ANNUAL MARKET PERFORMANCE REVIEW 2016

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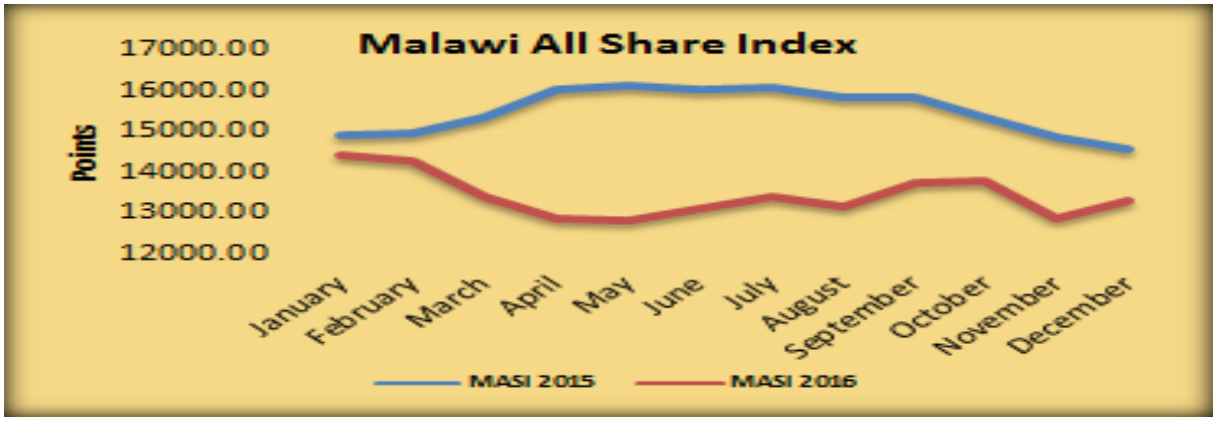
1. TRADING SUMMARY

The market was bearish in 2016 as it registered a negative return on investment of 8.53% (-15.70% in US$ terms) compared to a negative return of 2.17%(-29.94% in US$ terms) in 2015 and recorded a decrease in both total traded value and volume compared to the corresponding period 2015. Britam Insurance Company Limited officially delisted on 18th April, 2016.

There were no trades on the government bonds.

INDEX	JAN. 2016	DEC. 2016	% Δ 2016 (MK)	% Δ 2016 (US$)	% Δ 2015 (MK)	% Δ 2015 (US$)
MASI	14562.53	13320.51	8.53 ▼	15.70 ▼	2.17 ▼	29.94 ▼
DSI	11462.87	10456.92	8.78 ▼	15.93 ▼	2.20 ▼	29.96 ▼
FSI	1762.13	2026.07	14.98 ▲	5.96 ▲	0.14 ▲	28.29 ▼

Year-To-Date Index Levels and Return



Trading Statistics

	Year 2016	Year 2015	% Δ
Traded Value (MK)	6,196,059,036.94	48,592,086,538.82	87.25 ▼
Traded Value (US$)	8,643,385.39	101,857,955.72	91.51 ▼
Traded Vol. Shares	410,895,390	2,355,317,369	82.55 ▼
No. of Transactions	913	1,220	25.16 ▼
Index Close (MASI)	13320.51	14562.53	8.53 ▼
Listed companies	13	14	
Traded Companies	13	14	
Not Traded Companies	00	00	
Gainers	07	09	
Decliners	06	05	
Unchanged	00	00	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 410,895,390 shares a total consideration of MK6,196,059,036.94 (US$8,643,385.39) in 913 trades. In the corresponding period 2015, the market transacted a total of 2,355,317,369 shares at a total consideration of MK48,592,086,538.82 (US$101,857,955.72) in 1,220 trades. This reflects a –82.55% decrease in terms of share volume and a –87.25% (-91.51% in US Dollar terms) decrease in share value.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 1,656,836 shares compared to 9,497,247 shares traded in the corresponding period 2015.

The average daily turnover for the year 2016 was MK24,984,109.02 (US$34,852.36) compared with MK195,935,832.82 (US$410,717.56) for the corresponding period 2015, reflecting a decrease of 87.25% (-91.51% in US Dollar terms).

MPICO raised MK9.0 billion through a Rights Issue and the Rights Issue shares were listed on 21 November 2016 bringing the total number of listed MPICO shares to 2,298,047,460 from 1,149,023,730.

B. Market Capitalization and Index

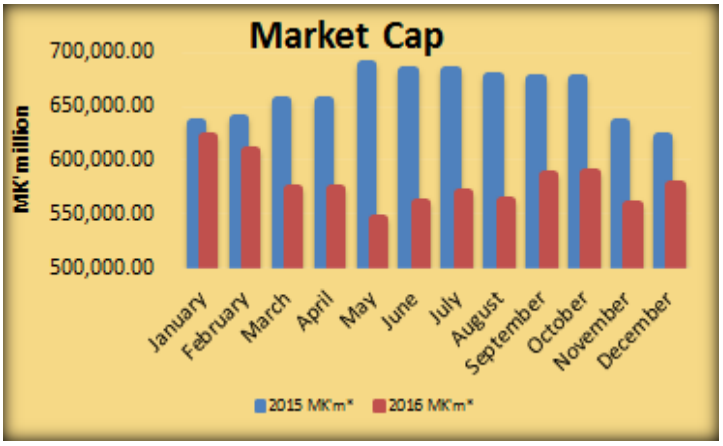
The market registered a negative return on index as reflected in the downward movement of the Malawi All Share Index (MASI) from 14562.53 points registered on 4 January 2016 to 13320.51 points registered on 30th December 2016, giving a return on index of –8.53%, (-15.70% in US$ terms) compared to –2.17%, (-29.94% in US$ terms) registered in 2015. The price gains registered on BHL, FMB, PCL, STANDARD, SUNBIRD, TNM and OML were not enough to offset share price losses registered on NBS, NICO, NITL, ILLOVO, NBM and MPICO resulting in a downward movement of the Malawi All Share Index, arising from a decrease in the Domestic Share Index -8.78% (-15.93%) despite an increase in the Foreign Share Index 14.98% (5.96%).

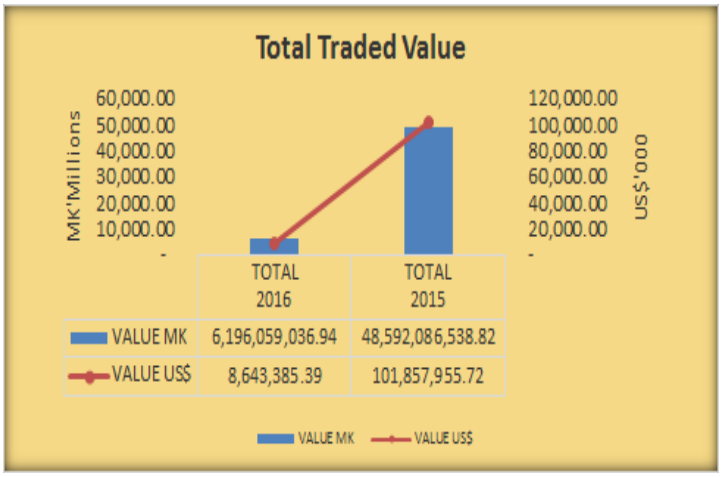
Market capitalization decreased both in Kwacha and United States Dollar terms from MK622,115.40 million (US$936.2932 mln) on 04th January 2016 to MK577,621.92 million (US$796.2480 mln) on 30th December 2016.

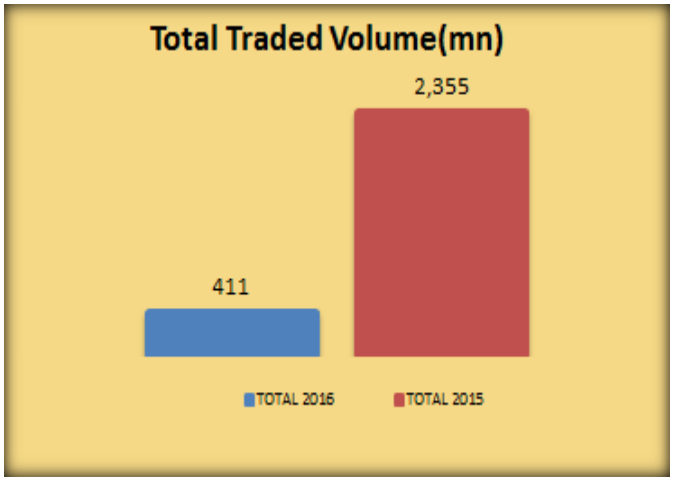
C. Market Liquidity

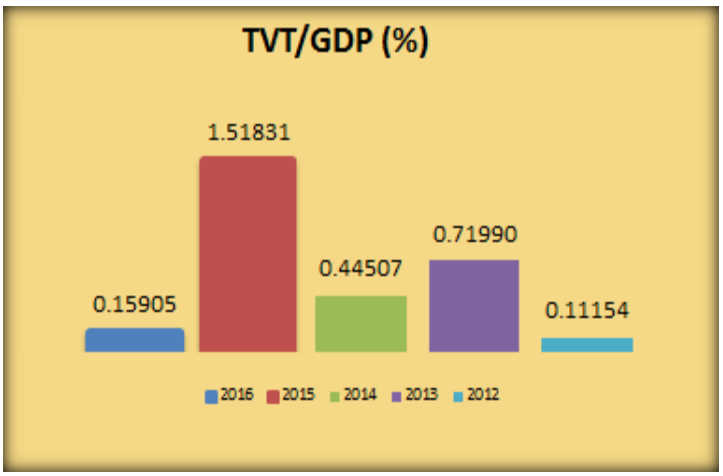
The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation **(TVT/MCAP*),** an indicator of the liquidity of assets traded on the market, in 2016 was recorded at 1.07%, lower than 7.81% registered in 2015. The ratio of Total Value of Trades to Gross Domestic Product **(TVT/GDP)** recorded a liquidity level of 0.16% in the review period while during the corresponding period of 2015 liquidity was at 1.52%.

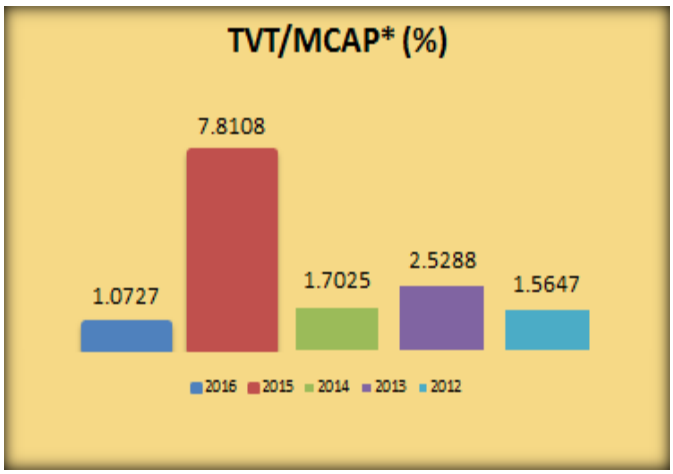
2. MARKET PERFORMANCE











2. MARKET PERFORMANCE

Month	Deals	Volume Traded	Value Traded MK	Value Traded US$	Market Cap MKm*	Market Cap US$m*
Jan	80	2,795,087	99,852,436.20	143,759.67	622,115.40	930.56
Feb	65	1,830,916	106,507,786.33	141,811.08	609,344.30	821.56
Mar	73	5,067,001	89,521,602.30	125,394.56	573,304.05	840.11
Apr	74	54,962,804	528,512,298.00	774,054.23	548,930.74	799.37
May	82	30,578,347	302,536,644.07	428,709.35	546,929.04	772.51
June	85	5,499,723	160,580,210.34	226,380.01	560,243.61	786.41
July	67	9,822,509	79,415,164.70	110,989.31	571,143.38	793.41
Aug	72	42,384,723	985,792,369.78	1,367,968.41	562,302.27	780.19
Sept	104	29,146,377	520,695,844.27	722,459.09	586,620.72	813.93
Oct	64	2,601,165	331,416,056.34	459,835.71	588,257.66	816.20
Nov	81	38,318,065	1,385,112,183.47	1,928,002.46	558,339.96	773.32
Dec	66	187,888,673	1,606,116,441.14	2,214,021.51	577,621.92	796.25
Total 2016		**410,895,390**	**6,196,059,036.94**	**8,643,385.39**		
Total 2015		**2,355,317,369**	**48,592,086,538.82**	**101,857,955.72**		

3. COMPANY TRADING PERFORMANCE

MALAWI STOCK EXCHANGE

A. Top gainers: 7 Counters registered Capital gains

MSE CODE	COUNTER NAME	% GAIN
SUNBIRD	Sunbird Tourism Malawi	154.35 ▲
BHL	Blantyre Hotels Limited	109.38 ▲
FMB	FMB Bank	21.43 ▲
OML	Old Mutual plc	14.98 ▲
STANDARD	Standard Bank Malawi	13.64 ▲

B. Top Losers: 6 Counters registered Capital losses

MSE CODE	COUNTER NAME	% LOSS
NBS	NBS Bank	73.91 ▼
NICO	NICO Holdings Limited	39.29 ▼
NITL	National Investment Trust Limited	38.18 ▼
ILLOVO	Illovo Sugar Malawi Limited	30.43 ▼
NBM	National Bank of Malawi	8.09 ▼

C. Top Five Traded Stocks by volume

MSE CODE	COUNTER NAME	SHARES	% of Total
MPICO	MPICO Limited	223,093,180	**54.29**
TNM	Telekom Networks Malawi	131,555,906	**32.02**
FMB	FMB Bank	22,499,102	**5.48**
NBS	NBS Bank	14,772,405	**3.60**
ILLOVO	Illovo Sugar Malawi Limited	4,553,614	**1.11**

C. Top Five Traded Stocks by value

MSE CODE	COUNTER NAME	VALUE	% of Total
MPICO	MPICO Limited	1,772,945,903.08	**28.61**
NBM	National Bank of Malawi	1,494,334,077.33	**24.12**
TNM	Telekom Networks Malawi	776,055,274.93	**12.52**
ILLOVO	Illovo Sugar Malawi Limited	739,230,357.72	**11.93**
STANDARD	Standard Bank Malawi	558,270,991.53	**9.01**

3. COMPANY TRADING PERFORMANCE

COUNTER	HIGH (MK)	LOW (MK)	Earnings Yield (%)	P/E	P/BV	MKT CAP (MK'Mln)	MKT CAP (US$'Mln)
BHL	20.10	9.60	16.96	5.90	0.55	2,596.77	3.58
FMB	18.50	9.60	9.72	10.29	1.71	39,716.25	54.75
ILLOVO	230.00	155.00	4.83	20.72	2.43	114,151.10	157.36
MPICO	8.35	5.24	4.32	23.17	1.04	17,993.71	24.80
NBM	258.00	215.00	12.07	8.28	2.06	110,718.85	152.63
NBS	23.00	6.00	N/A	N/A	0.39	4,365.86	6.02
NICO	28.00	17.00	31.10	3.22	0.55	17,731.70	24.44
NITL	55.00	34.00	11.94	8.38	0.59	4,590.00	6.33
PCL	540.00	535.00	18.85	5.30	0.71	64,938.14	89.52
STANDARD	500.00	440.00	11.38	8.79	2.49	117,334.08	161.74
SUNBIRD	58.50	23.00	6.68	14.96	1.28	15,302.58	21.09
TNM	7.53	4.00	8.91	11.22	3.88	60,744.72	83.74
OML	1,612.00	1,402.00	11.85	8.44	0.87	7,438.15	10.25

3. COMPANY TRADING PERFORMANCE

MALAWI STOCK EXCHANGE

Company	Opening Price	Closing Price	% Price Change	Share Vol. Traded	% Traded	Value Traded MK
BHL	960	2010	109.38	437,736	0.11	6,984,794.80
BRITAM	200	-		1,017,815	0.25	2,035,630.00
FMB	1400	1700	21.43	22,499,102	5.48	253,653,268.38
ILLOVO	23000	16000	-30.43	4,553,614	1.11	739,230,357.72
MPICO	820	783	-4.51	223,093,180	54.29	1,772,945,903.08
NBM	25800	23712	-8.09	5,946,885	1.45	1,494,334,077.33
NBS	2300	600	-73.91	14,772,405	3.60	107,954,901.22
NICO	2800	1700	-39.29	1,167,431	0.28	21,273,776.20
NITL	5500	3400	-38.18	3,273,148	0.80	134,485,956.60
PCL	53500	54000	0.93	508,282	0.12	272,435,870.00
STANDARD	44000	50000	13.64	1,163,019	0.28	558,270,991.53
SUNBIRD	2300	5850	154.35	887,484	0.22	27,828,239.15
TNM	600	605	0.83	131,555,906	32.02	776,055,274.93
OML PLC	140200	161200	14.98	19,383	0.005	28,569,996.00
				410,895,390	**100.00**	**6,196,059,036.94**

4. BOND TRADING PERFORMANCE

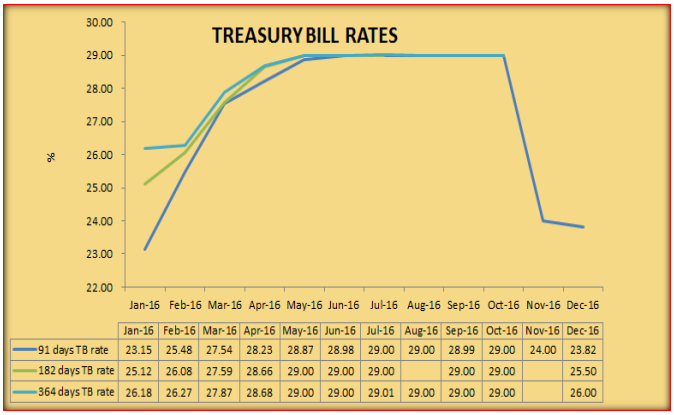
BOND	MATURITY DATE	COUPON DATE	COUPON RATE (%)	NOMINAL VALUE (MK'MN)
MW5YN	31 December, 2016	30 June & 31 Dec	10	822.04
MW3YNR	30 June, 2017	30 June & 31 Dec	15	106,870.00
Total Outstanding Treasury bonds				**107,692.04**

The MW5YN Government bond matured on 31st December 2016.

5. ECONOMIC REVIEW

Interest Rates

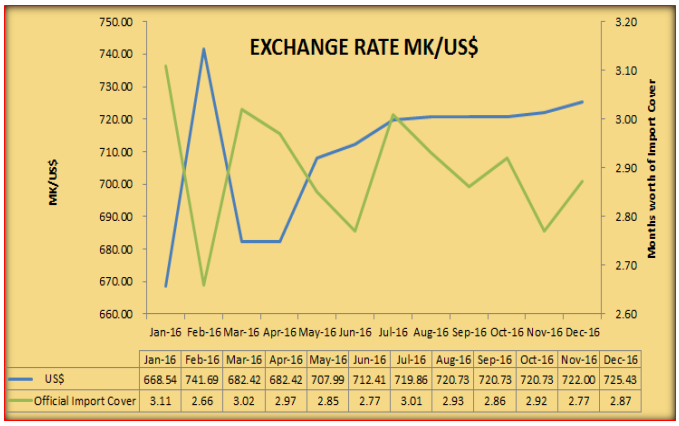
During the period under review, the yields on treasury bills increased in the 91 Tbill from 23.15% to 23.82% and the 182 Tbill from 25.12% to 25.50%. The 364 Tbill decreased from 26.18% to 26.00%.



	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
91 days TB rate	23.15	25.48	27.54	28.23	28.87	28.98	29.00	29.00	28.99	29.00	24.00	23.82
182 days TB rate	25.12	26.08	27.59	28.66	29.00	29.00	29.00		29.00	29.00		25.50
364 days TB rate	26.18	26.27	27.87	28.68	29.00	29.00	29.01	29.00	29.00	29.00		26.00

Exchange Rates

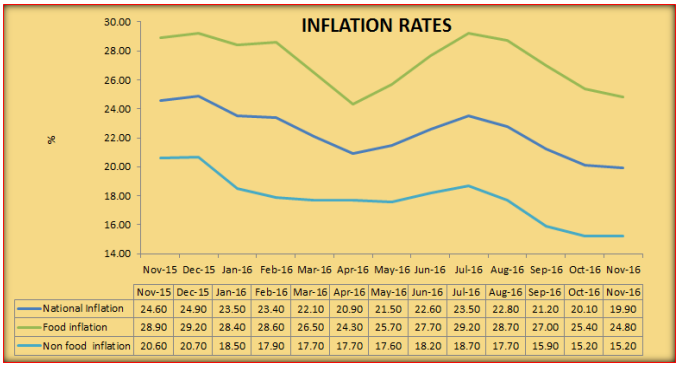
The Kwacha depreciated against the United States Dollar by 7.84% in the period under review.



	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
US$	668.54	741.69	682.42	682.42	707.99	712.41	719.86	720.73	720.73	720.73	722.00	725.43
Official Import Cover	3.11	2.66	3.02	2.97	2.85	2.77	3.01	2.93	2.86	2.92	2.77	2.87

Inflation Rates

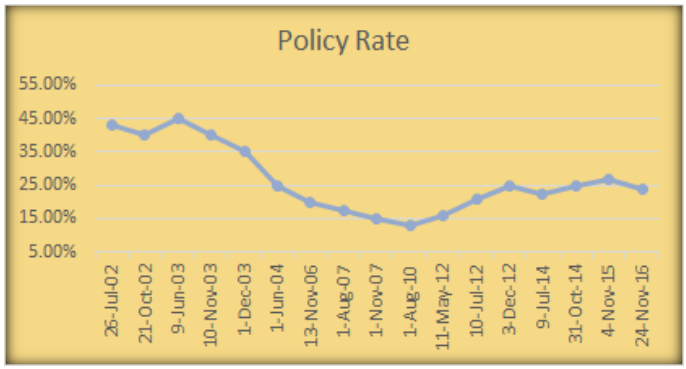
Headline inflation eased by 3.60 percentage points from 23.5% in Jan. 2016 to 19.9% in Nov. 2016.



	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
National Inflation	24.60	24.90	23.50	23.40	22.10	20.90	21.50	22.60	23.50	22.80	21.20	20.10	19.90
Food inflation	28.90	29.20	28.40	28.60	26.50	24.30	25.70	27.70	29.20	28.70	27.00	25.40	24.80
Non food inflation	20.60	20.70	18.50	17.90	17.70	17.70	17.60	18.20	18.70	17.70	15.90	15.20	15.20

Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 23 and 24 November, 2016 reduced the policy rate from 27% to 24%.



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