NICO Asset Managers

"INVEST today for tomorrow".

WEEKLY MARKET UPDATE

Week ending 4 April 2025

1. **Money Market**

   Government Securities

   The Government Treasury Bills auction held during the week raised a total of K50.33 billion from total applications of K50.33 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%, and 364 days: 26.00). The auction on various Treasury Notes during the week in review had no applications, leading to no funds being raised. Total maturities for the week stood at K114.92 billion, resulting in a net liquidity inflow of K64.59 billion (Source: RBM).

2. **Interbank Market**

   Liquidity levels (excess reserves after Central Bank Operations) decreased to a daily average of -K96.76 billion from an average of K45.54 billion in the previous week. The volume on daily interbank overnight borrowing decreased to an average of K58.50 billion at 23.18% (Previous week K69.68 billion at 23.18%). A total of K658.40 billion was accessed on the Lombard window at an average rate of 26.2%. (Previous week: K514.00 billion at an average rate of 26.2%). (Source: RBM)

3. **Stock Market**

   The MASI closed the week at 292,054.60 points (Previous week: 291,644.54 points), the Domestic Share Index (DSI) closed at 209,502.42 points (Previous week: 205,607.20 points), and the Foreign Share Index (FSI) closed at 64,327.43 points (Previous week: 68,836.03 points). The increase in the MASI was due to share price gains on AIRTEL, ILLOVO, NILT, PCL and Standard Bank. The gains were enough to offset losses on FDH Bank, MPICO, NBS Bank, NICO, TNM and FMBCH. A total of 3.07 million shares were traded, with a market turnover of K1.65 billion in 620 trades. (Source: MSE)

4. **Local Market Developments**

   The International Fund for Agricultural Development (IFAD) has launched the $24.0 million Blended Rural Financing Facility to support rural agricultural financing in Malawi. The fund which is part of the Financial Access for Rural Markets, Smallholders, and Enterprises (FARMSE) program, aims to assist two million farmers. The facility will leverage additional private funding, bringing the total to $60.0 million. It will enhance financial inclusion, with support for 100 savings cooperatives and 50 microfinance institutions. (*Source: The Nation*)

5. **Regional Developments in the Week**

   Ghana's annual consumer inflation decreased by 0.7% from 23.1% in February to 22.4% in March, driven by a decline in food prices. The central bank raised interest rates by 100 basis points to 28.0% from 27.0%, to combat inflation. Inflation remains above the 8.0% target. Despite the drop in inflation, it is still high, prompting the finance minister to forecast a reduction to 11.9% by year-end through significant government spending cuts. (*Source: CNBC Africa*)

6. **Global Developments in the Week**

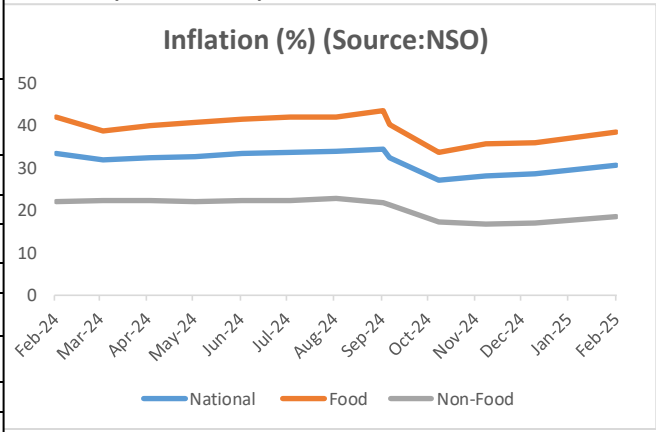
   United States President Donald Trump has announced a new wave of tariffs, including a 10.0% baseline tariff on all imports starting April 5. The European Union will face tariffs of 20.0%, while China will be subjected to a combined total of 54.0%, including previously imposed duties. The United Kingdom will also face a 10.0% tariff. Although Canada and Mexico are exempt from the baseline tariff, they will be subject to separate tariffs tied to security and border concerns. The announcement triggered a sharp depreciation of the United States dollar against major currencies and significant losses in global stock markets, reflecting heightened fears of a trade war and a potential global recession. (*Source: Reuters)*

	Div yield %	P/E	P/BV	28-Mar-25		04-Apr-25
Counter				MK/Share		MK/Share
AIRTEL	-	(92.01)	(133.81)	128.24	↑	129.02
BHL	-	(107.89)	12.42	14.55		14.55
FDH Bank	1.50	29.36	22.32	315.19	↓	315.07
ICON	1.50	6.26	0.99	17.95		17.95
ILLOVO	0.28	56.48	8.59	1,791.64	↑	1,791.65
MPICO	2.00	7.98	0.76	19.00	↓	18.99
NBM	2.04	28.30	10.78	6,200.10		6,200.10
NBS Bank	1.31	34.41	20.21	347.97	↓	347.29
NICO	1.29	26.01	8.89	776.87	↓	775.56
NITL	1.59	3.18	1.28	634.98	↑	700.00
PCL	1.60	8.55	1.31	2,875.01	↑	2,875.02
Standard Bank	1.81	24.32	8.08	7,941.08	↑	8,950.01
Sunbird	2.57	14.95	1.62	300.14		300.14
TNM	-	(49.36)	5.63	24.93	↓	23.40
FMBCH	0.85	52.74	13.74	1,384.50	↓	1,293.50
OMU	4.24	12.75	1.70	1,950.03		1,950.03
DSI	N/A	N/A	N/A	205,607.20	↑	209,502.42
FSI	N/A	N/A	N/A	68,836.03	↓	64,327.43
MASI	1.24	32.60	8.99	291,644.54	↑	292,054.60

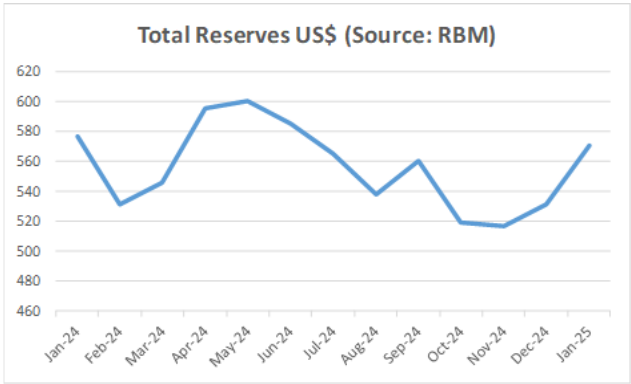
Stock Market (Source: Malawi Stock Exchange)

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

Inflation (Source: NSO)



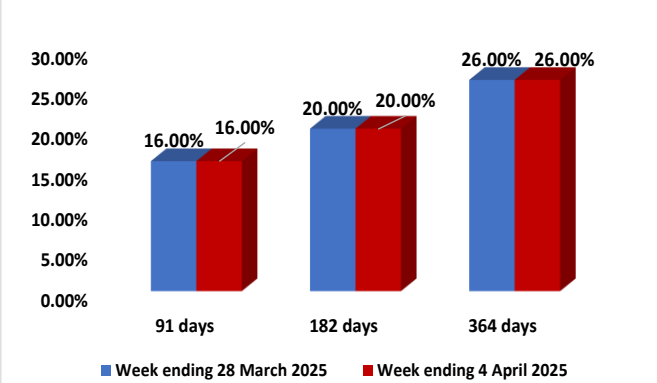
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	28-Mar-25	4-Apr-25	% Change
MK/US Dollar	1,734.01	1,734.01	0.00%
MK/GBP	2,310.59	2,332.38	-0.94%
MK/ZAR	98.00	94.33	3.75%
MK/EUR	1,926.76	1,975.71	-2.54%

Government Securities for week ending 4 April 2025 (Source: RBM)



TENORS	VOLUME (K' BILLION)	AVERAGE YIELD (%)
91- days	0.85	16.00
182-days	45.47	26.00
364-days	4.01	28.75

Real GDP Growth Projections				
	2022	2023	2024	2025
EIU	0.70%	1.60%	1.30%	1.60%
IMF	0.90%	1.50%	1.80%	4.00%
WORLD BANK	0.90%	1.40%	1.80%	4.00%
GOVERNMENT	1.19%	1.50%	1.80%	3.20%
Average Real GDP	0.92%	1.50%	1.68%	3.20%

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