



NICO Asset Managers

“INVEST today for tomorrow”.

WEEKLY MARKET UPDATE

Week ending 24 May 2024

1. Money Market

Government Securities

The Government Treasury Bills auction held during the week raised a total of K6.46 billion from total applications of K6.46 billion, resulting in a nil rejection rate. The average yields for the 91 days, 182 days, and 364 days tenors were 16.00%, 20.00%, and 26.00% respectively (Previous week: 91 days: 16.00%, 182 days: 20.00%, 364 days: 26.00%). The (3-yr, 5-yr & 10-yr) Treasury Note auction held during the week in review raised K281.0 million from total applications of K281.0 million resulting in a nil rejection rate. This was at an average yield of 30.00%, 32.00%, and 35.00% respectively. Total maturities for the week stood at K30.05 billion, resulting in a net injection of K23.31 billion (Source: RBM).

Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) decreased to a daily average of K25.87 billion from K42.37 billion recorded in the previous week. The volume on interbank overnight borrowing increased to an average of K52.80 billion at 23.50% (previous week: K32.93 billion at 23.00%). Total transactions on the Lombard facility averaged K94.61 billion at 26.20% (previous week average: K74.63 billion at 26.20%) (Source: RBM).

2. Stock Market

The MASI closed the week at 114,231.25 points (previous week: 113,694.34). The Domestic Share Index (DSI) closed at 86,756.60 points (previous week: 86,277.30 points), and the Foreign Share Index (FSI) closed at 19,012.49 points (previous week: 19,014.47 points). The increase in the MASI was due to share price gains in TNM, Airtel, Standard Bank, and MPICO, despite share price losses in FDH Bank, NBS Bank, NITL, and PCL. The decrease in the FSI was due to share price losses in FMBCH. A total volume of 30.65 million shares were traded during the week at a value of K1.70 billion in 214 trades (Source: MSE).

3. Local Market Developments

- The World Bank is providing support to improve resource mobilization, budget execution, and transparency of public finances to assist the achievement of results under the Malawi Public Finance Management (PFM) Strategy 2023 - 2028. The new US\$80 million International Development Agency (IDA) grant complements the International Monetary Fund (IMF) Extended Credit Facility (ECF) arrangement and World Bank Development Policy Financing (DPO), both approved in late 2023 (Source: Reuters).
- According to the IMF, the economic outlook for 2024 remains positive but economic growth is now projected at 2.0% reflecting the impact of El Niño on agricultural production and spillovers to the rest of the economy. A successful winter crop is expected to cushion the impact of drought on the agriculture sector (Source: IMF).

4. Regional Developments in the Week

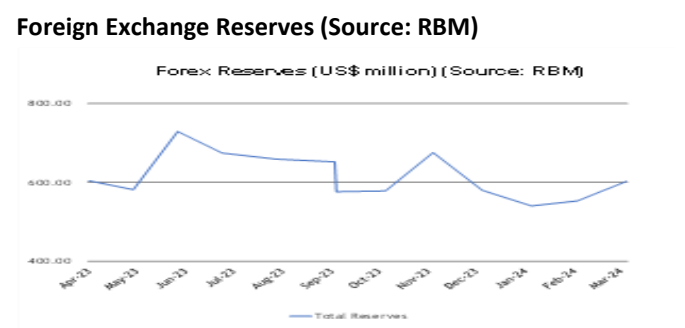
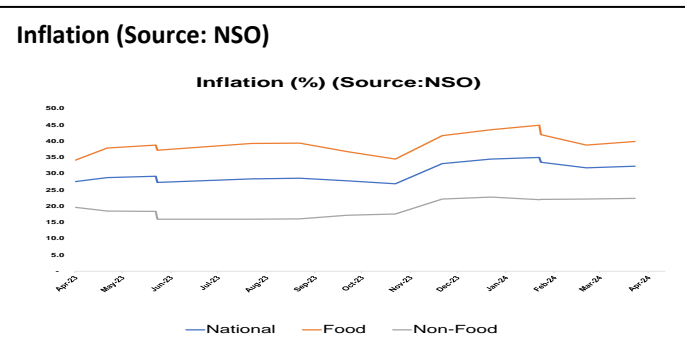
Ghana has agreed on a memorandum of understanding (MoU) with its bilateral creditors, including China and France, to restructure US\$5.4 billion of debt, one-and-a-half years after the West African country defaulted. The MoU paves the way for the executive board of the International Monetary Fund (IMF) to approve the disbursement of US\$360.0 million under Ghana's US\$3.0 billion, three-year bailout program, which is expected in June 2024 (Source: Reuters).

5. Global Developments in the Week

A month of unrelenting rain in many parts of the country resulted in British shoppers spending much less than expected in April, with fewer treating themselves to clothes and big-ticket items. The Office for National Statistics (ONS) blamed the wet weather for the 2.3% drop in the amount of goods bought compared with March, which was much steeper than the 0.4% decline forecast by analysts (Source: ONS).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	17-May-24	24-May-24
Counter				MK/Share	MK/Share
AIRTEL	1.91	399.64	48.08	51.15	↑ 51.19
BHL	0.00	(13.82)	1.59	13.05	13.05
FDH Bank	5.02	12.65	7.68	65.36	↓ 65.34
ICON	1.61	5.86	0.93	16.80	16.80
ILLOVO	2.15	17.03	6.95	1,355.15	1,355.15
MPICO	2.53	6.30	0.60	14.84	↑ 15.00
NBM	4.28	15.51	5.43	2,400.18	↑ 2,400.19
NBS Bank	5.00	8.99	5.28	90.72	↓ 90.71
NICO	5.01	6.69	2.29	199.45	199.45
NITL	1.58	2.58	1.23	411.49	↓ 411.48
PCL	1.83	7.46	1.14	2,506.99	↓ 2,506.98
Standard Bank	2.74	17.65	4.78	3,950.30	↑ 3,950.31
Sunbird	3.44	11.16	1.21	224.00	224.00
TNM	0.00	(31.64)	3.61	12.19	↑ 15.00
FM BCH	0.93	15.49	4.04	380.04	↓ 380.00
OMU	2.92	16.36	1.79	1,500.03	1,500.03
DSI	N/A	N/A	N/A	86,277.30	↑ 86,756.60
FSI	N/A	N/A	N/A	19,014.47	↓ 19,012.49
MASI	2.80	14.41	3.89	113,694.34	↑ 114,231.25

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

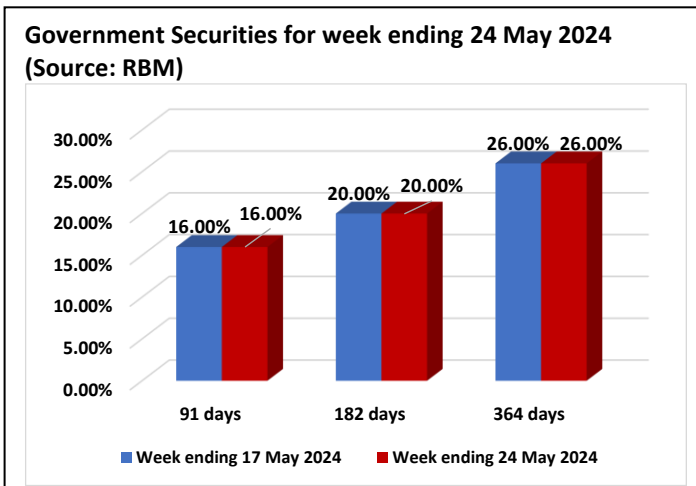


Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	17-May-24	24-May-24	% Change
MK/US Dollar	1733.87	1733.87	0.00%
MK/GBP	2260.93	2266.28	-0.24%
MK/EUR	1940.18	1930.54	0.50%
MK/ZAR	98.22	96.83	1.41%

Economic Growth (Source: EIU, RBM, World Bank and IMF)

Real GDP Growth Projections				
	2021	2022	2023	2024
EIU	2.70%	0.70%	1.60%	1.50%
IMF	2.20%	0.90%	1.70%	2.00%
WORLD BANK	2.80%	0.90%	1.40%	2.00%
GOVERNMENT	3.90%	1.19%	1.50%	3.20%
Average Real GDP	2.90%	0.92%	1.55%	2.18%



TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91-days	717.25	16.00
182-days	11.00	20.00
364-days	5,732.14	26.00
3-year TN	3.00	30.00
5-year TN	6.00	32.00
10-year TN	3.00	35.00
10-year DB	270.00	35.00
TOTAL	6,742.39	

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