	08-Jun-17	07-Sep-17	08-Mar-18
Next auction	14-Mar-17	14-Mar-17	14-Mar-17

MONEY MARKET DEVELOPMENTS

The t-bill auction held on 7th March, 2017 achieved full allotment as the RBM allotted all MK11,117.35 million that was bid for. Average yield dropped by 9bps on 364 TB and remained unchanged from the previous week on the 182 TB. Average yield went up by 1bps on the 91 TB.

Liquidity in the banking system dropped week-over-week as excess reserves closed the week at minus MK421 million from MK7.3 billion in the previous week. The interbank rate remained unchanged at 23 percent despite the change in market liquidity.

The Kwacha gained against the GBP, JPY and ZAR but depreciated against the EURO during the week in review. The Malawi Kwacha continued to trade flat against the USD at MK725.43. Total foreign exchange reserves were fairly constant with private sector reserves moving up to partly cover for a marginal drop in gross official reserves.

FX Movement	10-Mar-17	02-Mar-17	% Δ Wk	31-Dec-16	% Δ Ytd	Volatility
MWK/USD	725.43	725.43	0.00	725.43	0.00	0.00
MWK/GBP	881.98	890.76	(0.99)	890.61	(0.97)	2.83
MWK/EUR	768.98	763.94	0.66	764.02	0.65	1.94
MWK/JPY	6.47	6.55	(1.17)	6.40	1.23	0.02
MWK/ZAR	54.96	56.16	(2.14)	53.67	2.39	0.42

The Source: NBM (Indicative TT Middle Rate)

Foreign Exchange Reserves	10-Mar-17	24-Feb-17	31-Dec-16	% Δ Wk	% Δ Ytd
Gross Official Reserves (US\$ ml)	594.41	597.13	606.93	(0.46)	(2.06)
Gross Official Import Cover (months)	2.84	2.86	2.90	(0.70)	(2.07)
Private Sector Reserves (US\$ ml)	331.26	330.57	336.61	0.21	(1.59)
Private Sector Import Cover (months)	1.58	1.58	1.61	0.00	(1.86)

Source: RBM

Fuel Pump Prices (MWK)	New Prices	Old Prices	% Δ
Petrol	824.70	824.70	-
Diesel	815.80	815.80	-
Paraffin	648.70	648.70	-

Source: MERA

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