



NICO Asset Managers

“INVEST today for tomorrow”.

WEEKLY MARKET UPDATE

Week ending 14 June 2024

1. Money Market

Government Securities

The Government Treasury Bills auction held during the week raised a total of K2.08 billion from total applications of K2.08 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 & 10-yr) Treasury Note auction held during the week in review raised K360.00 million from total applications of K360.00 million resulting in a nil rejection rate. These were at an average yield of 30.00% and 35.00% respectively. Total maturities for the week stood at K7.91 billion, resulting in a net injection of K5.47 billion (Source: RBM).

Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K66.96 billion from K46.91 billion recorded in the previous week. The volume on interbank overnight borrowing increased to an average of K78.40 billion at 24.23% (previous week: K40.42 billion at 23.99%). Transactions on the Lombard facility averaged K79.83 billion at 26.20% (previous week average: K89.46 billion at 26.20%) (Source: RBM).

2. Stock Market

The MASI closed the week at 117,873.18 points (previous week: 117,919.91). The Domestic Share Index (DSI) closed at 90,083.74 points (previous week: 90,116.78 points), and the Foreign Share Index (FSI) closed at 18,902.00 points (previous week: 18,912.90 points). The decrease in the MASI was due to share price losses in Standard Bank, NICO, NBS Bank, and NITL, despite share price gains in TNM, and FDH Bank. The decrease in the FSI was due to share price losses in FMBCH. A total volume of 9.15 million shares were traded during the week at a value of K992.92 million in 146 trades (Source: MSE).

3. Local Market Developments

The goods trade balance registered a lower deficit of US\$181.8 million in April 2024, compared to minus US\$194.4 million reported in March 2024 and a shortfall of US\$159.2 million in the corresponding month of 2023. The merchandise trade deficit narrowed owing to a drop in imports that outweighed a decline in exports in the month under review. Exports of commodities decreased to US\$31.0 million in April 2024 from US\$41.1 million in the preceding month and compared to US\$36.5 million recorded in April 2023. The outturn was explained by a reduction in the sales of tobacco, soya beans, and tea (Source: RBM).

4. Regional Developments in the Week

According to Tanzania's Ministry of Finance, Tanzania's economy is forecast to grow even faster this year than in 2023. The economy was projected to grow by 5.4% this year from 5.1% in 2023, which was faster than the 4.7% in 2022. Tanzania's economy largely relies on tourism, mining, agriculture and manufacturing. The government expected the budget deficit in the coming fiscal year to not exceed 3% of gross domestic product. The World Bank said growth was due to stronger business confidence and improved trade balances which boosted aggregate demand, balancing the damaging impact of droughts and floods on household income (Source: Reuters).

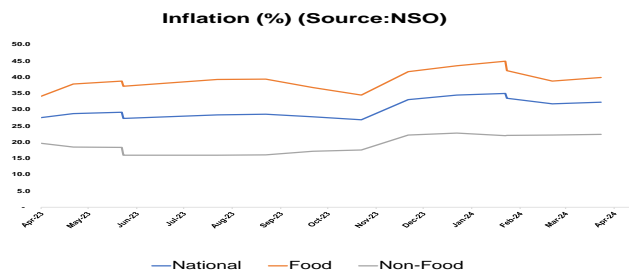
5. Global Developments in the Week

U.S. import prices fell for the first time in five months in May 2024 amid lower prices for energy products, providing another boost to the domestic inflation outlook. The unexpectedly benign report from the US Labor Department combined with data this week showing tame inflation readings last month to keep a September interest rate cut from the Federal Reserve on the table. Signs that inflation is subsiding have, however, failed to lift spirits among Americans, with a survey on Friday showing consumer sentiment dropping to a seven-month low in June (Source: Reuters).

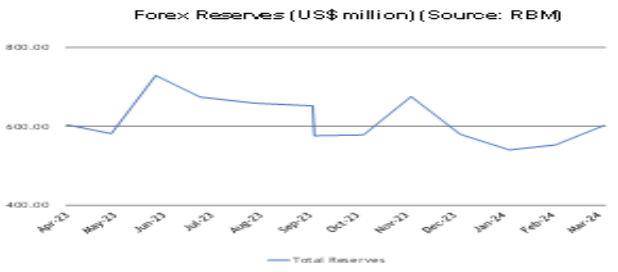
Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	7-June-24	14-June-24
Counter				MK/Share	MK/Share
AIRTEL	1.92	399.09	48.01	51.12	51.12
BHL	0.00	(13.82)	1.59	13.05	13.05
FDH Bank	4.40	14.43	8.76	74.52	↑ 74.55
ICON	1.69	5.88	0.88	16.00	16.00
ILLOVO	2.15	17.03	6.95	1,355.13	1,355.13
MPICO	2.53	6.30	0.60	15.00	15.00
NBM	3.81	17.45	6.11	2,700.00	2,700.00
NBS Bank	5.05	8.92	5.24	90.77	↓ 89.99
NICO	5.02	6.69	2.28	199.39	↓ 199.37
NITL	1.58	2.58	1.23	411.47	↓ 411.44
PCL	1.83	7.46	1.14	2,506.97	2,506.97
Standard Bank	2.74	17.65	4.78	3,950.35	↓ 3,950.34
Sunbird	3.44	11.16	1.21	224.01	224.01
TNM	0.00	(32.72)	3.73	15.50	↑ 15.51
FMBCH	0.94	15.40	4.01	379.99	↓ 377.77
OMU	2.92	16.36	1.79	1,500.03	1,500.03
DSI	N/A	N/A	N/A	90,116.78	↓ 90,083.74
FSI	N/A	N/A	N/A	18,912.90	↓ 18,902.74
MASI	2.96	13.78	3.96	117,919.91	↓ 117,873.18

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

Inflation (Source: NSO)



Foreign Exchange Reserves (Source: RBM)



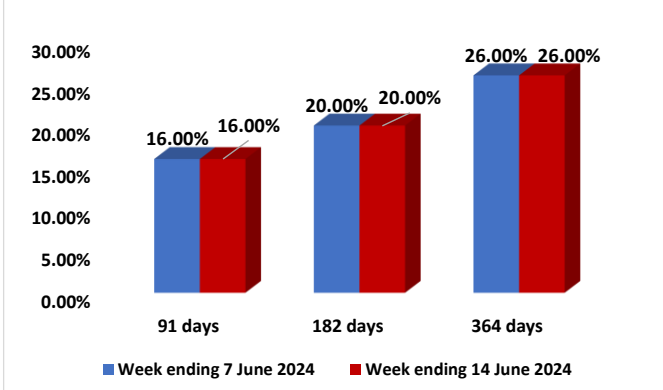
Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	7-Jun-24	14-Jun-24	% Change
MK/US Dollar	1733.87	1733.87	→ 0.00%
MK/GBP	2282.71	2274.32	↑ 0.37%
MK/EUR	1944.46	1915.36	↑ 1.50%
MK/ZAR	94.38	96.80	↓ -2.57%

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%
RBM	3.90%	1.19%	1.50%	2.30%
Average Real GDP	2.90%	0.92%	1.55%	1.95%

Government Securities for week ending 14 June 2024 (Source: RBM)



TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91-days	4.03	16.00
182-days	0.38	20.00
364-days	2,075.45	26.00
3-Year TN	260.00	30.00
10-Year TN	100.00	35.00
TOTAL	2,439.86	

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