



**1. Money Market**

**Government Securities**

The Government Treasury Bills auction held during the week raised a total of K2.63 billion from total applications of K2.63 billion, resulting in a nil rejection rate. The average yield for the 91 days, 182 days, and 364 days tenor were 14.70%, 18.00%, and 24.00% respectively (Previous week: 91 days: 14.70%, 182 days: 18.00%, 364 days: 24.00%). Treasury Notes (2-yr, 5-yr, 7-yr and 10-yr) auction held during the week raised a total of K12.05 billion from applications of K12.05 billion, resulting in a nil rejection rate. Total maturities for the week stood at K17.17 billion, resulting in a net injection of K2.49 billion.

**Interbank Market**

Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K109.93 billion from K72.70 billion recorded in the previous week. The volume on interbank overnight borrowing decreased to an average of K20.86 billion at 22.99% (previous week: K33.35 billion at 22.95%). Access to the Lombard facility during the week in review averaged K59.79 billion at an average rate of 24.20% (previous week: K80.15 billion at 24.20%) (Source: RBM).

**2. Stock Market**

The MASI closed the week at 113,970.89 points (previous week: 114,058.75 points), the Domestic Share Index (DSI) closed at 89,672.09 points (previous week: 89,750.27 points) and the Foreign Share Index (FSI) closed at 14,993.27 points (previous week: 14,993.27 points). The decrease in MASI and DSI was due to share price losses in Airtel, FDH Bank, NBS Bank, NICO, and TNM despite the share price gains NBM, Standard Bank and Sunbird. A total volume of 3.51 million shares were traded during the week at a value of K1.49 billion in 239 deals (Source: MSE) (Source: MSE).

**3. Local Market Developments**

During the week in review, the Monetary Policy Committee (MPC) resolved to maintain the Policy Rate at 24.0% and the Lombard rate at 20 basis points above the Policy rate. The Committee also retained the Liquidity Reserve Requirement (LRR) ratio at 7.75% on domestic currency deposits and 3.75% on foreign currency deposits, respectively. In arriving at this decision, the MPC considered the recent moderation in inflationary pressures. The Committee was also mindful of the weak domestic growth. However, the Committee noted upside risks to the inflation outlook that included exchange rate movements, increases in crude oil prices and adverse weather conditions (Source: RBM).

**4. Regional Developments in the Week**

According to the International Monetary Fund (IMF), Zimbabwe's real gross domestic product is expected to grow 4.8% in 2023, supported by strong performance in mining as well as the beneficial impact of structural reforms in the agriculture and energy sectors. The growth, however, is expected to slow to 3.5% in 2024 due to weaker global demand for minerals and a weather-related slowdown in agriculture. As external conditions worsen, the economic outlook will even more crucially depend on progress toward macro-economic stabilization and transformational structural reforms (Source: IMF).

**5. Global Developments in the Week**

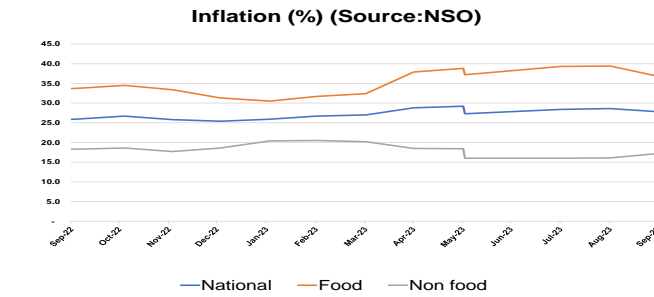
During the week in review, The European Central Bank (ECB) decided to maintain its interest rates, bringing an end to its unprecedented streak of 10 consecutive increases in borrowing costs amid rising concerns over Eurozone growth. The decision was expected by industry analysts in the wake of eurozone inflation more than halving from its peak and the economy showing signs of weakening. The benchmark deposit rate stayed at 4.0%, 4.5 percentage points above its all-time low of minus 0.5%. The ECB's pause comes ahead of decisions by the US Federal Reserve (the Fed) and the Bank of England (BOE) next week in which they are also expected to hold rates steady as inflation eases (Source: The Financial Times).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	20-Oct-23	27-Oct-23
Counter				MK/Share	MK/Share
AIRTEL	2.50	29.76	29.06	99.90	↓ 99.86
BHL	0.00	(11.24)	1.30	10.06	10.06
FDH Bank	3.20	20.75	11.27	68.96	↑ 68.96
ICON	1.39	7.19	1.16	17.99	17.99
ILLOVO	1.87	30.04	7.93	1,121.43	1,121.43
MPICO	2.40	6.02	0.66	15.00	15.00
NBM	3.36	20.67	5.70	2,101.13	↑ 2,101.17
NBS Bank	3.06	16.62	8.46	107.97	↓ 107.93
NICO	3.85	8.17	2.48	156.83	↓ 155.99
NITL	0.77	7.92	2.31	402.00	↑ 410.23
PCL	1.44	22.07	1.41	2,500.00	2,500.00
Standard Bank	2.84	17.96	4.76	3,000.03	↑ 3,000.04
Sunbird	1.05	16.38	1.63	191.03	↑ 191.06
TNM	0.00	(169.77)	6.42	29.78	↓ 29.76
FMBCH	1.68	19.62	5.62	300.00	300.00
OMU	4.16	12.20	1.33	1,050.00	1,050.00
DSI	N/A	N/A	N/A	89,750.27	↓ 89,672.09
FSI	N/A	N/A	N/A	14,993.27	14,993.27
MASI	2.39	20.86	5.03	114,058.75	↓ 113,970.89

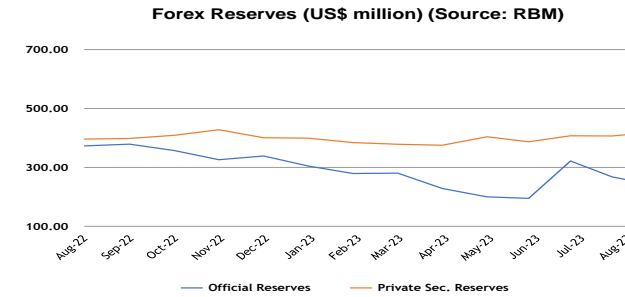
MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index

	2022	2023
<b>MASI Return (YTD)</b>	21.33%	83.72%

### Inflation (Source: NSO)



### Forex Reserves (Source: RBM)



### Exchange Rates - Middle Rates (Source: RBM)

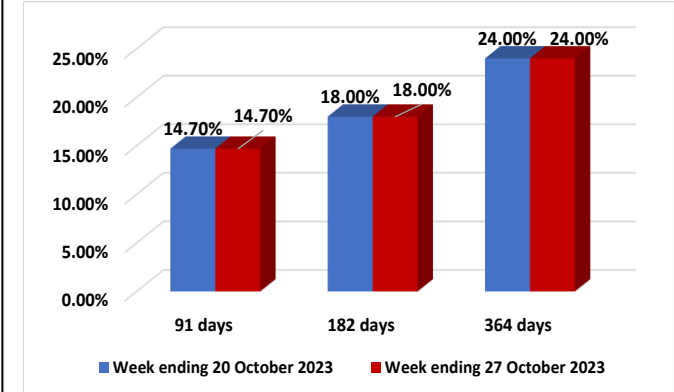
CURRENCY	20-Oct-23	27-Oct-23	% Change
MK/US Dollar	1,168.78	1,168.78	→ 0.00%
MK/GBP	1,461.11	1,460.02	↑ 0.07%
MK/ZAR	63.34	63.62	↓ -0.44%
MK/EUR	1,273.19	1,271.62	↑ 0.12%

### Global Market Rates (Source: Reuters, WSJ, CNBC)

	20-Oct-23	27-Oct-23	Change
US Fed Rate	5.500%	5.500%	→ 0.000%
US Libor (3 months)	5.464%	5.464%	→ 0.000%
US Libor (6 months)	5.528%	5.555%	↑ 0.027%
US Treasury yield (10 years)	4.928%	4.858%	↓ -0.070%
BOE Rate	5.250%	5.250%	→ 0.000%
ECB Rate	4.000%	4.000%	→ 0.000%

\*LIBOR = London Interbank Offered Rates \*BOE= Bank of England  
\*ECB= European Central Bank

### Government Securities for Week ending 27 October 2023 (Source: RBM)



### Prevailing Government Security Interest Rates (Source: RBM)

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91-days TB	30.78	14.70
182-days TB	1.00	18.00
364-days TB	2,594.07	24.00
2-year TN	40.00	26.75
5-year TN	5,450.00	30.00
7-year TN	5,080.00	32.00
10-year TN	1,480.00	33.00
<b>TOTAL</b>	<b>14,675.85</b>	

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