



**NICO Asset Managers**

“INVEST today for tomorrow”.

# WEEKLY MARKET UPDATE

Week ending 19 January 2024

## 1. Money Market

### Government Securities

The Government Treasury Bills auction held during the week raised a total of K27.68 billion from total applications of K27.68 billion, resulting in a nil rejection rate. The average yields for the 91 days, 182 days and 364 days tenor were 14.70%, 18.00% and 24.00% respectively (Previous week: 91 days: 14.70%, 182 days: 18.00%, and 364 days: 24.00%). The 7-year Development Bond auction held during the week raised a total of K7.84 billion from applications of K7.84 billion, resulting in a nil rejection rate. Total maturities for the week stood at K143.44 billion, resulting in a net injection of K107.92 billion.

### Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K199.39 billion from K165.36 billion recorded in the previous week. The volume on interbank overnight borrowing increased to an average of K28.30 billion at 23.00% (previous week: K17.44 billion at 23.00%). Access to the Lombard facility during the week in review averaged K68.50 billion at an average rate of 24.20% (previous week: K73.15 billion at 24.20%) (Source: RBM).

## 2. Stock Market

The MASI closed the week at 114,675.86 points (previous week: 111,605.87 points), the Domestic Share Index (DSI) closed at 86,343.35 points (previous week: 85,390.01 points), and the Foreign Share Index (FSI) closed at 20,045.50 points (previous week: 17,774.36 points). The increase in the MASI and DSI were due to share price gains in Airtel, Illovo, NBM, NICO, NITL, MPICO, Sunbird, and Standard Bank, despite the share price losses in TNM, NBS Bank, FDH Bank, PCL, and TNM. The increase in the FSI was due to share price gains in FMBCH. A total volume of 1.81 million shares were traded during the week at a value of K322.28 million in 164 trades (Source: MSE).

## 3. Local Market Developments

The year-on-year inflation rate for December 2023 stood at 34.50%, an increase from 33.1% recorded in November 2023. The food and non-food inflation rates were recorded at 43.50% and 22.80% respectively (Previous month: 41.70% and 22.20% respectively). As such the annual inflation rate increased to 28.80%, compared to 21.00% recorded in 2021. The annual food and non-food for 2023 inflation are 37.10% and 18.80% respectively.

## 4. Regional Developments in the Week

During the week in review, the International Monetary Fund's (IMF) board approved the first review of Ghana's loan program, allowing for the immediate disbursement of about US\$600.00 million under its US\$3.00 billion bailout program. The decision comes after the gold, oil and cocoa producer reached a deal to restructure US\$5.40 billion of loans with its official creditors, a key step to unlocking the second tranche of IMF funding. According to the IMF, the authorities' reform efforts have helped to improve growth, decrease inflation and increase international reserves, forecasting that the economy would grow 2.30% in 2023 and 2.80% in 2024.

## 5. Global Developments in the Week

According to the Office for National Statistics (ONS), retail sales volumes fell by 3.20% in December 2023 in the sharpest drop since the UK was in a Covid-19 lockdown. Official figures revealed a sharp fall in demand for goods, but food sales also declined in the run-up to Christmas. It appeared people did their shopping earlier in November, taking advantage of Black Friday sales, this meant that retail sales tumbled at the fastest rate since January 2021. The ONS said the amount of non-food products people bought in December fell by 3.90%, with department stores the worst hit. That compares to a 2.70% increase for non-food products in November. Food demand was also down at the end of the year, falling 3.10%. In November, food sales rose by 1.10% (Source: ONS).

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

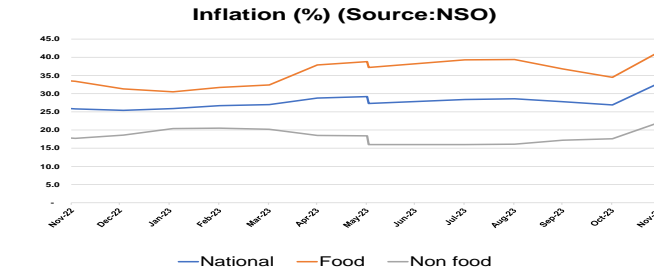
	Div yield %	P/E	P/BV	12-Jan-24	19-Jan-2024
Counter				MK/Share	MK/Share
AIRTEL	4.54	16.40	16.02	55.01	↑ 55.06
BHL	0.00	(80.39)	1.61	13.01	13.01
FDH Bank	3.27	20.15	11.04	66.98	↓ 66.97
ICON	1.47	6.79	1.10	16.99	16.99
ILLOVO	2.24	16.35	6.67	1,260.22	↑ 1,301.05
MPICO	2.40	6.01	0.66	14.96	↑ 14.97
NBM	3.36	20.67	5.70	2,101.42	↑ 2,101.52
NBS Bank	2.87	17.69	9.01	114.97	↓ 114.90
NICO	2.91	10.78	3.28	179.00	↑ 206.00
NITL	0.77	7.94	2.31	411.03	↑ 411.10
PCL	1.44	22.13	1.42	2,506.97	↓ 2,506.95
Standard Bank	2.16	23.65	6.26	3,950.03	↑ 3,950.05
Sunbird	1.04	16.47	1.64	191.07	↑ 192.07
TNM	0.00	(102.29)	3.87	17.98	↓ 17.93
FM BCH	1.25	26.22	7.51	355.01	↑ 400.85
OMU	2.92	16.36	1.79	1,500.02	1,500.02
DSI	N/A	N/A	N/A	85,390.01	↑ 86,343.35
FSI	N/A	N/A	N/A	17,774.36	↑ 20,045.50
MASI	2.47	19.08	4.92	111,605.87	↑ 114,675.86

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

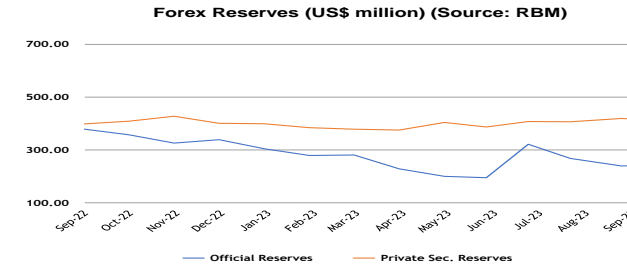
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**Inflation (Source: NSO)**



**Forex Reserves (Source: RBM)**



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

CURRENCY	12-Jan-24	19-Jan-24	% Change
MK/US Dollar	1,683.37	1,683.37	0.00%
MK/GBP	2,215.02	2,201.49	0.61%
MK/ZAR	93.23	91.46	1.90%
MK/EUR	1,902.92	1,885.93	0.89%

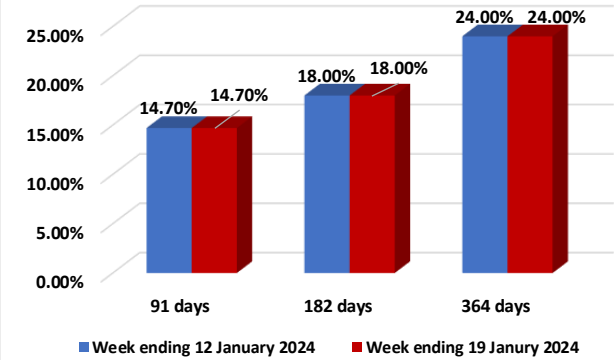
**Economic Growth (Source: EIU, World Bank, IMF, MoF)**

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 19 January 2024 (Source: RBM)**



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

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91-days TB	2.03	14.70
182-days TB	27,529.16	18.00
364-days TB	146.03	24.00
7-year DB	7,840.00	32.00
<b>TOTAL</b>	<b>135,096.82</b>	