



## 1. Money Market

### Government Securities

The Government Treasury Bills auction held during the week raised a total of K51.17 billion from total applications of K51.17 billion, resulting in nil rejection rate. The average yields for the 91 days, 182 days, and 364 days tenor were 15.58%, 19.89%, and 25.99% respectively (Previous week: 91 days: 14.80%, 182 days: 19.88%, and 364 days: 25.99%). The (2-year, 3-year, 5-year, 7-year, and 10-year) Treasury Note auction held during the week raised a total of K42.75 billion from applications of K42.83 billion resulting in a 0.19% rejection rate, at an average yield of 28.75%, 30.00%, 32.00%, 34.00% and 33.00%, respectively. Total maturities for the week stood at K19.60 billion, resulting in a net injection of K74.32 billion (Source: RBM).

### Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K251.61 billion from K246.52 billion recorded in the previous week. The volume on interbank overnight borrowing decreased to an average of K5.28 billion at 23.06% (previous week: K14.72 billion at 23.14%). There were no transactions on the Lombard facility (previous week: K49.00 billion at 24.20%) (Source: RBM).

## 2. Stock Market

The MASI closed the week at 114,489.44 points (previous week: 115,033.98 points), the Domestic Share Index (DSI) closed at 85,706.11 points (previous week: 86,113.05 points), and the Foreign Share Index (FSI) closed at 20,647.47 points (previous week: 20,746.56 points). The decrease in the MASI and DSI were due to share price losses in NBS Bank, TNM, MPICO, and ICON, despite the share price gains in Illovo, NBM, Standard Bank, and PCL. The decrease in the FSI was due to share price losses in FMBCH. A total volume of 7.57 million shares were traded during the week at a value of K387.02 million in 143 trades (Source: MSE).

## 3. Local Market Developments

The year-on-year inflation rate for January 2024 stood at 35.0%, an increase from 34.5% recorded in December 2023. The food and non-food inflation rates were recorded at 44.9% and 22.0% respectively (Previous month: 43.5% and 22.80% respectively). The urban month to month inflation rate is at 3.1%. Urban Food and Non-Food inflation rates stand at 4.1% and 2.0%, respectively. The rural month to month inflation rate is at 5.0%. Rural Food and Non-food inflation rates stand at 6.5% and 2.4%, respectively (Source: NSO).

## 4. Regional Developments in the Week

Nigeria's Dangote oil refinery has issued tenders to sell two fuel cargoes for export, the first from the newly commissioned refinery. This is Africa's largest refinery with a nameplate capacity of 650,000.0 barrels per day. Nigeria has for years relied on expensive imports for nearly all the fuel it consumes but the US\$20.0 billion refinery is set to turn it into a net exporter of fuel to other West African countries, in a huge potential shift of power and profit dynamics in the industry. The first cargo is 65,000 metric tons of low sulphur straight run fuel oil, which Dangote has awarded to Trafigura and is due to load at the end of February. The second tender is for about 60,000 tons of naphtha (Source: Reuters).

## 5. Global Developments in the Week

China's central bank left its key policy rate unchanged when rolling over maturing medium-term loans, with uncertainties around the timing of interest rate easing by the Federal Reserve (the Fed), limiting Beijing's room to manoeuvre on monetary policy. Beijing is striking a delicate balancing act to support the economy at a time when signs of persistent deflationary pressure call for more stimulus measures. But any aggressive monetary policy movement risks reviving depreciation pressure on the Chinese currency and capital outflows. With investors now pushing back the start of the Fed monetary easing to at least the middle of the year from March. Following the latest US data, traders and analysts expect China could hold back rolling out imminent stimulus (Source: Reuters).

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

	Div yield %	P/E	P/BV	09-Feb-24	16-Feb-2024
Counter				MK/Share	MK/Share
AIRTEL	4.54	16.41	16.03	55.10	55.10
BHL	0.00	(80.45)	1.61	13.02	13.02
FDH Bank	3.37	19.56	10.72	65.00	65.00
ICON	1.48	6.75	1.09	16.90	↓ 16.89
ILLOVO	2.16	16.97	6.92	1,350.02	↑ 1,350.06
MPICO	2.44	5.92	0.65	14.75	↓ 14.74
NBM	3.36	20.67	5.70	2,101.75	↑ 2,101.80
NBS Bank	3.00	16.94	8.62	114.96	↓ 110.00
NICO	3.00	10.47	3.19	200.00	200.00
NITL	0.77	7.94	2.31	411.45	411.45
PCL	1.44	22.13	1.42	2,506.95	↑ 2,507.00
Standard Bank	2.16	23.65	6.26	3,950.15	↑ 3,950.16
Sunbird	1.03	16.72	1.66	195.02	195.02
TNM	0.00	(79.87)	3.02	15.00	↓ 14.00
FMBCH	1.22	27.01	7.74	415.00	↓ 413.00
OMU	2.92	16.36	1.79	1,500.02	1,500.02
DSI	N/A	N/A	N/A	86,113.05	↓ 85,706.11
FSI	N/A	N/A	N/A	20,746.56	↓ 20,647.47
MASI	2.47	19.05	4.92	115,033.98	↓ 114,489.44

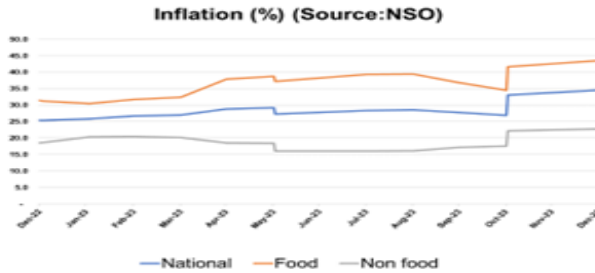
MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index

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**Inflation (Source: NSO)**



**Forex Reserves (Source: RBM)**



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

CURRENCY	9-Feb-24	16-Feb-24	% Change
MK/US Dollar	1,683.37	1,683.37	0.00%
MK/GBP	2,187.27	2,182.25	0.23%
MK/ZAR	91.48	91.64	-0.17%
MK/EUR	1,867.72	1,865.81	0.10%

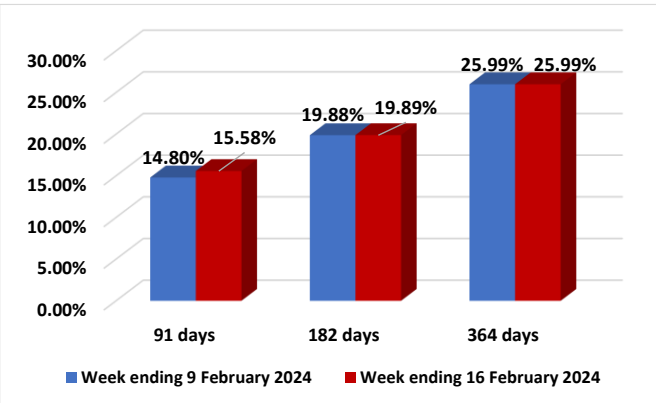
**Global Market Rates (Source: BOE, ECB & The Federal Reserve).**

	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**

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**Government Securities for week ending 16 February 2024 (Source: RBM)**



**Economic Growth (Source: EIU, World Bank, IMF, 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%
<b>Average Real GDP</b>	<b>2.90%</b>	<b>0.92%</b>	<b>1.55%</b>	<b>3.08%</b>