



NICO Asset Managers
“INVEST today for tomorrow”.

WEEKLY MARKET UPDATE

Week ending 08 March 2024

1. Money Market

Government Securities

The Government Treasury Bills auction held during the week raised a total of K34.59 billion from total applications of K34.59 billion, resulting in nil rejection rate. The average yields for the 91 days, 182 days, and 364 days tenor were 16.00%, 20.00%, and 26.00% respectively (Previous week: 91 days: 16.00%, 182 days: 20.00%, and 364 days: 26.00%). The 5-year Treasury Note auctions held during the week raised a total of K8.27 billion from applications of K8.27 billion resulting in a nil rejection rate. Total maturities for the week stood at K55.60 billion, resulting in a net injection of K12.74 billion (Source: RBM).

Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) decreased to a daily average of K161.00 billion from K186.76 billion recorded in the previous week. The volume on interbank overnight borrowing increased to an average of K25.68 billion at 22.88% (previous week: K16.26 billion at 22.20%). There were no transactions on the Lombard facility (previous week: no transactions) (Source: RBM).

2. Stock Market

The MASI closed the week at 113,033.04 points (previous week: 113,044.48 points), the Domestic Share Index (DSI) closed at 84,452.86 points (previous week: 84,459.17 points), and the Foreign Share Index (FSI) closed at 20,592.97 points (previous week: 20,597.92 points). The decrease in the MASI was due to share price losses FDH Bank, ICON, MPICO, NBS Bank, and NICO despite the share price gains in NITL, BHL and NBM. The decrease in the FSI was due to share price losses in FMBCH. A total volume of 3.43 million shares were traded during the week at a value of K337.33 million in 153 trades (Source: MSE).

3. Local Market Developments

During the fourth quarter of 2023, the merchandise trade balance narrowed to a deficit of US\$495.8 million (K754.1 billion) in the review period from minus US\$528.6 million (K580.6 billion) recorded in the previous quarter, and minus US\$532.5 million (K552.5 billion) in the fourth quarter of 2022. The outcome was attributed to a wider decrease in imports than a decline in exports during the review period (Source: RBM).

4. Regional Developments in the Week

According to the International Monetary Fund (IMF), Uganda's economy is seen expanding at 7.0% in the financial year starting July from an estimated 6.0% in 2023/24, partly driven by oil sector investments. The east African country also has immediate access to a total of US\$120.0 million under the IMF's Extended Credit Facility (ECF) window after it completed a fifth review. Uganda's credit facility, worth about US\$1.0 billion, was approved in 2021 and with the latest disbursement it will have drawn about US\$850.0 million. It was among other objectives at the time aimed at helping the country of 45 million people overcome the effects of COVID-19 and boost private sector production. With Uganda due to start pumping crude in 2025, growth in 2024/25 would be partly driven by oil industry investments. Uganda's economic outlook, however, was clouded by the possible effects of its tough anti-homosexuality law on investor sentiment (Source: IMF).

5. Global Developments in the Week

During the week in review, oil prices closed 1.0% lower and reported a weekly loss as markets remained wary of soft Chinese demand even as producer group Organization of Petroleum Exporting Countries (OPEC) extended supply cuts. Earlier this week, China set an economic growth target for 2024 of around 5.0%, which several analysts say is ambitious without much stimulus. Brent crude futures settled down US\$0.88, or 1.1%, at US\$82.08 a barrel (b). US West Texas Intermediate crude futures (WTI) fell US\$0.92, or 1.2%, at US\$78.01/b. Both benchmarks fell in the week, with Brent down 1.8% and WTI 2.5% (Source: Reuters)

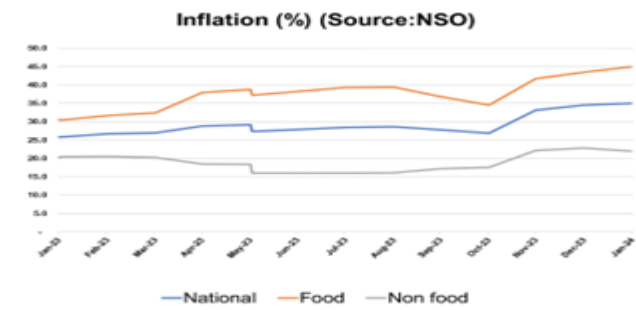
Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	01-Mar-24	08-Mar-24
Counter				MK/Share	MK/Share
AIRTEL	5.00	14.89	14.55	50.00	50.00
BHL	0.00	(80.57)	1.61	13.03	↑ 13.04
FDH Bank	3.36	19.60	10.74	65.15	↓ 65.14
ICON	1.48	6.75	1.09	16.88	↓ 16.87
ILLOVO	2.16	16.97	6.93	1,350.11	1,350.11
MPICO	2.45	5.90	0.65	14.72	↓ 14.71
NBM	3.36	20.67	5.70	2,101.80	↑ 2,101.81
NBS Bank	3.00	16.93	8.62	109.98	↓ 109.96
NICO	3.00	10.46	3.18	199.92	↓ 199.75
NITL	0.77	7.94	2.31	411.48	↑ 411.49
PCL	1.44	22.13	1.42	2,507.00	2,507.00
Standard Bank	2.16	23.65	6.26	3,950.18	3,950.18
Sunbird	1.02	16.81	1.67	196.00	196.00
TNM	0.00	(68.46)	2.59	12.00	12.00
FMBCH	1.22	26.94	7.71	412.00	↓ 411.90
OMU	2.92	16.36	1.79	1,500.02	1,500.02
DSI	N/A	N/A	N/A	84,459.17	↓ 84,452.86
FSI	N/A	N/A	N/A	20,597.92	↓ 20,592.97
MASI	2.50	18.82	4.85	113,044.48	↓ 113,033.04
MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index					

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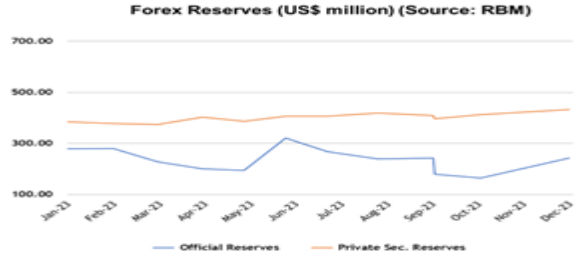
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Inflation (Source: NSO)



Forex Reserves (Source: RBM)



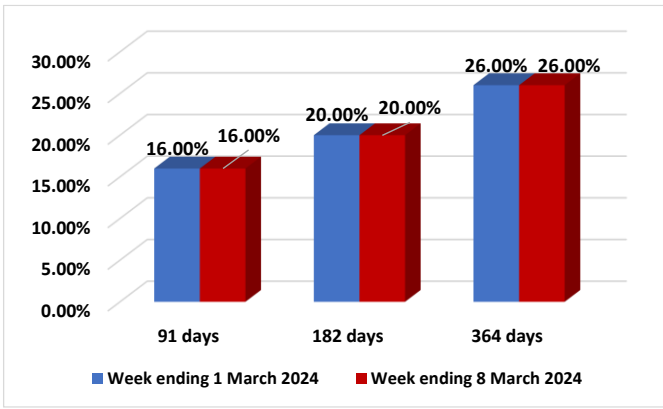
Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	1-Mar-24	8-Mar-24	% Change
MK/US Dollar	1,683.37	1,683.37	0.00%
MK/GBP	2,188.66	2,220.74	-1.47%
MK/ZAR	90.43	92.84	-2.67%
MK/EUR	1,874.31	1,897.72	-1.25%

Global Market Rates (Source: BOE, ECB & The Federal Reserve).

	Dec-23	Dec-22	% Change
US Fed Rate	5.500%	4.500%	1.00%
US Treasury yield (10 years)	3.860%	3.880%	-0.02%
BOE Rate	5.250%	3.500%	1.75%
ECB Rate	4.750%	2.750%	2.000%

Government Securities for week ending 8 March 2024 (Source: RBM)



TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days	70.60	16.00
182 days	14,101.42	20.00
364 days	20,419.20	26.00
3-Year TN	8,270.00	30.00
TOTAL	42,861.22	