



EQUITY RESEARCH

MALAWI

30 March 2007

Weekly Roundup

Summary

The Malawi All Share Index (MASI) inched 0.33% on account of a 0.34% rise in the domestic share index helped by gains in Stanbic, NITL and FMB. The total foreign reserves position as at 23rd March 2007 stood at US\$243.50 million representing import cover of 3.87 months. Elsewhere the government announced there is a new tobacco processing/ buyer in the market. The company; Premium Tobacco plans to buy 10 million kg and to establish set up a processing plant by 2008 with the capacity of 50 million kg. The estimated output of tobacco this year is 141 million kg.

Contents Summary

Malawi Stock Exchange	1
Market Comment	2
Corporate News	2
Money Market	3
Exchange Rates & Interest Rates	4
Market Capitalization Report	5

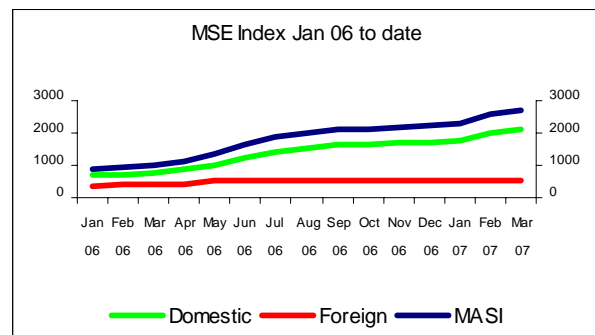
WEEKLY ROUNDUP

		<u>Today</u>	<u>Last Week</u>	<u>Closing</u> <u>Last Year</u>	<u>Change</u> <u>Week on</u> <u>Week</u>	<u>Change</u> <u>Year to</u> <u>Date</u>	
All Share Index	▲	2722.41	2713.38	2310.67	+0.33%	+17.82%	▲
Domestic Index	▲	2122.62	2115.40	1793.39	+0.34%	+18.36%	▲
Foreign Index	↔	521.59	521.59	521.59	-	-	↔

Week to:	30/03/07	23/03/07	16/03/07	09/03/07
Shares traded (mln)	11,7	10,5	6,1	8,4
Value traded (Kmn)	67,5	406,9	54,0	219,9

	<u>Today</u> <u>(Weighted)</u>	<u>Last Week</u> <u>(Weighted)</u>	<u>Last Year</u> <u>(Weighted)</u>	<u>Change</u> <u>Week on</u> <u>Week</u>	
Market P/E Ratio	9.5x	9.5x	9.8x	-	↔
Dividend Yield	4.11%	4.13%	4.53%	-0.5%	▼

	W/end 30.03.07	W/end 23.03.07	Prev. Month	As at 31.12.06
RBM Bank rate (%)	20	20	20	20
91 Day TB rate (%)	16.49	16.53	16.35	17.25
CPI Inflation rate (%)	9.2	9.2	9.6	11.0
MK : US\$	139.7	139.5	139.4	139.3



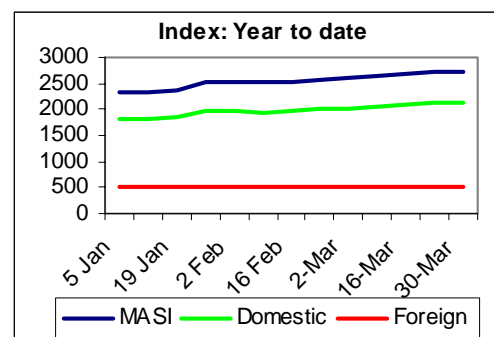
armstrong@sml.sdn.org.mw

Telephone: (+265) 1 822 803
(+265) 8 843 416

Market Comment

During the week ended 30th March 2007, the Malawi Stock Market recorded trades in eight counters: (FMB, ILLOVO, NBM, NITL, SUNBIRD, STANBIC, PCL and OML) A total of 11,746,548 shares changed hands during the week for a total consideration of K67,553,677.00 (USD483,661.83) in 36 deals. The movers of the week were SATNBIC which increased 1.37% from K36 to K36.50; FMB up 2.2% or K0.10 to K4.60 while NITL firmed 0.5% or K0.05 to close at K9.20. Other counters remained level.

The Malawi All Share Index closed off at 2310.67 points on 31st December 2006. The index has so far gained over 17 per cent since the beginning of the year with the earnings season upon us.



Corporate News

STANBIC ANNUAL GENERAL MEETING ON 19 APRIL 2007

Stanbic announces that its AGM is slated for Thursday, 19th April 2007. This will be held at the Njamba Room of Mount Soche Hotel in Blantyre from 14.00 hrs. Apart from the usual business; Stanbic directors will seek approval to pay a final dividend of **K0.55** per share. This will bring the total dividend for the year to K1.05 (2005: K0.55). The shares to trade cum-div up to **4th May 2007**--the date on which the shareholders' register closes till 8th May 2007.

The directors shall also seek to push through a **special resolution** to change the name of the company to **Standard Bank Limited** with effect from 1 June 2007.

FIRST MERCHANT BANK TO ESTABLISH A SUBSIDIARY IN BOTSWANA

"First Merchant Bank Limited (FMB) is pleased to announce that Bank of Botswana has granted a banking licence for the establishment of a bank in Botswana in which FMB will be the 51% majority shareholder and technical partner. FMB's initial investment will be Pula 10.2million equivalent to MK250million approximately at today's date. It is expected that banking operations in Botswana will commence within twelve months when the final remaining regulatory requirements are met.

Hitesh Anadkat, Vice-Chairman of FMB, firstly expressed his gratitude to Bank of Botswana and Reserve Bank of Malawi for their support and guidance during the course of their due diligence prior to the granting of the banking licence. He said that FMB is fully aware of the challenges involved in establishing a new bank but would draw on its relatively recent experience in Malawi. He was confident that a presence in the vibrant Botswana banking sector would add value for FMB and its shareholders."

NITL LAUNCHES INVESTOR RELATIONS WEBSITE

“The National Investment Trust Limited (“NITL”) is pleased to announce the launch of its investor relations website on www.NITLmalawi.com Powered by state of the art investor relations software NITL’s website is expected to encourage share ownership amongst local and foreign investors alike. The use of the Internet in the dissemination of information and the provision of practical information resources for investors is expected to result in enhanced investor and public awareness of the company.”

We are impressed with the website, it is easily accessible, well organised and we encourage all investors to visit it.

Money Market

Malawi Government Treasury bill primary market

At the Auction held on 23rd March 2007, the average yields for the government paper fared as follows: The 91-day paper decreased to 16.49% from 16.53% while both the 182-day and the 273-day papers rose to 16.62% from 16.60% and to 16.92% from 16.88% respectively. From an initial requirement of K1,400 million, the government raised K1,661.03 from the total cost applied for of K1,692.34. Treasury bills are open to foreign investors and both the capital and interest are remittal after deduction of withholding tax on interest currently at 20% for local investors while foreign investors are subjected to 15% border tax.

RBM Bill Primary Market

In the RBM bills primary market whose auction was held on Tuesday, 27th March 2007 the average yield on the 63-day paper remained constant at 15.46%. There was **no offer** for the 91-day RBM paper. The auction raised K31.17 million representing 100 per cent of all applications. (Source: RBM)

Exchange Rates and Interest Rates

COMMODITIES: TOBACCO SALES

	<u>Current</u> <u>Week</u>	<u>Previous</u> <u>Week</u>	<u>Final figures</u> <u>2006</u>	<u>Previous year</u> <u>Comparatives</u>
Qty (kg mln)			160,521	145,267
Value (\$ mln)			168,991	162,062
Avg price			\$1.05	\$1.12

Source: Tobacco Control Commission of Malawi (TCC)

EXCHANGE RATES

	W/end 30.03.07	W/end 23.03.07	Prev. Month	As at 31.12.06
US\$	139.66	139.51	139.40	139.34
GBP	280.35	279.35	278.15	278.99
Rand	19.75	20.33	19.72	20.55
Euro	187.87	190.88	183.26	184.71
Z\$	0.00057	0.00058	0.00057	0.0006

The Malawi Kwacha exchange rate is calculated as the middle rate of the buy and sell prices as quoted by National Bank of Malawi Ltd.

INDICATIVE INTEREST RATES

	W/end 30.03.07	W/end 23.03.07	Prev. Month	As at 31.12.06
3 month TB (%)	16.49	16.53	16.35	17.25
6 month TB (%)	16.62	16.60	16.55	17.19
9 month TB (%)	16.92	16.88	16.68	17.65
2 month RBM bill (%)	15.46	15.46	15.45	15.79
3 month RMB bill (%)	-	-	-	15.71

T-bills are available to non-residents. Rates quoted are the latest available Middle, annualised effective rates. RBM=Reserve Bank of Malawi

Counter	Shares in Issue (m)	Middle Mkt Price (t)	Market Cap (MKm)	Market Cap (US\$m)	Annualised Earnings (MKm)	Eps (t)	P/e (x)	P/BV (x)
BHL	128.1	300	384.3	2.8	10.9	8.5	-	0.80
FMB	2,225.0	460	10,235.0	73.3	1,107.3	49.8	9.2	3.58
ILLOVO	713.4	5500	39,239.4	280.9	3,876.0	543.3	10.1	5.04
NBM	455.6	4300	19,591.6	140.3	1,651.0	362.4	11.9	3.38
NICO	1,043.0	385	4,015.7	28.8	342.2	32.8	11.7	0.41
NITL	135.0	920	1,242.0	8.9	561.6	416.0	2.2	1.25
PCL	110.2	12000	13,228.1	94.7	1,787.0	1,621.1	7.4	0.62
PIM	67.3	440	295.9	2.1	82.3	122.4	3.6	0.53
STANBIC	200.0	3650	7,300.0	52.3	721.0	360.5	10.1	2.89
SUNBIRD	261.6	500	1,307.9	9.4	68.4	26.1	19.1	0.82
TOTAL/AVGE	5,339.3		96,840.0	693.3	10,207.7	191.2	9.5	1.80
OML	3,832.1	41500	1,590,304.7	11,386.1	100,091.2	2,611.9	15.9	2.4
TOTAL/AVGE	3,832.1		1,590,304.7	11,386.1	100,091.2	-	-	-
Grand Total	9,171.3		1,687,144.7	12,079.4	110,298.9	-	-	-

Note

Earnings are computed on the most recent rolling 12 month period. For those companies whose 2006 results are not yet released the formula used is H1(2006)+F2005-H1(2005)
Dividends announced to-date are already updated in our calculations

Notes

Imara Edwards Securities (Pvt.) Ltd.
Tendeseka Office Park
1st Floor Block 2
Samora Machel Avenue
Harare, Zimbabwe
(263-4) 790590
Fax (263-4) 791435

4 Fanum House
Cnr. Leopold
Takawira/Josiah
Tongogara Street
Bulawayo
(263-09) 74554
Fax (263-09) 66024
*Members of the
Zimbabwe Stock
Exchange*

Imara S P Reid (Pty) Limited
2nd Floor, Broll House,
27 Fricker Road, Illovo,
2196,
P O Box 969,
Johannesburg 2000
South Africa
Tel: (27-11) 446 6200
Fax (27-11) 446 6195
*Member of the
JSE Securities Exchange*

Stockbrokers Malawi Limited
Able House
Cnr. Hanover Avenue/
Chilembwe Road
Blantyre
Malawi
(265)-1-822 803
Fax (265)-1-824 353
*Member of the
Malawi Stock Exchange*

Namibia Equity Brokers (Pty) Ltd
1st Floor City Centre
Building, West Wing
Levinson Arcade
Windhoek
Namibia
Tel: +264 –61- 24 6666
Fax: +264- 61 25 6789
*Member of the Namibia
Stock Exchange*

Stockbrokers Zambia Ltd
2nd Floor, Design House
P O Box 38956
Lusaka
Zambia
Tel: +260 – 1 227303/232456
Fax: +260- 1-221055
*Member of the Zambia Stock
Exchange*

This research report is not an offer to sell or the solicitation of an offer to buy or subscribe for any securities. The securities referred to in this report may not be eligible for sale in some jurisdictions. The information contained in this report has been compiled by Stockbrokers Malawi (Pty.) Ltd. ("Imara") from sources that it believes to be reliable, but no representation or warranty is made or guarantee given by Stockbrokers Malawi or any other person as to its accuracy or completeness. All opinions and estimates expressed in this report are (unless otherwise indicated) entirely those of Stockbrokers Malawi as of the date of this report only and are subject to change without notice. Neither Stockbrokers Malawi nor any other member of the Stockbrokers Malawi Group of companies including their respective associated companies (together "Group Companies"), nor any other person, accepts any liability whatsoever for any loss howsoever arising from any use of this report or its contents or otherwise arising in connection therewith. Each recipient of this report shall be solely responsible for making its own independent investigation of the business, financial condition and prospects of companies referred to in this report. Group Companies and their respective affiliates, officers, directors and employees, including persons involved in the preparation or issuance of this report may, from time to time (i) have positions in, and buy or sell, the securities of companies referred to in this report (or in related investments); (ii) have a consulting, investment banking or broking relationship with a company referred to in this report; and (iii) to the extent permitted under applicable law, have acted upon or used the information contained or referred to in this report including effecting transactions for their own account in an investment (or related investment) in respect of any company referred to in this report, prior to or immediately following its publication. This report may not have been distributed to all recipients at the same time. This report is issued only for the information of and may only be distributed to professional investors (or, in the case of the United States, major US institutional investors as defined in Rule 15a-6 of the US Securities Exchange Act of 1934) and dealers in securities and must not be copied, published or reproduced or redistributed (in whole or in part) by any recipient for any purpose.