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Title: Weekly Market Update**Editor: Investment Analyst****Country: Malawi****Date: May 18, 2018****Issued by: NBM Capital Markets Limited****MSE Price Review (MWK) →**

Counter	18-May-18	11-May-18	% Δ Wkly	31-Dec-17	% Δ Ytd
MASI	28280.28	27092.17	4.39	21598.07	30.94
DSI	18760.42	18726.86	0.18	16272.64	15.29
FSI	7420.21	6744.11	10.03	3519.43	110.84
BHL	35.00	32.33	8.26	28.00	25.00
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	297.00	0.00	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	63.50	0.00	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	144.00	141.00	2.13	96.00	50.00
TNM	20.00	19.95	0.25	14.50	37.93
FMBCH	140.00	130.01	7.68	67.00	108.96
OML	2935.00	2935.01	0.00	1930.00	52.07

Investor Indicators →

Counter	Price	% DY	Div(t)	P/E(x)	P/BV
MASI		2.28	1395.00	11.84	1.43
DSI		2.49	123.53	7.91	2.01
BHL	35.00	3.29	115.00	8.93	0.88
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	144.00	0.64	92.00	6.62	2.01
TNM	20.00	3.00	60.00	15.32	6.89
FMBCH	140.00	0.00	0.00	12.96	3.15
OML	2,935.00	2.31	6790.00	12.03	1.38

CAPITAL MARKET DEVELOPMENTS

The bourse during the week ended 18th may, 2018 was bullish and it registered trading activity on all 13 counters.

A total of 12 million shares changed hands at a consideration of MWK660 million in 30 deals as compared to last week where 21 million shares were transacted at a consideration of MWK2.1 billion in 33 deals.

The MASI went up by 563.73 points from 27716.55 points to 28280.78 points due to an increase in both the DSI and FSI by 33.56 points from 18726.86 points to 18760.42 points and 496.10 points from 6744.11 points to 7240.21 points respectively.

Price gainers for the week include; BHL from MK32.33 to MK35.00, FMBCH from MK130.01 to MK140.00, SUNBIRD from MK141.00 to MK144 and TNM from MK19.95 to MK20.00.

CORPORATE EVENTS

FMBCH Ltd has released its financial statements for the year 2017. Profit after tax has increased by 229% to stand at USD34.9 million in 2017 from USD10.6 million. This has been attributed to its acquisition of Opportunity bank of Malawi and Barclays Bank Zimbabwe limited. The company registered growth in total assets by 157% to USD1.16 billion from USD452 million which was a result of growth in loans and advances and property and equipment due to the acquisition of subsidiaries.

The stock price on the Malawi stock exchange has risen from MK45 from the date of listing in September 2017 to MK140 as of 18th May 2018.

ECONOMIC EVENTS

The tobacco control commission reported an income of USD62.04 billion on the close of week 5 which ended on 11th May 2018. This represents a 70.65 percent increase compared to USD36.36 million which was realised last year in the same period. However the average price declined by 11.10 percent to USD1.56 per kilogramme from USD1.75 per kilogramme.

Treasury Bill Tenors (days)	91	182	364
Applied for (MK' m)	941.38	266.46	3,071.69
Allotted (MK' m)	941.38	266.46	3,071.69
% Rejection	0.00%	0.00%	0.00%
Average	14.00	14.50	15.00
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	15.00
Spread	-	-	-
Auction date	15-May-18	15-May-18	15-May-18
Settlement date	17-May-18	17-May-18	17-May-18
Maturity date	16-Aug-18	15-Nov-18	16-May-19
Next auction	22-May-18	22-May-18	22-May-18

The T-bill auction held by the Reserve Bank of Malawi on 15th May, 2018 attracted MK4.3 billion worth of bids and they were fully allotted.

The 364TB was the investors' preferred instrument and accounted for 71.7 percent of the value subscribed while 182TB and 91TB contributed to 6.2 percent and 22 percent respectively.

Average yields on the 91TB, 182TB and 364TB at 14.0 percent, 14.50 percent and 15.0 percent respectively.

There was an improvement in the liquidity of the banking as excess reserves moved from a negative MK14.3 billion to negative MK3.08 billion.. The overnight interbank-bank lending rate rose to 15.94 percent from 15.61 percent. Volume traded increased from MK10.5 billion to MK13.2 billion.

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

However the MWK has depreciated against the ZAR. Meanwhile the USD is still fixed at K725.65 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	0.00
MWK/GBP	977.97	983.04	(0.52)	974.35	0.37	1.54
MWK/EUR	855.48	867.75	(1.41)	865.10	(1.11)	3.73
MWK/JPY	6.74	6.85	(1.60)	6.63	1.69	0.03
MWK/ZAR	57.92	57.85	0.13	58.74	(1.39)	0.45

Source: NBM (Indicative TT Middle Rate)

Foreign Exchange Reserves	10-May-18	08-May-18	31-Dec-17	% Δ Wk	% Δ Ytd
Gross Official Reserves (US\$ ml)	658.19	634.87	761.97	3.67	(13.62)
Gross Official Import Cover (months)	3.04	3.04	3.65	0.00	(16.71)
Private Sector Reserves (US\$ ml)	362.83	366.96	414.03	(1.13)	(12.37)
Private Sector Import Cover (months)	1.70	1.73	1.98	(1.73)	(14.14)

Source: RBM

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)

Source: RBM

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