



Stockbrokers Malawi Limited (SML)
(Member of Malawi Stock Exchange)

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WEEKLY EQUITY RESEARCH NOTE:

WEEK ENDED JUNE 17, 2011

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MSE PRICE UPDATE

COUNTER	BID	OFFER	SALES	VOLUME	CLOSE	We
MASI	0.00					
BHL	6.40	0.00	-	0	6.40	
FMB	0.00	6.43	6.43	1,000	6.43	
ILV	0.00	110.00	110.00	20,801	110.00	
MPIC	2.90	3.00	3.00	2,398	3.00	
NBM	50.00	53.00	53.00	0	53.00	
NBS	9.50	10.50	10.50	20,833	10.50	
NICO	12.50	0.00	12.50	19,160	12.50	
NITL	14.00	16.00	-	0	16.00	
PCL	0.00	177.00	177.00	1,760	177.00	
PIM	0.00	6.25	-	0	6.25	
REAL	0.00	1.20	-	0	1.20	
SBM	96.00	100.00	-	0	100.00	
SUN	7.00	8.00	-	0	8.00	
TNM	1.35	1.60	1.40	627,137,200	1.40	
OML	340.00	0.00	370.00	-	370.00	

TRADING NEWS

WEEKLY TRADING SUMMARY	10-Jun	17-Jun	Weekly % Δ
Malawi All Share Index	4,889.70	4,889.70	-
Domestic Share Index	3,861.77	3,861.77	-
Foreign Share Index (OML Plc)	465.04	465.04	-
Turnover (Volume)	1,451,399.00	627,203,152.00	43,113.70
Turnover in MK Value (m)	16.63	881.06	5,199.31
Turnover in US\$ Value (m)	0.11	5.84	5,199.32

The MASI remained flat during the week under review due to non movement in stock prices. This week trading was slow both in value and volume except for a special bargain of 626,837,200 TNM shares which went through at MK1.60 per share.

INVESTORS' INDICATORS

COUNTER	PRICE	% DY	EPS	P/E	P/BV	31-Dec-10	YTD % Δ
MASI	4,889.70					4,953.09	(1.3)
BHL	6.40	6.88	0.70	9.20	0.75	6.40	0.0
FMB	6.43	4.04	0.78	8.22	1.99	6.50	(1.1)
ILV	110.00	5.73	9.01	12.21	4.57	110.00	0.0
MPICO	3.00	5.21	2.22	1.35	0.61	3.10	(3.2)
NBM	53.00	7.89	7.35	7.21	2.07	58.65	(9.6)
NBS	10.50	6.82	2.60	4.04	1.61	11.00	(4.5)
NICO	12.50	8.40	2.72	4.60	1.16	9.20	35.9
NITL	16.00	4.50	0.99	16.12	0.83	16.00	0.0
PCL	177.00	2.63	64.36	2.75	0.76	175.00	4.1
PIM	6.25	3.60	1.77	3.53	0.44	6.25	0.0
REAL	1.20	-	0.10	11.55	1.67	1.00	20.0
SBM	100.00	6.59	11.36	8.80	2.12	100.00	0.0
SUN	8.00	4.00	1.33	6.03	0.41	8.90	(10.1)
TNM	1.40	3.75	0.11	13.27	2.21	1.75	(20.0)
OML	370.00	3.10	26.11	14.17	1.94	280.00	32.1

DEALERS' OPINION

We attribute this pace of activity due to new developments in the market IE capital gain tax. The investing public is assessing its impact and once the dust settles, activity will resume.

The following counters top the list by market capitalisation;

- ILOVO MKmn 78,479
- NBM MKmn 24,747
- STANDARD BANK MKmn 21,333
- PCL MKmn 21,285
- TNM MKmn 16,065

RESULTS OF TREASURY BILLS AUCTION HELD ON JUNE 14, 2011

TENOR	OFFER	APPLIED	ALLOTT	Yield % Δ	% YIELD	
Days	MK' mln	MK' mln	MK' mln	Curr	Curr	Prev
91	500.00	1,145.29	1,145.29	1.67	7.29	7.17
182	1,000.00	0.97	0.97	0.69	7.27	7.22
273	1,450.00	0.94	0.94	0.00	7.96	7.96
TOTAL	2,950.00	1,147.20	1,147.20			

MONEY MARKET AND FX NEWS:

All participants for TBs auction of June 17, 2011 had their applications accepted. Applicants totalled to 39 % of announced value leaving authorities short by 61% of their requirement. The average yields for 91 day and 182 day bills moved up by 1.67 % and 0.69 % respectively while yield for 273 day remained flat 7.96%.

We are yet to see rates movements during the coming auctions but all signs indicate that this time around, rates should be heading northwards.

On foreign exchange market, the MK continued to trade flat against the US Dollar, but was stronger against major foreign trading currencies.

FX INDICATORS AS QUOTED BY NATIONAL BANK OF MALAWI

FOREIGN CURRENCY	MID RATES OF LOCAL MK CURRENCY		
	Last week	This week	Wkly % Δ
US Dollar	150.7985	150.7983	0.00
GB Pound	247.2643	243.9314	-1.35
RSA Rand	22.9386	22.5633	-1.64
Euro	219.5928	214.4503	-2.34
JP Yen	1.9200	1.9093	-0.56

UPCOMING CORPORATE ACTIONS

COUNTER	EVENT TYPE	RECORD	PAYMENT DATE	GROSS RATE IN TAMBALA
ILLOVO	SECOND INTERIM	20 MAY 2011	1 JULY 2011	332
NITL	INTERIM	17 JUNE 2011	24 JUNE 2011	27
SUNBIRD	FINAL	10 JUNE 2011	1 JULY 2011	12
TNM	FINAL	1 JULY 2011	22 JULY 2011	2
FMB	FINAL	17 JUNE 2011	22 JUNE 2011	2
MPICO	FINAL	26 AUGUST 2011	30 SEPTEMBER 2011	8
NICO	FINAL	1 JULY 2011	4 JULY 2011	16

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