



## 1. Money Market

### Government Securities

The Government Treasury Bills auction held during the week raised a total of K1.40 billion from total applications of K1.40 billion, resulting in a nil rejection rate. The average yields for the 91 days and 364 days tenor were 14.70%, and 24.00% respectively. There were no results for the 182 days tenor (Previous week: 91 days: no results, 182 days: 18.00% and 364 days: 24.00%). The Treasury Note (2-yr, 3-yr, 5-yr & 10-yr) auctions held during the week raised a total of K41.18 billion from applications of K41.18 billion, resulting in a nil rejection rate. Total maturities for the week stood at K23.29 billion, resulting in a net withdrawal of K19.29 billion.

### Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) decreased to a daily average of K58.48 billion from K92.19 billion recorded in the previous week. The volume on interbank overnight borrowing increased to an average of K44.10 billion at 23.00% (previous week: K25.80 billion at 23.00%). Access to the Lombard facility during the week in review averaged K87.07 billion at an average rate of 24.20% (previous week: K88.73 billion at 24.20%) (Source: RBM).

## 2. Stock Market

The MASI closed the week at 109,556.19 points (previous week: 110,951.21 points), the Domestic Share Index (DSI) closed at 85,117.61 points (previous week: 86,359.68 points) and the Foreign Share Index (FSI) closed at 15,793.05 points (previous week: 15,782.06 points). The decrease in MASI and DSI was due to share price losses in FDH Bank, Airtel, ICON, and MPICO despite the share price gains in TNM, NBM, NBS Bank, Standard Bank, Illovo, NICO and NITL. The increase in the FSI was due to share price gains in FMBCH. A total volume of 2.90 million shares were traded during the week at a value of K593.71 million in 157 deal (Source: MSE).

## 3. Local Market Developments

Total tea produced in October 2023 was 2.1 million kilograms (kgs), up from 1.9 million kgs in September 2023, similar to what was produced during the same period in 2022. Tea sales increased to 0.3 million kgs from 0.2 million kgs in September 2023. Meanwhile, tea prices averaged US\$1.15/kg from US\$1.28/kg in September 2023. Consequently, total revenues from tea sales amounted to US\$0.35 million in the month, higher than US\$0.28 million in the previous month (Source: RBM).

## 4. Regional Developments in the Week

South African private sector activity shrank in December 2023 as companies signalled a greater impact on business amid the gridlock problems afflicting the country's ports. The S&P Global South Africa Purchasing Managers' Index (PMI) fell to 49.0 in December from 50.0 in November. A reading above 50 indicates growth in activity. Supply chains, inventories, output, and demand were all hit by the port crisis in Durban, with delivery times lengthening at the sharpest rate in close to two years. Rotational power cuts implemented by power utility Eskom are also expected to remain an issue after electricity outages reportedly hit output and sales in December, he added (Source: Reuters).

## 5. Global Developments in the Week

In the aftermath of the earthquakes that struck central Japan on New Year's Day, preliminary estimates by the Namura Research Institute have revealed a staggering scale of direct economic losses. The quake, which inflicted extensive damage on residences, factories, roads, and other vital infrastructure in the disaster-stricken region, has been projected to result in direct economic losses exceeding US\$5.5 billion based on the information currently available. The magnitude of economic loss was equivalent to about 0.15% of Japan's nominal gross domestic product. The economic repercussions are already manifesting, with major corporations feeling the impact. Due to the earthquake, 10 Toyota Motor Corporation sales outlets in the quake-devastated central Japanese prefecture of Ishikawa are currently unable to operate (Source: Reuters).

**Stock Market (Source: Malawi Stock Exchange)**

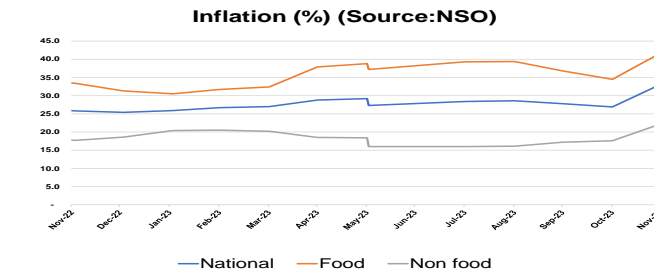
	Div yield %	P/E	P/BV	29-Dec-23	05-Jan-2024
Counter				MK/Share	MK/Share
AIRTEL	4.55	16.38	16.00	60.00	↓ 55.00
BHL	0.00	(80.32)	1.60	13.00	13.00
FDH Bank	3.27	20.16	11.05	70.00	↓ 66.99
ICON	1.40	7.13	1.15	17.85	↓ 17.83
ILLOVO	2.32	15.84	6.46	1,260.01	↑ 1,260.15
MPICO	2.40	6.01	0.66	15.00	↓ 14.98
NBM	3.36	20.67	5.70	2,101.25	↑ 2,101.35
NBS Bank	2.87	17.70	9.02	114.90	↑ 114.99
NICO	3.96	7.93	2.31	150.40	↑ 151.50
NITL	0.77	7.93	2.31	409.99	↑ 410.80
PCL	1.44	22.13	1.42	2,506.99	2,506.99
Standard Bank	2.16	23.65	6.26	3,500.00	↑ 3,950.02
Sunbird	1.05	16.38	1.63	191.07	191.07
TNM	0.00	(106.39)	4.03	18.07	↑ 18.65
FMBCH	1.60	20.61	5.90	315.00	↑ 315.02
OMU	3.64	13.61	1.49	1,500.00	1,500.00
DSI	N/A	N/A	N/A	86,359.68	↓ 85,117.61
FSI	N/A	N/A	N/A	15,792.06	↑ 15,793.05
MASI	2.58	18.21	4.70	110,951.21	↓ 109,556.19

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

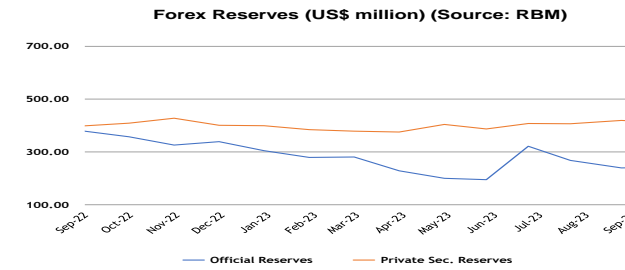
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**Inflation (Source: NSO)**



**Forex Reserves (Source: RBM)**



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

CURRENCY	29-Dec-23	5-Jan-24	% Change
MK/US Dollar	1,683.37	1,683.37	0.00%
MK/GBP	2,212.41	2,196.46	0.72%
MK/ZAR	93.54	92.67	0.93%
MK/EUR	1,918.18	1,894.77	1.22%

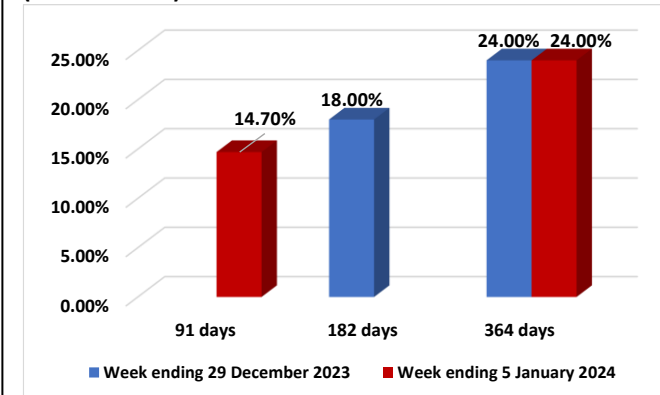
**Economic Growth (Source: EIU, World Bank, IMF, MoF)**

Real GDP Growth Projections				
	2020	2021	2022	2023
EIU	-1.00%	2.70%	0.70%	1.60%
IMF	0.60%	2.20%	0.90%	1.70%
WORLD BANK	1.00%	2.80%	0.90%	1.40%
GOVERNMENT	0.90%	3.90%	1.19%	1.50%
<b>Average Real GDP</b>	<b>0.38%</b>	<b>2.90%</b>	<b>0.92%</b>	<b>1.55%</b>

**Lilongwe Branch**

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**Government Securities for Week ending 5 January 2024 (Source: RBM)**



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

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91-days TB	47.60	14.70
182-days TB	0.00	18.00
364-days TB	1,351.18	24.00
2-year TN	4,890.00	26.75
3-year TN	11,010.00	28.00
5-year TN	9,060.00	30.00
10-year TN	16,220.00	33.00
<b>TOTAL</b>	<b>42,578.78</b>	