



**NICO Asset Managers**

“INVEST today for tomorrow”.

# WEEKLY MARKET UPDATE

Week ending 31 May 2024

## 1. Money Market

### Government Securities

The Government Treasury Bills auction held during the week raised a total of K35.32 million from total applications of K35.32 million, resulting in a nil rejection rate. The average yields for the 91 days, and 364 days tenors were 16.00% and 26.00% respectively, there were no results for the 182 days tenor (Previous week: 91 days: 16.00%, 182 days: 20.00%, 364 days: 26.00%). The 7-year Treasury Note auction held during the week in review raised K3.39 billion from total applications of K3.39 billion resulting in a nil rejection rate. This was at an average yield of 34.00%. Total maturities for the week stood at K14.82 billion, resulting in a net injection of K11.40 billion (Source: RBM).

### Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K54.49 billion from K25.87 billion recorded in the previous week. The volume on interbank overnight borrowing decreased to an average of K45.50 billion at 23.78% (previous week: K52.80 billion at 23.50%). Transactions on the Lombard facility averaged K122.80 billion at 26.20% (previous week average: K94.61 billion at 26.20%) (Source: RBM).

## 2. Stock Market

The MASI closed the week at 115,418.29 points (previous week: 114,231.25). The Domestic Share Index (DSI) closed at 87,814.00 points (previous week: 86,756.60 points), and the Foreign Share Index (FSI) closed at 19,011.00 points (previous week: 19,012.49 points). The increase in the MASI was due to share price gains in Airtel, FDH Bank, NBS Bank, and Standard Bank, despite share price losses in ICON, Illovo, NICO, and NITL. The decrease in the FSI was due to share price losses in FM BCH. A total volume of 42.14 million shares were traded during the week at a value of K4.27 billion in 270 trades (Source: MSE).

## 3. Local Market Developments

During week 6 of the tobacco market season, a total volume of 51.84 million kgs were sold, valued at US\$144.0 million at an average price of US\$2.78/kg (week 6 2023: 12.23 million kgs, valued at US\$35.41 million at an average price of US\$2.89/kg). The increase in tobacco sales volumes and upward trends in prices have contributed to the higher earnings from tobacco sales in 2024, compared to that realised in 2023 (Source: AHL Tobacco Sales Ltd).

## 4. Regional Developments in the Week

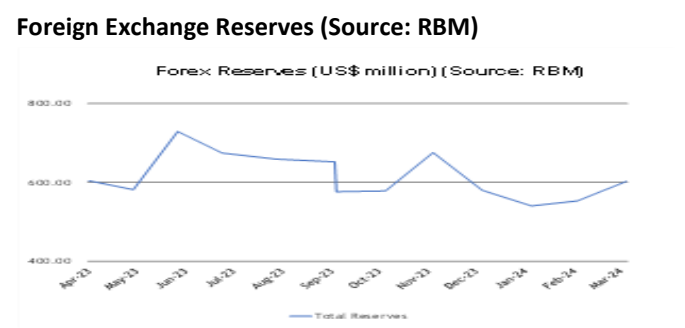
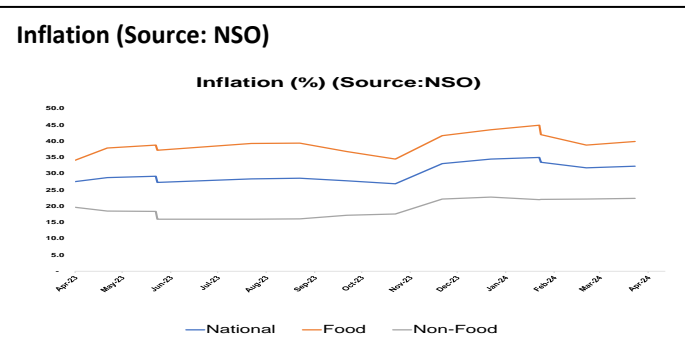
The World Bank has approved the first of three budget support packages for Kenya worth US\$1.2 billion, to help the East African country address short-term fiscal pressures and accelerate green policies. The funding had been agreed amid an improved macroeconomic environment following government efforts to address liquidity pressures, depressed investor confidence and limited capital inflows that had resulted in a rapidly depreciating shilling. The funding package aims to also create a more competitive labour market and strengthen the country's efforts to combat the impact of climate change (Source: Reuters)

## 5. Global Developments in the Week

Copper prices on the London Metals Exchange (LME) rebounded during the week in review after previous selloffs, while the market was set for a moderate monthly rise as physical demand weakness in China extended. Three-month copper on the LME added 0.5% at US\$10,187 per metric ton (MT) representing a monthly increase of 1.9% and up 19.0% in 2024. A speculative frenzy into copper boosted prices to record highs on 20 May at US\$11,104.50, before trending down amid profit taking and worries over U.S. interest rates. Investors are awaiting inflation reports from Europe and the U.S. for more clues on monetary policy (Source: Reuters).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	24-May-24	31-May-24
Counter				MK/Share	MK/Share
AIRTEL	1.91	399.80	48.10	51.19	↑ 51.21
BHL	0.00	(13.82)	1.59	13.05	13.05
FDH Bank	4.49	14.43	8.76	65.34	↑ 74.52
ICON	1.61	5.86	0.93	16.80	↓ 16.79
ILLOVO	2.15	17.03	6.95	1,355.15	↓ 1,355.14
MPICO	2.53	6.30	0.60	15.00	15.00
NBM	4.28	15.51	5.43	2,400.19	2,400.19
NBS Bank	5.00	8.99	5.28	90.71	↑ 90.79
NICO	5.02	6.69	2.28	199.45	↓ 199.40
NITL	1.58	2.58	1.23	411.48	↓ 411.47
PCL	1.83	7.46	1.14	2,506.98	2,506.98
Standard Bank	2.74	17.65	4.78	3,950.31	↑ 3,950.33
Sunbird	3.44	11.16	1.21	224.00	224.00
TNM	0.00	(31.64)	3.61	15.00	15.00
FM BCH	0.93	15.49	4.04	380.00	↓ 379.97
OMU	2.92	16.36	1.79	1,500.03	1,500.03
DSI	N/A	N/A	N/A	86,756.60	↑ 87,814.00
FSI	N/A	N/A	N/A	19,012.49	↓ 19,011.00
MASI	2.75	14.62	3.95	114,231.25	↑ 115,418.29

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

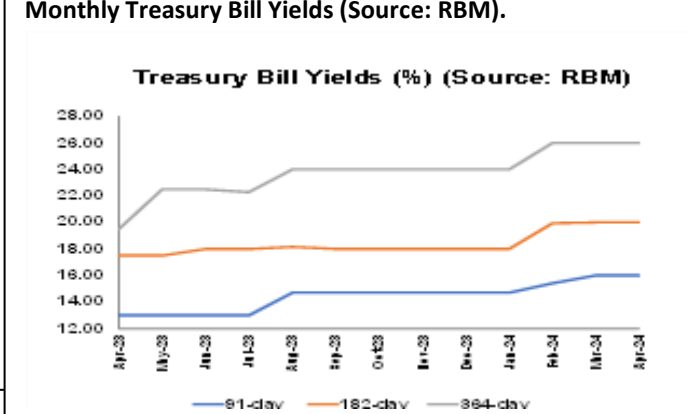
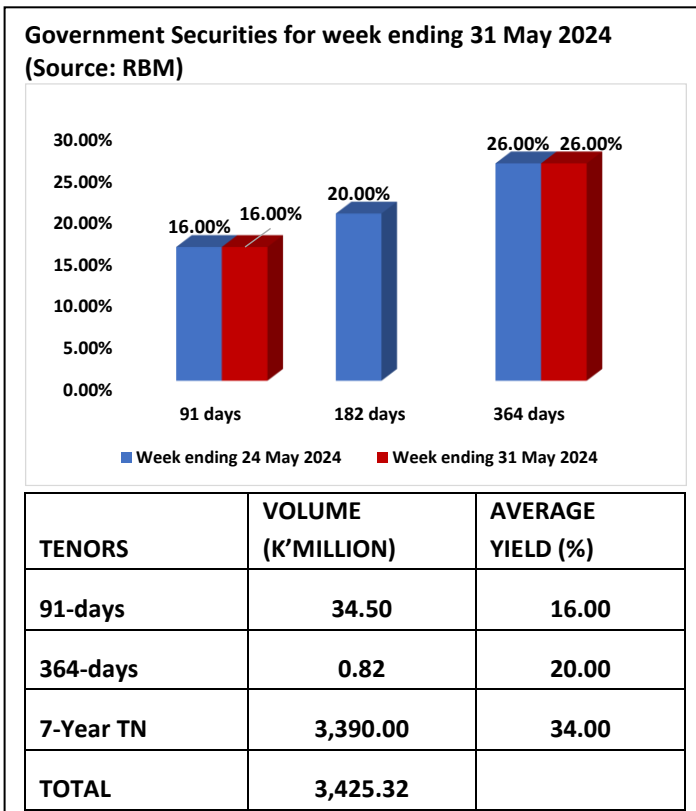


### Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	24-May-24	31-May-24	% Change
MK/US Dollar	1733.87	1733.87	0.00%
MK/GBP	2266.28	2270.39	-0.18%
MK/EUR	1930.54	1931.43	-0.05%
MK/ZAR	96.83	95.04	1.85%

### 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%
<b>Average Real GDP</b>	<b>2.90%</b>	<b>0.92%</b>	<b>1.55%</b>	<b>2.18%</b>



**Contacts:**

**Head Office**  
 NICO Asset Managers Limited, 19 Glyn Jones Road  
 Chibisa House, P.O. Box 3173, Blantyre  
 Tel No: 01 832 085/086  
 Email: [invest@nicoassetmanagers.com](mailto:invest@nicoassetmanagers.com) Website: [www.nicoassetmanagers.com](http://www.nicoassetmanagers.com)

**Lilongwe Branch**  
 NICO Asset Managers Limited, Umodzi Park  
 P.O. Box 30729, Lilongwe 3  
 Tel No: 01 757 086

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