

Services by NBM Capital Markets Limited include:

1. Fund Management
2. Wealth/Cash Management
3. Corporate Finance
4. Financial Advisory

Title: Weekly Market Update

Editor: Investment Analyst

Country: Malawi

Date: September 21st, 2018

Issued by: NBM Capital Markets Limited

MSE Price Review (MWK) →

Counter	21-Sep-18	14-Sep-18	% Δ Wkly	31-Dec-17	% Δ Ytd
MASI	32433.12	32285.56	0.46	21598.07	50.17
DSI	21581.81	21443.49	0.65	16272.64	32.63
FSI	8235.84	8236.83	-0.01	3519.43	134.01
BHL	10.65	8.70	22.41	28.00	(61.96)
ILV	240.00	240.00	0.00	240.00	0.00
MPICO	19.51	19.51	0.00	15.61	24.98
NBM	311.00	311.00	0.00	270.08	15.15
NBS	8.98	9.00	-0.22	8.50	5.65
NICO	52.00	52.00	0.00	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	29.00	28.50	1.75	14.50	100.00
FMBCH	159.96	159.98	-0.01	67.00	138.75
OMU	2513.25	2513.26	0.00	1930.00	30.22

CAPITAL MARKET DEVELOPMENTS

During the week ended 21st September, 2018 the local bourse registered trading activity on seven counters, namely; BHL, FMBCH, MPICO, NBS, NICO, SUNBIRD and TNM. A total of 15.5 million shares were traded at a consideration of MK1.9 billion compared to the previous week when a total of 2.6 million shares were transacted at a total consideration of MK70 million.

The MASI gained 147.56 points from 32,285.56 points to 32,433.12 points due to an increase in the DSI from 21,443.49 to 21,581.81. The FSI dropped slightly from 8,236.83 points to 8,235.84. The price gainers during the week were BHL which has moved from MK8.70 to MK10.65, and TNM which moved from MK28.50 to MK29.00. The price droppers during the week in review are FMBCH which dropped to MK159.96 from MK159.98 and NBS which has closed at MK8.98 from MK9.00.

Investor Indicators →

Counter	Price	% DY	Div(t)	P/E(x)	P/BV
BHL	10.65	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	8.98	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	29.00	2.11	60.00	21.83	9.82
FMBCH	159.96	0.00	0.00	14.81	3.60

CORPORATE EVENTS

Press Corporation plc (PCL) has acquired a 10 percent shareholding in Sunbird Tourism plc. The conglomerate has bought shares which have been offloaded by UK-based investor Noel Hayes who owned a 16.44 percent stake. PCL is the second largest shareholder in Sunbird after the government which owns 71 percent and the public owns 12.56 percent. This is in line with the company's intentions of expanding its investment base to include tourism. However, according to Sunbird Tourism board chairperson the government may dilute its shareholding in order to finance infrastructural developments.

Press Corporation plc is listed on the Malawi Stock exchange (MSE) and on London stock exchange (LSE) as a global depository receipt and has interests in many sectors including; energy, food and beverages, financial services and telecommunications and consumer goods.

Treasury Bill Tenors (days)	91	182	364
Applied for (MK' m)	796.77	6,361.73	8,435.71
Allotted (MK' m)	796.77	966.72	1,459.42
% Rejection	0.00%	0.00%	82.70%
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	18-Sep-18	18-Sep-18	18-Sep-18
Settlement date	20-Sep-18	20-Sep-18	20-Sep-18
Maturity date	20-Dec-18	21-Mar-19	19-Sep-19
Next auction	25-Sep-18	25-Sep-18	25-Sep-18

The T-bill auction held by the Reserve Bank of Malawi on 18th September, 2018 attracted MK15.9 billion worth of bids of which MK3.2 billion was allotted representing 80 percent rejection rate. The 364TB was the investors' preferred instrument and accounted for 45.3 percent of the value subscribed while 182TB had 30 percent of the subscriptions and 91TB contributed to 24.7 percent. Average yield on the 91TB, 182TB and 364TB stood at 13.98 percent and 14.50 and 15.00 percent respectively.

The liquidity in the money market increased as excess reserves moved from MK0.9 billion in the previous week to MK45.3 billion. The overnight interbank-bank lending rate moved from 15.03 percent to 14.76 percent. Volume traded moved from MK4.90 billion to MK5.8 billion.

The local currency depreciated against the GBP, ZAR and EUR, it however appreciated against the JPY. The USD is still fixed at MK725.65 since the beginning of the year.

FX Movement	21-Sep-18	14-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	963.03	952.07	1.15	974.35	(1.16)	4.96
MWK/EUR	854.60	848.36	0.73	865.10	(1.21)	3.96
MWK/JPY	6.63	6.68	(0.79)	6.63	0.00	0.02
MWK/ZAR	51.07	49.30	3.58	58.74	(13.06)	0.98

Source: NBM (Indicative TT Middle Rate)

Foreign Exchange Reserves	21-Sep-18	14-Aug-18	31-Dec-17	% Δ Wk	% Δ Ytd
Gross Official Reserves (US\$ ml)	744.65	742.16	761.97	0.34	(2.27)
Gross Official Import Cover (months)	3.56	3.56	3.65	0.00	(2.47)
Private Sector Reserves (US\$ ml)	322.70	323.83	414.03	(0.35)	(22.06)
Private Sector Import Cover (months)	1.54	1.55	1.98	(0.65)	(22.22)

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:
01 831 179, 01 831 177

Disclaimer: This report is not an offer or a solicitation to buy or sell the securities mentioned herein, and is provided solely for the information of clients of NBM Capital Markets Limited who are expected to make their own investment decisions without relying solely on this report. Investments fluctuate in price and value and neither the investment nor a return on the investment is guaranteed. NBM Capital Markets Limited shall accept no liability for any direct or consequential loss arising from the use of any information and opinions contained herein.