



1. Money Market

Government Securities

The Government Treasury Bills auction held during the week raised a total of K8.41 billion from total applications of K8.41 billion, resulting in a nil rejection rate. The average yields for the 91 days, and 364 days tenor were 16.00%, and 26.00% respectively. The 182 days tenor auctions have temporarily been suspended by the RBM (Previous week: 91 days: 16.00%, 182 days: 20.00%, and 364 days: 26.00%). Total maturities for the week stood at K27.77 billion, resulting in a net injection of K19.36 billion (Source: RBM).

Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) decreased to a daily average of K150.20 billion from K171.57 billion recorded in the previous week. The volume on interbank overnight borrowing increased to an average of K17.56 billion at 22.36% (previous week: K6.18 billion at 22.54%). There were no transactions on the Lombard facility (Previous week: K10.00 billion at 26.20%) (Source: RBM).

2. Stock Market

The MASI closed the week at 113,182.80 points (previous week: 113,023.04 points), the Domestic Share Index (DSI) closed at 84,586.90 points (previous week: 84,444.35 points), and the Foreign Share Index (FSI) closed at 20,591.98 points (previous week: 20,592.47 points). The increase in the MASI was due to share price gains in AIRTEL, NBM, Standard Bank despite the share price losses in FDH Bank, NBS Bank, NICO and PCL. The increase in the FSI was due to share price gains in FMBCH. A total volume of 1.95 million shares were traded during the week at a value of K1.01 billion in 180 trades (Source: MSE).

3. Local Market Developments

The year-on-year inflation rate for February 2024 stood at 33.5%, a decline from 35.0% recorded in January 2024. The food and non-food inflation rates were recorded at 42.0% and 22.1% respectively (Previous month: 44.9% and 22.0% respectively). The urban month to month inflation rate is at 2.2%. Urban Food and Non-Food inflation rates stand at 2.4% and 2.0%, respectively. The rural month to month inflation rate is at 2.1%. Rural Food and Non-food inflation rates stand at 2.4% and 1.7%, respectively (Source: NSO).

4. Regional Developments in the Week

According to STATSSA, South Africa's consumer inflation rose for the second month in a row in February to 5.6% year-on-year from 5.3% in January. The South African Reserve Bank (SARB), which targets inflation of between 3% and 6%, is expected to announce a monetary policy decision next week. Core inflation, which excludes food and fuel prices, accelerated in February to 5.0% in annual terms from 4.6% in January. Key contributors to the annual inflation rate included food, housing, transport and miscellaneous goods and services, which include medical insurance (Source: STATSSA).

5. Global Developments in the Week

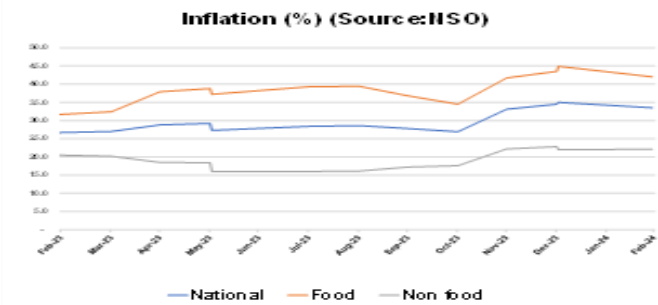
During the week in review, the U.S Treasury Secretary announced that the US\$1.2 trillion government funding bill passed by Congress will allow the U.S. to lend up to US\$21.0 billion to an International Monetary Fund (IMF) trust to help the world's poorest countries. Yellen said the funding would make the United States the largest supporter of the IMF's Poverty Reduction and Growth Trust (PRGT), which provides zero-interest rate loans to support low-income countries as they work to stabilize their economies, boost growth, and improve debt sustainability. Congress approved the bill with a Senate vote after midnight, avoiding a government shutdown. The IMF spending will make good on a promise President Joe Biden made over two years ago with other leaders from the Group of 20 large economies to provide US\$100 billion to support low-income and vulnerable countries recovering from the COVID-19 pandemic and struggling with macroeconomic risks (Source: Reuters).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	15-Mar-24	22-Mar-24
Counter				MK/Share	MK/Share
AIRTEL	5.00	14.91	14.56	50.01	↑ 50.05
BHL	0.00	(80.57)	1.61	13.04	13.04
FDH Bank	3.37	19.59	10.73	65.12	↓ 65.08
ICON	1.48	6.74	1.09	16.85	16.85
ILLOVO	2.16	16.97	6.93	1,350.13	1,350.13
MPICO	2.45	5.90	0.65	14.70	14.70
NBM	3.33	20.85	5.75	2,101.81	↑ 2,120.01
NBS Bank	3.00	16.92	8.62	109.94	↓ 109.92
NICO	3.00	10.45	3.18	199.72	↓ 199.70
NITL	0.77	7.94	2.31	411.50	411.50
PCL	1.44	22.13	1.42	2,507.00	↓ 2,506.99
Standard Bank	2.74	17.65	4.78	3,950.19	↑ 3,950.20
Sunbird	1.03	16.72	1.66	196.02	195.02
TNM	0.00	(68.46)	2.59	12.00	12.00
FMBCH	1.22	26.94	7.71	411.89	↓ 411.88
OMU	2.92	16.36	1.79	1,500.02	1,500.02
DSI	N/A	N/A	N/A	84,444.35	↑ 84,586.90
FSI	N/A	N/A	N/A	20,592.47	↓ 20,591.98
MASI	2.59	18.10	4.69	113,023.04	↑ 113,182.80
MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index					

Chibisa House, P.O. Box 3173, Blantyre
Tel No: 01 832 085/086
Email: invest@nicoassetmanagers.com Website: www.nicoassetmanagers.com NICO Asset Managers/Facebook

INVESTMENT MANAGEMENT | CORPORATE FINANCE | INVESTOR SERVICES

Inflation (Source: NSO)



Forex Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	15-Mar-24	22-Mar-24	% Change
MK/US Dollar	1683.37	1733.87	↓ -3.00%
MK/GBP	2220.74	2256.46	↓ -1.61%
MK/ZAR	92.84	94.47	↓ -1.76%
MK/EUR	1897.72	1935.18	↓ -1.97%

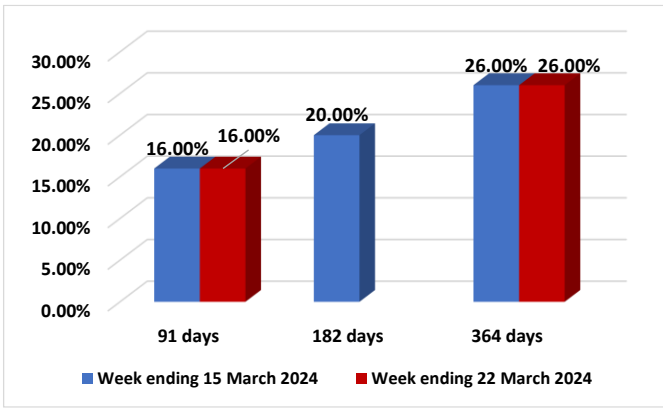
Global Market Rates (Source: BOE, ECB & The Federal Reserve).

	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%

Lilongwe Branch

NICO Asset Managers Limited, Corner Kenyatta Drive
NICO Centre, P.O. Box 30729, Lilongwe 3
Tel No: 01 757 086

Government Securities for week ending 22 March 2024 (Source: RBM)



TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days	55.20	16.00
364 days	8,352.39	26.00
TOTAL	8,407.59	

Economic Growth forecasts (Source: EIU, IMF, World Bank, MOF).

Real GDP Growth Projections				
	2021	2022	2023	2024
EIU	2.70%	0.70%	1.60%	3.00%
IMF	2.20%	0.90%	1.70%	3.30%
WORLD BANK	2.80%	0.90%	1.40%	2.80%
GOVERNMENT	3.90%	1.19%	1.50%	3.20%
Average Real GDP	2.90%	0.92%	1.55%	3.08%