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Title: Weekly Market Update

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MSE Price Review (MWK) →

Counter	11-May-18	4-May-18	% Δ Wkly	31-Dec-17	% Δ Ytd
MASI	27716.55	27092.17	2.30	21598.07	28.33
DSI	18726.86	18158.46	3.13	16272.64	15.08
FSI	6744.11	6743.62	0.01	3519.43	91.63
BHL	32.33	28.00	15.46	28.00	15.46
ILV	240.00	240.00	0.00	240.00	0.00
MPICO	19.70	19.70	0.00	15.61	26.20
NBM	297.00	285.00	4.21	270.08	9.97
NBS	8.70	8.70	0.00	8.50	2.35
NICO	48.00	48.00	0.00	34.00	41.18
NITL	63.50	56.98	11.44	60.06	5.73
PCL	680.00	680.00	0.00	600.00	13.33
SBM	631.43	631.43	0.00	610.00	3.51
SUN	141.00	137.13	2.82	96.00	46.88
TNM	19.95	18.00	10.83	14.50	37.59
FMBCH	130.01	130.00	0.01	67.00	94.04
OML	2935.01	2935.00	0.00	1930.00	52.07

Investor Indicators →

Counter	Price	% DY	Div(t)	P/E(x)	P/BV
MASI		2.28	1395.00	11.86	1.43
DSI		2.49	123.53	8.16	2.07
BHL	32.33	3.56	115.00	8.25	0.81
ILV	240.00	0.00	0.00	24.18	4.68
MPICO	19.70	0.00	0.00	22.77	1.62
NBM	297.00	6.50	1930.00	7.24	1.71
NBS	8.70	0.00	0.00	N/A	2.02
NICO	48.00	3.13	150.00	4.50	2.22
NITL	63.50	2.05	130.00	3.86	1.00
PCL	680.00	3.68	2500.00	2.06	0.65
SBM	631.43	1.69	1065.00	12.18	2.05
SUN	141.00	0.65	92.00	6.49	1.97
TNM	19.95	3.01	60.00	15.28	6.88
FMBCH	130.01	0.00	0.00	39.65	6.93
OML	2,935.01	2.31	6790.00	12.03	1.38

CAPITAL MARKET DEVELOPMENTS

The local bourse during the week ended 11th may, 2018 registered trading activity on all counters except for PCL and SBM.

A total of 21 million shares were transacted during the week at a total consideration of MWK2.1 billion in 33 deals compared to last week's 43.6 million shares worth MWK1.7 billion traded in 18 deals.

The MASI went up by 624.38 points from 27092.17 points to 27716.55 points due to an increase in both the DSI and Foreign Share Index which increased by 568.39 points from 18158.46 points to 18726.86 points and 0.50 points from 6743.62 points to 6744.11 points respectively.

Price gainers for the week included; BHL from MK28.00 to MK32.33 and OML from MK2935.00 to MK2935.01, NBM from MK285 to MK297, TNM from MK18.00 to MK19.95, SUN from MK137.13 to MK141.00, NITL from MK56.98 to MK63.50 and FMB from MK130.00 to MK130.01

CORPORATE EVENTS

NICO Holdings Limited has partnered a South African-based Eris Property Group (Pty) Limited to set up a local property firm with an initial investment of \$50 million (about K37 billion).

Officials from the two firms signed the partnership agreement in Blantyre on Wednesday, a development that may result in the creation of jobs for Malawians.

Nico Holdings Limited managing director Vizenge Kumwenda said the new company, which is a 50-50 venture, could take on board some Malawians. The new firm is expected to roll out on August 1 with its headquarters in Blantyre.

ECONOMIC EVENTS

The German government has given Malawi 35 million euro (about K30 billion) to help improve the country's health, education and agriculture sectors.

Speaking in an interview after signing the agreement in Lilongwe on Wednesday, German Ambassador Juergen Borsch said Germany is committed to continue helping the Malawi government meet its obligations for its citizens.

According to Borsch, 10 million euro is designated for the improvement of health care systems, reproductive health, and primary school programmes while 5 million euro is for the improvement of infrastructure and job creation in rural areas.

Treasury Bill Tenors (days)	91	182	364
Applied for (MK' m)	596.61	6.45	4,612.35
Allotted (MK' m)	596.61	6.45	4,612.35
% Rejection	0.00%	0.00%	0.00%
Average	14.00	14.50	14.98
Current yield (%)	14.00	14.50	15.00
Previous yield (%)	14.00	14.50	15.00
Δ in Yield (%)	(0.00)	-	-
Highest Accepted Yield (%)	14.00	14.50	15.00
Lowest Accepted Yield (%)	14.00	14.50	14.95
Spread	-	-	0.05
Auction date	08-May-18	08-May-18	08-May-18
Settlement date	10-May-18	10-May-18	10-May-18
Maturity date	09-Aug-18	08-Nov-18	09-May-19
Next auction	15-May-18	15-May-18	15-May-18

The T-bill auction held by the Reserve Bank of Malawi on 8th May, 2018 attracted MK5.8 billion worth of bids and they were fully allotted.

The 364TB was the investors' preferred instrument and accounted for 88.4 percent of the value subscribed while 182TB and 91TB contributed to 0.12 percent and 11.43 percent respectively.

Average yields on the 91TB, 182TB and 364TB stood at 13.99 percent, 14.50 percent and 15.0 percent respectively.

There was an improvement in the liquidity on the money market as excess reserves moved from a negative MK24.0 billion to negative MK14.3 billion in the previous week. The overnight interbank-bank lending rate rose to 15.61 percent from 14.54 percent. Volume traded increased from MK4.7 billion to MK10.5 billion.

The local currency appreciated against the GBP, EUR and JPY.

However the MWK depreciated against the ZAR. Meanwhile the MWK at K725.65 against the USD has been stable since the beginning of the year.

FX Movement	11-May-18	04-May-18	% Δ Wk	31-Dec-17	% Δ Ytd	Volatility
MWK/USD	725.65	725.65	0.00	725.65	0.00	12.07
MWK/GBP	979.27	983.04	(0.38)	974.35	0.50	1.23
MWK/EUR	863.30	867.75	(0.51)	865.10	(0.21)	3.10
MWK/JPY	6.83	6.85	(0.31)	6.63	3.02	0.02
MWK/ZAR	59.16	57.85	2.28	58.74	0.72	0.57

Source: NBM (Indicative TT Middle Rate)

Foreign Exchange Reserves	08-May-18	04-May-18	31-Dec-17	% Δ Wk	% Δ Ytd
Gross Official Reserves (US\$ ml)	634.87	637.70	761.97	(0.44)	(16.68)
Gross Official Import Cover (months)	3.04	3.05	3.65	(0.33)	(16.71)
Private Sector Reserves (US\$ ml)	366.96	360.73	414.03	1.73	(11.37)
Private Sector Import Cover (months)	1.73	1.72	1.98	0.58	(12.63)

Source: NBM

Inflation (%)	Mar-18	Feb-18	% Δ month	Mar-18	% Δ Yr
Headline	9.9	7.8	2.10	15.80	(5.90)
Food	10.6	7.3	3.30	17.00	(6.40)
Non-Food	9.7	9.4	0.30	14.50	(4.80)

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