



**NICO Asset Managers**

**"INVEST today for tomorrow".**

# WEEKLY MARKET UPDATE

**Week ending 15 March 2024**

## **1. Money Market**

### **Government Securities**

The Government Treasury Bills auction held during the week raised a total of K58.85 billion from total applications of K58.89 billion, resulting in a 0.68% 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 (2-year, 3-year, 5-year, 7-year, & 10-year) Treasury Note auctions held during the week raised a total of K38.48 billion from applications of K38.49 billion resulting in a 0.03% rejection rate. Total maturities for the week stood at K81.44 billion, resulting in a net withdrawal of K15.89 billion (Source: RBM).

### **Interbank Market**

Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K171.57 billion from K161.00 billion recorded in the previous week. The volume on interbank overnight borrowing decreased to an average of K6.18 billion at 22.54% (previous week: K25.68 billion at 22.88%). Access to the Lombard facility increased to K10.00 billion at 26.20% (Previous week: no transactions) (Source: RBM).

## **2. Stock Market**

The MASI closed the week at 113,023.04 points (previous week: 113,033.04 points), the Domestic Share Index (DSI) closed at 84,444.35 points (previous week: 84,452.86 points), and the Foreign Share Index (FSI) closed at 20,592.47 points (previous week: 20,592.97 points). The decrease in the MASI was due to share price losses FDH Bank, ICON, MPICO, NBS Bank, NICO and Sunbird despite the share price gains in AIRTEL, ILLOVO, NITL and Standard Bank. The decrease in the FSI was due to share price losses in FMBCH. A total volume of 2.98 million shares were traded during the week at a value of K1.10 billion in 227 trades (Source: MSE).

## **3. Local Market Developments**

The Ministry of Trade has issued 20 traders licenses to import sugar from Zambia, Mozambique, Zimbabwe, Brazil and South Africa in a bid to stabilize sugar supply and prices at a time when there is a scarcity of the commodity in the country. Meanwhile, the Ministry has closed some shops in Lilongwe and Blantyre for hoarding and overpricing sugar at a retail price of approximately K2800.0 to K3000.0 for brown sugar, above the recommended price of K2300 (Source: Ministry of Trade).

## **4. Regional Developments in the Week**

During the week in review, Ghana's international bondholders entered into non-disclosure agreements (NDAs) with the government, a step that marks the start of formal talks to restructure over US\$13.0 billion of international bonds. The West African country is seeking debt relief after defaulting on most of its external debt in December 2022 as the world's second-largest cocoa producer grappled with its worst economic crisis in a generation. Its Ministry of Finance stopped servicing most of the external debts including Eurobonds, commercial loans and most bilateral loans, as an interim emergency measure (Source: Reuters).

## **5. Global Developments in the Week**

Global shipments have rebounded despite ongoing supply chain disruptions. Most indicators on the trade dashboard are now above normal levels, led by Taiwan's electronics exports. US firms also saw a boost, experiencing an expansion in new export orders for the first time in 19 months. However, Europe remains a laggard, witnessing contraction in manufacturing output in both the Euro area and the UK. Nevertheless, the World Trade Organization (WTO) warns of weaker global trade due to ongoing disruptions in major shipping trade routes and sticky inflation in developed markets. Germany-based DHL Group remains cautious about the first half of 2024 but notes that global trade is recovering, with global connectedness reaching a record high in 2022 and remaining close to that level in 2023 (Source: Bloomberg).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	08-Mar-24	15-Mar-24
Counter				MK/Share	MK/Share
AIRTEL	5.00	14.90	14.55	50.00	↑ 50.01
BHL	0.00	(80.57)	1.61	13.04	13.04
FDH Bank	3.36	19.60	10.74	65.14	↓ 65.12
ICON	1.48	6.74	1.09	16.87	↓ 16.85
ILLOVO	2.16	16.97	6.93	1,350.11	↑ 1,350.13
MPICO	2.45	5.90	0.65	14.71	↓ 14.70
NBM	3.36	20.67	5.70	2,101.81	2,101.81
NBS Bank	3.00	16.93	8.62	109.96	↓ 109.94
NICO	3.00	10.46	3.18	199.75	↓ 199.72
NITL	0.77	7.94	2.31	411.49	↑ 411.50
PCL	1.44	22.13	1.42	2,507.00	2,507.00
Standard Bank	2.74	17.65	4.78	3,950.18	↑ 3,950.19
Sunbird	1.03	16.72	1.66	196.00	↓ 195.02
TNM	0.00	(68.46)	2.59	12.00	12.00
FMBCH	1.22	26.94	7.71	411.90	↓ 411.89
OMU	2.92	16.36	1.79	1,500.02	1,500.02
DSI	N/A	N/A	N/A	84,452.86	↓ 84,444.35
FSI	N/A	N/A	N/A	20,592.97	↓ 20,592.47
MASI	2.59	18.08	4.68	113,033.04	↓ 113,023.04

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

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Inflation (Source: NSO)			
Inflation (%) (Source: NSO)			
Forex Reserves (Source: RBM)			
Forex Reserves (US\$ million) (Source: RBM)			
Exchange Rates - Middle Rates (Source: RBM)			
CURRENCY	8-Mar-24	15-Mar-24	% Change
MK/US Dollar	1,683.37	1,683.37	→ 0.00%
MK/GBP	2,220.74	2,207.56	↑ 0.59%
MK/ZAR	92.84	92.39	↑ 0.49%
MK/EUR	1,897.72	1,885.06	↑ 0.67%
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%	↑ 2.00%

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Government Securities for week ending 15 March 2024 (Source: RBM)		
TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days	21.01	16.00
182 days	41,464.95	20.00
364 days	17,362.60	26.00
2-Year TN	3,070.00	28.75
3-Year TN	12,190.00	30.00
5- Year TN	8,030.00	32.00
7-Year TN	90.00	34.00
10-Year TN	15,100.00	35.00
TOTAL	97,328.56	