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Title: Weekly Market Update

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MSE Price Review (MWK) →

Counter	14-Sep-18	7-Sep-18	% Δ Wkly	31-Dec-17	% Δ Ytd
MASI	32285.56	32306.69	-0.07	21598.07	49.48
DSI	21443.49	21465.59	-0.10	16272.64	31.78
FSI	8236.83	8236.83	0.00	3519.43	134.04
BHL	8.70	8.08	7.67	28.00	(68.93)
ILV	240.00	240.00	0.00	240.00	0.00
MPICO	19.51	19.45	0.31	15.61	24.98
NBM	311.00	310.06	0.30	270.08	15.15
NBS	9.00	9.00	0.00	8.50	5.88
NICO	52.00	53.95	-3.61	34.00	52.94
NITL	75.00	75.00	0.00	60.06	24.88
PCL	850.00	850.00	0.00	600.00	41.67
SBM	670.00	670.00	0.00	610.00	9.84
SUN	145.00	145.00	0.00	96.00	51.04
TNM	28.50	28.50	0.00	14.50	96.55
FMBCH	159.98	159.98	0.00	67.00	138.78
OMU	2513.26	2513.26	0.00	1930.00	30.22

CAPITAL MARKET DEVELOPMENTS

During the week ended 14th September, 2018 the local bourse registered trading activity on seven counters, namely; BHL,MPICO, NBM, NBS, NICO NITL,OMU and TNM. Total of 2.6 million Shares were traded at a consideration of MK70.0 million compared to the previous week where a total of 8 million shares were transacted at a total consideration of MK1.8 billion.

The MASI lost 21.13 points as it inched downwards from 32,306.69 points to 32,285.56 points due to the drop the DSI from 21,145.76 to 21,465.59. The FSI was firm closing the week at 8,239.83 points. The price gainers during the week were BHL which has moved from MK8.08 to MK8.70, MPICO which has moved from MK19.45 to MK19.51. The gains on MPICO, BHL and NBM were eroded by a price loss on NICO which dropped from MK53.95 to MK52.00

CORPORATE EVENTS

Malawi Stock Exchange listed SUNBIRD Tourism PLC has released the results for the H1 2018 which indicate a revenue growth of 3 percent from MK8.9 billion in June 2017 to MK9.2 billion. Management has attributed low revenue growth to low demand which generally depressed the performance of most segments in the tourism and hospitality industry. The net profit for the company grew by 9.0 percent from MK1.07 billion to MK1.17 billion in the period under review. Finance costs dropped by 31 percent from MK323.8 million to MK224.4 million. The assets for the company grew 33.2 % from MK24.4 billion to MK32.6 billion.

The Board paid a dividend of 50 tambala per share in FY2017 and it has now declared an interim dividend of 28 tambala per share. The company has a few projects underway some of which include the construction of a state of the art conference centre at Sunbird Mount Soche. The company is also expected to commence the construction of a 42 bedroom beach resort at Sunbird Livingstonia beach. These developments will surely boost the performance of the company and grow its asset base.

Investor Indicators →

Counter	Price	% DY	Div(t)	P/E(x)	P/BV
BHL	8.70	14.23	115.00	13.40	1.32
ILV	240.00	0.00	0.00	24.18	4.68
MPICO	19.51	0.93	18.00	8.78	1.62
NBM	311.00	6.22	1930.00	7.56	1.79
NBS	9.00	0.00	0.00	-23.98	2.01
NICO	52.00	2.78	150.00	5.06	2.50
NITL	75.00	1.73	130.00	4.56	1.18
PCL	850.00	2.94	2500.00	2.58	0.81
SBM	670.00	1.59	1065.00	12.93	2.18
SUN	145.00	0.63	92.00	15.58	2.02
TNM	28.50	2.11	60.00	21.83	9.82
FMBCH	159.98	0.00	0.00	14.81	3.60

Treasury Bill Tenors (days)	91	182	364
Applied for (MK' m)	1,885.88	3,868.85	1,292.28
Allotted (MK' m)	320.92	1,613.13	1,292.28
% Rejection	82.98%	0.00%	0.00%
Average	13.92	14.50	15.00
Current yield (%)	13.98	14.50	15.00
Previous yield (%)	13.93	14.50	15.00
Δ in Yield (%)	0.05	-	-
Highest Accepted Yield (%)	14.00	14.50	15.00
Lowest Accepted Yield (%)	13.84	14.50	15.00
Spread	0.16	-	-
Auction date	11-Sep-18	11-Sep-18	11-Sep-18
Settlement date	13-Sep-18	13-Sep-18	13-Sep-18
Maturity date	13-Dec-18	14-Mar-19	12-Sep-19
Next auction	18-Sep-18	18-Sep-18	18-Sep-18

The T-Bill auction held by the Reserve Bank of Malawi on 11th September, 2018 attracted MK7.05 billion worth of bids of which MK3.2 billion was allotted. The 182TB was the investors' preferred instrument and accounted for 50 percent of the value subscribed while 364TB accounted for 40 percent of the subscriptions and 91TB accounted for 10 percent. Average yield on the 91TB, 182TB and 364TB were at 13.91 percent and 14.50 and 15.00 percent respectively.

There was an improvement in the liquidity on the money market as excess reserves moved from negative MK14.0 billion in the previous week to MK0.9 billion. The overnight interbank-bank lending rate moved from 15.06 percent to 15.03 percent. Volume traded moved from MK8.00 billion to MK4.9 billion.

The local currency depreciated against the GBP, ZAR and EUR, it however appreciated against the JPY. The USD is still fixed at K725.65 since the beginning of the year.

FX Movement	14-Sep-18	07-Sep-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	952.07	938.35	1.46	974.35	(2.29)	5.39
MWK/EUR	848.36	843.43	0.58	865.10	(1.94)	3.97
MWK/JPY	6.68	6.76	(1.12)	6.63	0.80	0.02
MWK/ZAR	49.30	47.62	3.52	58.74	(16.07)	0.61

Source: NBM (Indicative TT Middle Rate)

Foreign Exchange Reserves	07-Sep-18	31-Aug-18	31-Dec-17	% Δ Wk	% Δ Ytd
Gross Official Reserves (US\$ ml)	742.16	751.91	761.97	(1.30)	(2.60)
Gross Official Import Cover (months)	3.55	3.66	3.65	(3.01)	(2.74)
Private Sector Reserves (US\$ ml)	323.83	342.93	414.03	(5.57)	(21.79)
Private Sector Import Cover (months)	1.55	1.64	1.98	(5.49)	(21.72)

Source: NBM

Inflation (%)	Jul-18	Jun-18	% Δ month	Mar-18	% Δ Yr
Headline	9.0	8.6	0.40	15.80	(6.80)
Food	9.5	9.1	0.40	17.00	(7.50)
Non-Food	8.7	8.2	0.50	14.50	(5.80)

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