ANNUAL MARKET PERFORMANCE REVIEW 2018

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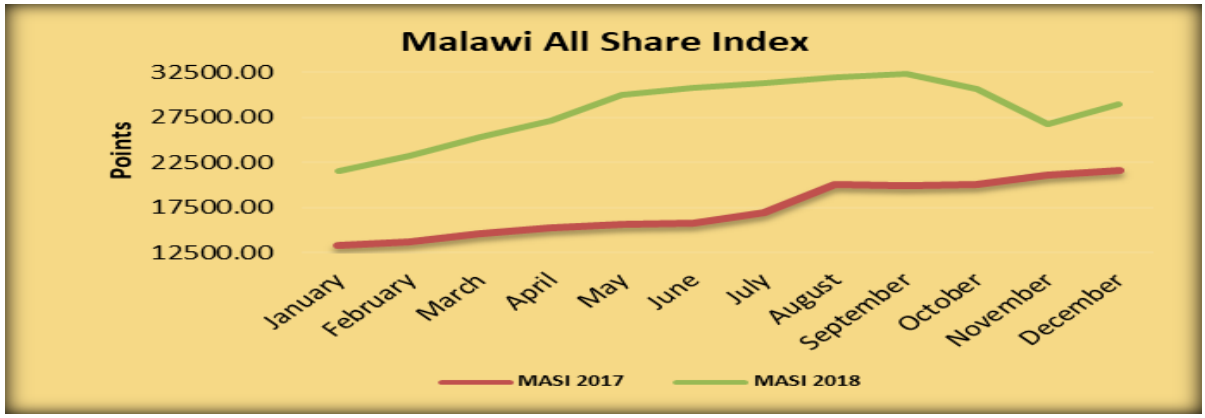
1. TRADING SUMMARY

The market was buoyant for the second consecutive year as it registered a positive return on index of 34.19% (33.42% in US$ terms) compared to 62.14% (62.09% in US$ terms) in 2017. The market also recorded an increase in both total traded value and volume compared to the corresponding period 2017.

In the period under review, the Exchange listed the first corporate bond by New Finance Bank and six Government of Malawi Treasury Notes with tenors ranging from 2-3 years.

INDEX	JAN. 2018	DEC. 2018	% Δ 2018 (MK)	% Δ 2018 (US$)	% Δ 2017 (MK)	% Δ 2017 (US$)
MASI	21598.07	28983.53	34.19 ▲	33.42 ▲	62.14 ▲	62.09 ▲
DSI	16272.64	21318.07	31.01 ▲	30.25 ▲	55.62 ▲	55.57 ▲
FSI	3519.43	5265.12	49.60 ▲	48.74 ▲	73.71 ▲	73.65 ▲

Year-To-Date Index Levels and Return



	Year 2018	Year 2017	% Δ
Traded Value (MK)	48,695,858,938.08	13,516,146,248.25	260.28▲
Traded Value (US$)	66,982,969.12	18,965,146.70	253.19▲
Traded Vol. Shares	958,247,064	698,894,283	37.11 ▲
No. of Transactions	2,153	1,189	81.08 ▲
Index Close (MASI)	28983.53	21598.07	34.19 ▲
Listed Debt Securities	06	01	
Traded Debt Securities	00	00	
Listed Companies	13	14*	
Traded Companies	13	14	
Not Traded Companies	00	00	
Gainers	11	14	
Decliners	02	00	
Unchanged	00	00	

**The figure includes OML which delisted through a corporate restructuring that resulted in the listing of OMU*

2. MARKET PERFORMANCE

A. Trade Performance Analysis

In the year 2018, the market transacted a total of 958,247,064 shares at a total consideration of MK48,695,858,938.08 (US$66,982,969.12) in 2,153 trades. In the corresponding period 2017, the market transacted a total of 698,894,283 shares at a total consideration of MK13,516,146,248.25 (US$18,965,146.70) in 1,189 trades. This reflects a 37.11% increase in share volume traded and a 260.28% (253.19% in US Dollar terms) increase in share value traded.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 3,863,899 shares compared to 2,818,122 shares traded in the corresponding period 2017.

The average daily turnover for the year 2018 was MK196,354,269.91 (US$270,092.62) compared with MK54,500,589.71 (US$76,472.37) for the corresponding period 2017, reflecting an increase of 260.28% (253.19% in US Dollar terms).

B. Market Capitalization and Index

The market registered a positive return on index as reflected in the upward movement of the Malawi All Share Index (MASI) from 21598.07 points registered on 2 January 2018 to 28983.53 points registered on 31 December 2018, giving a return on index of 34.19%, (33.42% in US$ terms) compared to 62.14%, (62.09% in US$ terms) registered in 2017. The price gains registered by eleven counters, BHL(141.64%)*, TNM (93.10%), PCL(90.00%), OML(52.04), SUNBIRD(51.04%), FMBCH(49.25%), NICO (26.47%), NITL(24.88%), NBM(22.93%), NBS(17.65%), STANDARD(9.84%), and were enough to offset share price losses by ILLOVO(-16.67%) and MPICO(-15.44%) resulting into an upward movement of the Malawi All Share Index. The Domestic Share and the Foreign Share indices inched upwards by (31.01%) and (49.60%) respectively.

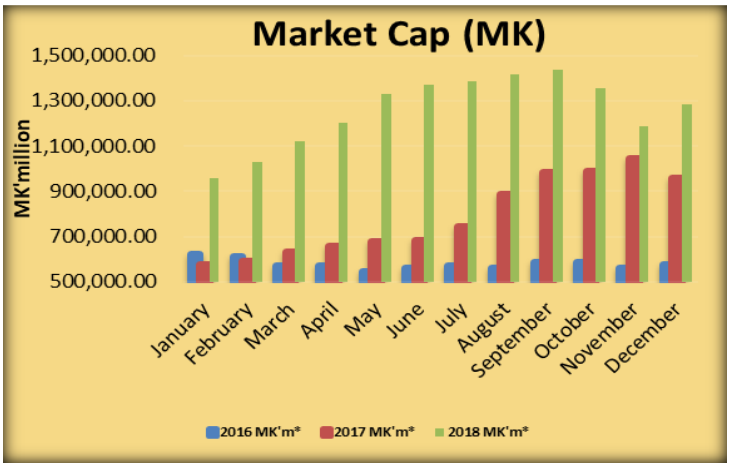
Market capitalization increased both in Kwacha and United States Dollar terms from MK956,709.04 million (US$1,318.41 million) on 02 January 2018 to MK1,284,705.65 million (US$1,760.24 million) on 31 December 2018.

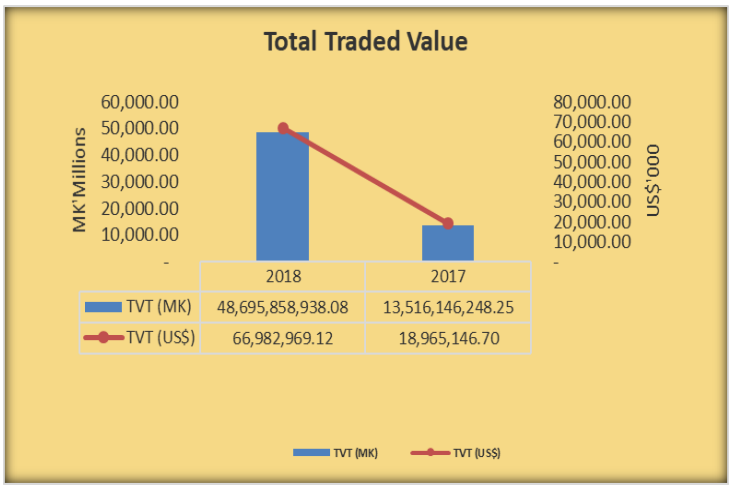
**The increase is based on a price recalculated to take into account the bonus and stock split issue*

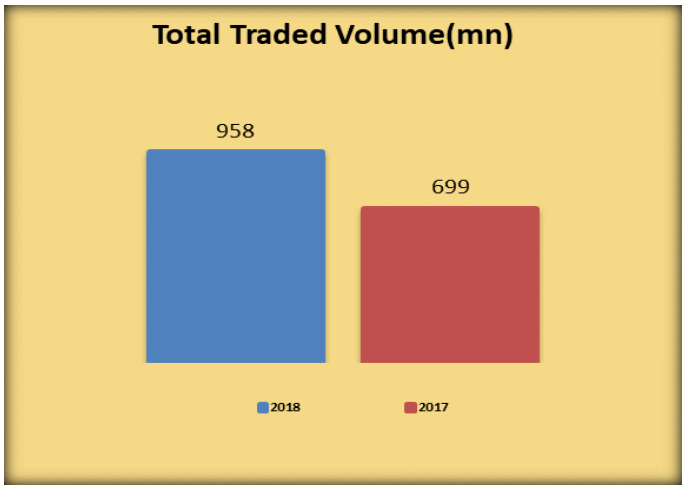
C. Market Liquidity

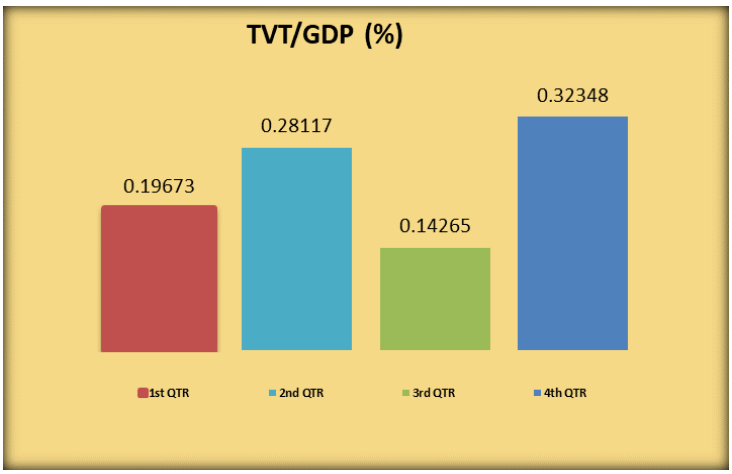
The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation **(TVT/MCAP*),** an indicator of the liquidity of assets traded on the market, in 2018 was recorded at 3.79%, higher than 1.41% registered in 2017. The ratio of Total Value of Trades to Gross Domestic Product **(TVT/GDP)** recorded a liquidity level of 0.94% in the review period while during the corresponding period of 2017 liquidity was at 0.29%.

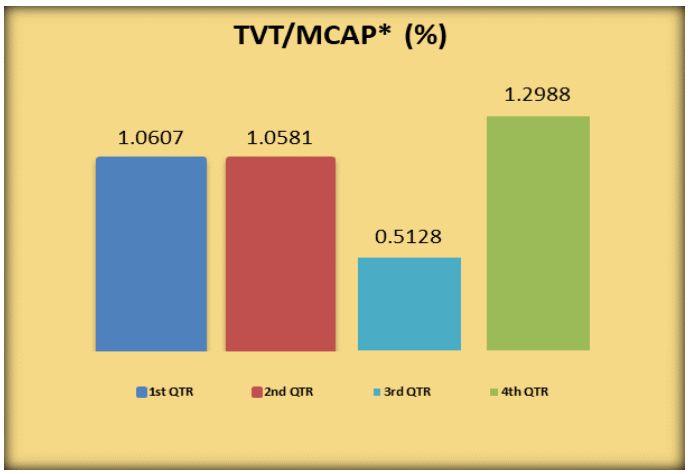
2. MARKET PERFORMANCE











2. MARKET PERFORMANCE

Month	Deals	Volume Traded	Value Traded MK	Value Traded US$
Jan	108	36,519,356	1,318,037,153.35	1,816,341.81
Feb	118	245,801,275	7,696,394,315.30	10,606,029.73
Mar	160	39,059,770	1,133,690,667.34	1,562,300.24
Apr	152	80,903,126	3,676,838,010.81	5,066,924.40
May	164	265,730,032	10,613,139,506.15	14,625,963.41
June	86	6,468,082	213,441,483.83	294,129.07
July	97	13,787,978	590,259,713.23	813,416.67
Aug	173	43,722,958	3,009,473,246.19	4,147,251.90
Sept	238	27,095,565	3,758,351,970.38	5,178,921.67
Oct	281	46,485,804	5,845,797,261.15	8,018,622.66
Nov	311	109,803,770	8,429,682,353.93	11,549,964.05
Dec	265	42,869,348	2,410,753,256.42	3,303,103.52
Total 2018		**958,247,064**	**48,695,858,938.08**	**66,982,969.12**
Total 2017		**698,894,283**	**13,516,146,248.25**	**18,965,146.70**

3. COMPANY TRADING PERFORMANCE

A. Top gainers: Eleven counters registered capital gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
BHL*	MWBHL0010029	Blantyre Hotels plc	141.64 ▲
TNM	MWTNM0010126	Telekom Networks Malawi plc	93.10 ▲
PCL	MWPCL0010053	Press Corporation plc	90.00 ▲
OML	GB00B77J0862	Old Mutual plc	52.04 ▲
SUNBIRD	MWSTL0010085	Sunbird Tourism plc	51.04 ▲

**The increase is based on a price recalculated to take into account the bonus and stock split issue*

B. Top Losers: Two counters registered a capital loss

MSE CODE	ISIN	COUNTER NAME	% LOSS
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	-16.67
MPICO	MWMPI0010116	MPICO plc	-15.44

C. Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
TNM	MWTNM0010126	Telekom Networks Malawi plc	335,631,425	**35.03**
NBS	MWNBS0010105	NBS Bank plc	176,598,938	**18.43**
FMBCH	MWFMB0010138	FMB Capital Holdings plc	145,748,488	**15.21**
NICO	MWNICO010014	NICO Holdings plc	115,588,509	**12.06**
MPICO	MWMPI0010116	MPICO plc	86,210,855	**9.00**

D. Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
FMBCH	MWFMB0010138	FMB Capital Holdings plc	13,059,759,888.94	**26.82**
TNM	MWTNM0010126	Telekom Networks Malawi plc	7,347,848,003.92	**15.09**
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	6,208,486,812.36	**12.75**
SUNBIRD	MWSTL0010085	Sunbird Tourism plc	5,414,390,946.00	**11.12**
NICO	MWNICO010014	NICO Holdings plc	4,790,136,969.89	**9.84**

3. COMPANY TRADING PERFORMANCE

Company	Opening Price	Closing Price	% Price Change	MKT CAP (MK'Mln)	MKT CAP (US$'Mln)
BHL	5.38	13.00	141.64	10,916.76	14.96
FMBCH	67.00	100.00	49.25	233,625.00	320.10
ILLOVO	240.00	200.00	-16.67	142,688.88	195.51
MPICO	15.61	13.20	-15.44	30,334.23	41.56
NBM	270.08	332.02	22.93	155,030.68	212.42
NBS	8.50	10.00	17.65	29,105.73	39.88
NICO	34.00	43.00	26.47	44,850.77	61.45
NITL	60.06	75.00	24.88	10,125.00	13.87
PCL	600.00	1,140.00	90.00	137,091.63	187.84
STANDARD	610.00	670.00	9.84	157,227.67	215.43
SUNBIRD	96.00	145.00	51.04	37,929.47	51.97
TNM	14.50	28.00	93.10	281,132.60	385.19
OML	1,960.00	2,980.00	52.04	13,750.43	18.84
OMU	2,513.25	2,513.25	0.00	14,647.23	20.07

4. DEBT SECURITIES TRADING PERFORMANCE

BOND	MATURITY DATE	COUPON FREQUENCY	COUPON RATE (%)	NOMINAL VALUE (MK'MN)
TN02YR31082019	31 August 2019	Bi-annual	11	20,000.00
TN02YR250120	25 January 2020	Bi-annual	10	5,000.00
TN03YR220221	22 February 2021	Bi-annual	11	3,000.00
NFBN21062021	21 June 2021	Quarterly	18.5	50.00
NFBN2162021	21 June 2021	Quarterly	18.5	1,000.00
NFBN28062021	28 June 2021	Quarterly	17	3,000.00
TN02YR040920	04 September 2020	Bi-annual	13	64,659.68
TN03YR111021	11 October 2021	Bi-annual	14	13,776.00
TN03YR270821	27 August 2021	Bi-annual	14	22,570.00
Total Outstanding Debt Securities				**133,055.68**

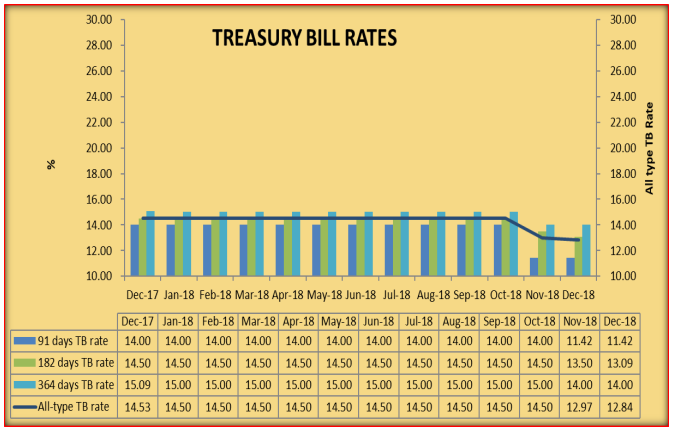
5. ECONOMIC REVIEW

Interest Rates

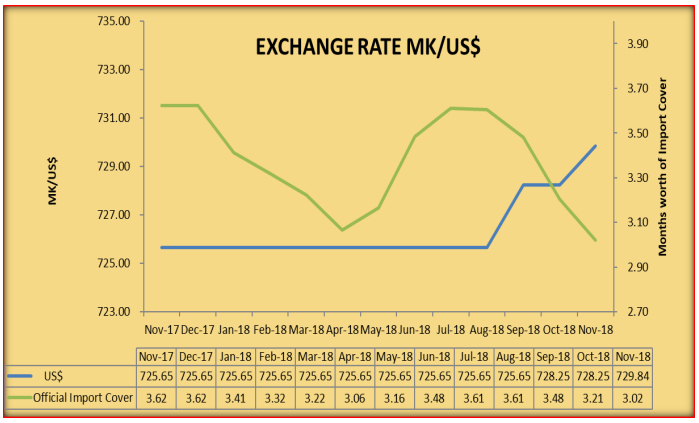
During the period under review, the yields on treasury bills decreased in the 91 days Tbill, the 182 days Tbill and the 364 days Tbill from 14.00% to 11.42%, from 14.00% to 13.09% and from 15.00% to 14.00% respectively.

Exchange Rates

The Kwacha marginally depreciated against the United States Dollar by 0.57% in 2018. Gross official reserves fell from 3.62 months of import cover in January 2018 to 3.02 months import cover in November 2018.



	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
91 days TB rate	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	11.42	11.42
182 days TB rate	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	13.50	13.09
364 days TB rate	15.09	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	14.00	14.00
All-type TB rate	14.53	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	12.97	12.84



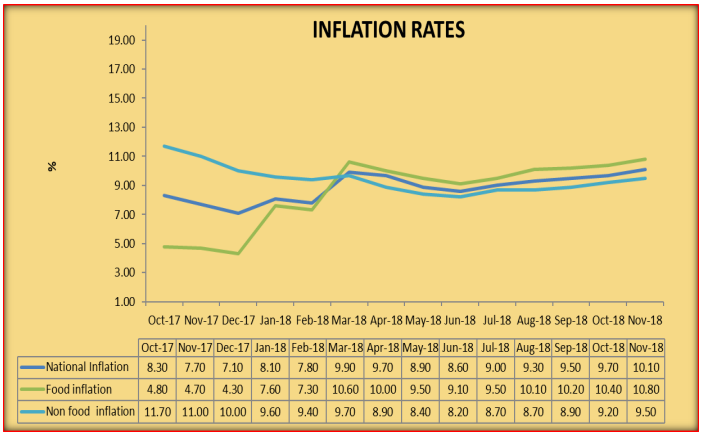
	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
US$	725.65	725.65	725.65	725.65	725.65	725.65	725.65	725.65	725.65	725.65	728.25	728.25	729.84
Official Import Cover	3.62	3.62	3.41	3.32	3.22	3.06	3.16	3.48	3.61	3.61	3.48	3.21	3.02

Inflation Rates

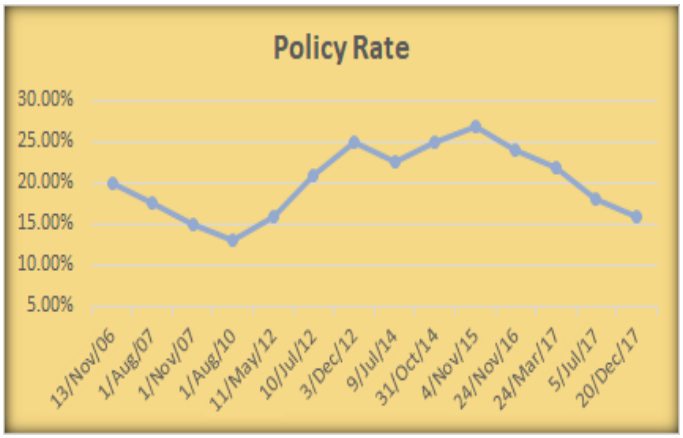
Headline inflation increased by 2.00 percentage points from 8.10% in January 2018 to 10.10% in November 2018.

Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 25 and 26 September, 2018 maintained the policy rate at 16%.



	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
National Inflation	8.30	7.70	7.10	8.10	7.80	9.90	9.70	8.90	8.60	9.00	9.30	9.50	9.70	10.10
Food inflation	4.80	4.70	4.30	7.60	7.30	10.60	10.00	9.50	9.10	9.50	10.10	10.20	10.40	10.80
Non food inflation	11.70	11.00	10.00	9.60	9.40	9.70	8.90	8.40	8.20	8.70	8.70	8.90	9.20	9.50



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