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Title: Weekly Market Update**Editor: Investment Analyst****Country: Malawi****Date: November 30th, 2018****Issued by: NBM Capital Markets Limited****MSE Price Review (MWK) →**

Counter	30-Nov-18	23-Nov-18	% Δ Wkly	31-Dec-17	% Δ Ytd
MASI	26803.80	26370.35	1.64	21598.07	24.10
DSI	20772.39	20377.20	1.94	16272.64	27.65
FSI	3778.77	3778.77	0.00	3519.43	7.37
BHL	13.00	13.00	0.00	28.00	(53.57)
ILV	200.00	200.00	0.00	240.00	(16.67)
MPICO	12.50	13.20	-5.30	15.61	(19.92)
NBM	332.02	332.00	0.01	270.08	22.93
NBS	10.50	10.50	0.00	8.50	23.53
NICO	49.98	49.98	0.00	34.00	47.00
NITL	86.00	86.00	0.00	60.06	43.19
PCL	1140.00	1150.00	-0.87	600.00	90.00
SBM	670.00	670.00	0.00	610.00	9.84
SUN	145.00	145.00	0.00	96.00	51.04
TNM	24.50	22.31	9.82	14.50	68.97
FMBCH	70.00	70.00	0.00	67.00	4.48
OMU	2513.25	2513.25	0.00	1930.00	30.22

Investor Indicators →

Counter	Price	% DY	Div(t)	P/E(x)	P/BV
BHL	13.00	8.85	115.00	21.55	2.12
ILV	200.00	0.00	0.00	20.15	3.90
MPICO	12.50	1.16	18.00	5.64	1.04
NBM	332.02	5.81	1930.00	8.10	1.92
NBS	10.50	0.00	0.00	-27.98	2.44
NICO	49.98	2.94	150.00	4.69	2.31
NITL	86.00	1.51	130.00	5.23	1.35
PCL	1,140.00	2.17	2500.00	3.49	1.10
SBM	670.00	1.59	1065.00	12.93	2.18
SUN	145.00	0.63	92.00	15.58	2.02
TNM	24.50	2.45	60.00	18.77	8.44
FMBCH	70.00	0.00	0.00	6.48	1.58

CAPITAL MARKET DEVELOPMENTS

During the week ended 30th November, 2018, the local bourse registered trading activity on the following counters; BHL, FMBCH, MPICO, ILLOVO, NBS, NBM, NITL, OMU, STD, PCL and TNM.

A total of 85.5 million shares were traded at a consideration of MK6.04 billion compared to the previous week when 11.6 million shares were traded at a total consideration of MK1.06 billion.

The MASI gained 433.45 points moving from 26370.35 to 26803.80 due to the gains in the DSI from 20377.20 to 20772.39. The price gainers during the week in review was TNM which closed at MK24.50 from MK22.31 and NBM which closed at MK332.02 from MK332.00.

The price droppers were MPICO which moved from MK13.20 to MK12.50 and PCL which moved from MK1,150.00 to MK1,140.00.

CORPORATE EVENTS

National Bank of Malawi gets a licence for SME development Bank

National Bank of Malawi Plc (NBM) has been granted a licence by the Reserve Bank of Malawi to establish a small and medium enterprises (SME) development bank. This new bank is aimed at providing long term loans to small businesses at concessional terms.

ECONOMIC EVENTS

Foreign exchange reserves developments.

The Reserve Bank of Malawi (RBM) has released its monthly economic review for September where among other things it has pointed out that the country has enough Foreign exchange reserves. The total reserves stood at US\$689.2 million in September 2018, adequate to cover import bill of 3.3 months. Foreign exchange inflows amounted to US\$78.3 million in September 2018, lower than US\$90.4 million recorded in August 2018. The decline was largely explained by a reduction in foreign exchange purchases from the market as well as project funds. Foreign exchange purchases dropped to US\$2.0 million from US\$12.5 million in the previous month, while project funds inflows declined to US\$14.0 million, from US\$21.1 million recorded in the preceding month.

Treasury Bill Tenors (days)	91	182	364
Applied for (MK' m)	40.43	6,936.98	15.00
Allotted (MK' m)	40.43	2,547.10	15.00
% Rejection	0.00%	0.00%	0.00%
Average	11.46	13.50	14.00
Current yield (%)	11.42	13.50	14.00
Previous yield (%)	11.50	14.00	15.00
Δ in Yield (%)	(0.08)	(0.50)	(1.00)
Highest Accepted Yield (%)	11.42	13.50	14.00
Lowest Accepted Yield (%)	11.50	13.50	14.00
Spread	(0.08)	-	-
Auction date	27-Nov-18	27-Nov-18	27-Nov-18
Settlement date	29-Nov-18	29-Nov-18	29-Nov-18
Maturity date	28-Feb-19	30-May-19	28-Nov-19
Next auction	04-Dec-18	04-Dec-18	04-Dec-18

The T-bill auction held by the Reserve Bank of Malawi on 27th November, 2018 attracted MK6.99 billion worth of bids which MK2.63 billion was allotted representing a 62.78 percent rejection rate. The 182TB was the investors' preferred instrument as it accounted for 97.9 percent of the value subscribed followed by the 91TB at 1.55 percent. The 364TB were rejected. Average yield on the 91TB, 182TB, 364TB stood at 11.41 percent, 13.50 percent and 14.00 percent respectively.

Excess reserves in the banking system moved from MK9.4 billion to MK15.6 billion. The overnight interbank-bank lending rate moved to 14.84 percent from 14.82 percent in the previous week. Daily average volume borrowed on the interbank market moved from MK6.92 billion to MK9.4 billion.

The local currency appreciated against the JPY, GBP and EUR, but depreciated against the ZAR. However, it remained unchanged against the USD.

FX Movement	30-Nov-18	23-Nov-18	% Δ Wk	31-Dec-17	% Δ Ytd	Volatility
MWK/USD	729.84	729.84	0.00	725.65	0.58	0.00
MWK/GBP	931.56	939.66	(0.86)	974.35	(4.39)	2.95
MWK/EUR	830.17	832.69	(0.30)	865.10	(4.04)	2.73
MWK/JPY	6.62	6.66	(0.59)	6.63	(0.10)	0.02
MWK/ZAR	53.64	51.81	3.52	58.74	(8.69)	0.37

Source: NBM (Indicative TT Middle Rate)

Foreign Exchange Reserves	23-Nov-18	31-Oct-18	31-Dec-17	% Δ Wk	% Δ Ytd
Gross Official Reserves (US\$ ml)	669.92	669.92	761.97	0.00	(12.08)
Gross Official Import Cover (months)	3.20	3.20	3.65	0.00	(12.33)
Private Sector Reserves (US\$ ml)	329.23	329.23	414.03	0.00	(20.48)
Private Sector Import Cover (months)	1.58	1.58	1.98	0.00	(20.20)

Source: NBM

Inflation (%)	Oct-18	Sep-18	% Δ month	Mar-18	% Δ Yr
Headline	9.7	9.5	0.40	15.80	(6.10)
Food	10.4	10.2	0.30	17.00	(6.60)
Non-Food	9.2	8.9	0.50	14.50	(5.30)

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