NICO Asset Managers

"INVEST today for tomorrow".

WEEKLY MARKET UPDATE

Week ending 2 May 2025

1. **Money Market**

   Government Securities

   The Government Treasury Bills auction held during the week raised a total of K12.30 billion from total applications of K12.30 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 K13.13 billion, resulting in a net liquidity inflow of K0.83 billion (Source: RBM).

2. **Interbank Market**

   Liquidity levels (excess reserves after Central Bank Operations) decreased to a daily average of K112.43 billion from an average of K194.09 billion in the previous week. The volume on daily interbank overnight borrowing increased to an average of K105.75 billion at 23.20% (Previous week: K94.38 billion at 23.20%). A total of K14.00 billion was accessed on the Lombard window at an average rate of 26.2%. (Previous week: K50.00 billion at an average rate of 26.2%). (Source: RBM)

3. **Stock Market**

   The MASI closed the week at 289,475.23 points (Previous week: 290,277.11 points), the Domestic Share Index (DSI) closed at 213,497.82 points (Previous week: 213,551.82 points), and the Foreign Share Index (FSI) closed at 56,293.81 points (Previous week: 57,136.08 points). The decrease in the MASI was due to share price losses on AIRTEL, FDH Bank, ILLOVO, MPICO, NBM, NBS Bank, NICO, TNM and FMBCH. The losses were enough to offset gains on BHL, NITL, PCL, Standard Bank and Sunbird. A total of 1.08 million shares were traded, with a market turnover of K2.87 billion in 719 trades. (Source: MSE)

4. **Local Market Developments**

   The International Monetary Fund (IMF) and the World Bank (WB) have revised downwards their projections for Malawi's real gross domestic product (GDP) growth in 2025. The IMF cut its forecast from 4.0% to 3.5%, while the WB reduced its estimate more sharply, from 4.2% to 2.0%. Both institutions also raised their inflation outlooks for the year: the IMF increased its annual inflation forecast from 15.3% to 24.2%, and the WB raised its projection from 27.3% to 34.7%. (*Source: IMF and WB*)

5. **Regional Developments in the Week**

   Kenya's year-on-year headline inflation increased by 0.5 percentage points to 4.1% in April 2025, up from 3.6% in March 2025. This was primarily driven by the rise in prices of food and non-alcoholic drinks, housing and energy, and transportation, all of which account for 57.0% of the total consumer price index. (*Source: CNBC Africa*)

6. **Global Developments in the Week**

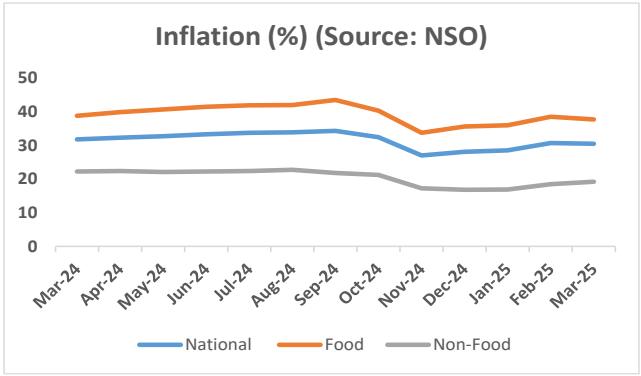
   The eurozone economy expanded by 0.4% in the first quarter of 2025, up from 0.2% in the fourth quarter of 2024. The growth was largely driven by a surge in exports to the United States (U.S.) ahead of anticipated U.S. import tariffs on European goods. Among individual countries, Ireland recorded the strongest growth at 3.2%, while Spain and Lithuania each grew by 0.6%. Germany and Italy posted more modest gains of 0.2% and 0.3%, respectively, helping the eurozone avoid a recession. In contrast, Hungary was the only European Union (EU) member to experience a contraction, with its economy shrinking by 0.2%. (*Source: Reuters)*

	Div yield %	P/E	P/BV	25-Apr-25		02-May-25
Counter				MK/Share		MK/Share
AIRTEL	-	(91.99)	(133.78)	129.03	↓	128.99
BHL	-	(108.04)	12.44	14.55	↑	14.57
FDH Bank	1.50	29.29	22.27	314.40	↓	314.30
ICON	1.62	4.91	0.82	17.95		17.95
ILLOVO	0.28	56.48	8.59	1,791.58	↓	1,791.57
MPICO	2.26	5.11	0.67	19.00	↓	18.99
NBM	2.04	28.30	10.78	6,200.14	↓	6,200.10
NBS Bank	3.19	13.61	8.86	342.20	↓	341.24
NICO	2.58	11.25	5.21	776.71	↓	776.66
NITL	1.55	3.24	1.31	715.04	↑	715.07
PCL	0.28	7.44	1.38	3,991.34	↑	4,000.00
Standard Bank	1.70	25.82	8.58	9,502.00	↑	9,502.03
Sunbird	4.33	7.39	1.12	300.14	↑	300.16
TNM	-	22.95	4.45	23.02	↓	22.99
FMBCH	0.32	35.32	8.44	1,146.98	↓	1,129.98
OMU	3.31	16.35	2.18	2,500.00		2,500.00
DSI	N/A	N/A	N/A	213,551.82	↓	213,497.82
FSI	N/A	N/A	N/A	57,136.08	↓	56,293.81
MASI	1.30	24.48	7.35	290,277.11	↓	289,475.23

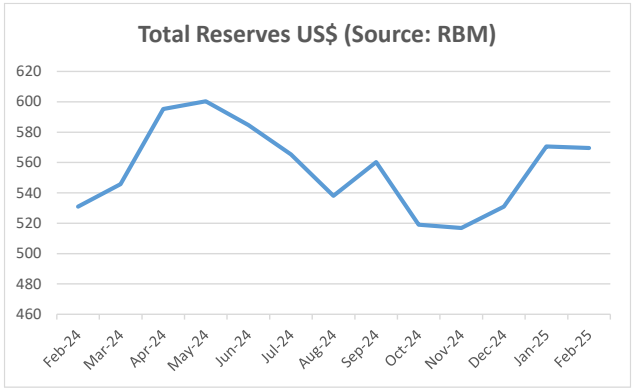
Stock Market (Source: Malawi Stock Exchange)

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

Inflation (Source: NSO)



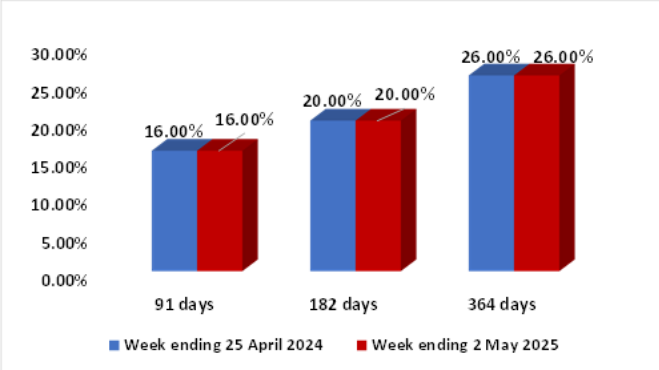
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	25-Apr-25	2-May-25	% Change
MK/US Dollar	1,734.01	1,734.01	0.00%
MK/GBP	2,374.89	2,377.03	-0.09%
MK/ZAR	94.96	96.98	-2.13%
MK/EUR	2,026.43	2,022.50	0.19%

Government Securities for week ending 2 May 2025 (Source: RBM)



TENORS	VOLUME (K' BILLION)	AVERAGE YIELD (%)
91-days	0.02	16.00
364-days	12.28	26.00

Real GDP Growth Projections				
	2022	2023	2024	2025
EIU	0.70%	1.60%	1.30%	1.60%
IMF	0.90%	1.50%	1.80%	3.50%
WORLD BANK	0.90%	1.40%	1.80%	2.00%
GOVERNMENT	1.19%	1.50%	1.80%	3.20%
Average Real GDP	0.92%	1.50%	1.68%	2.58%

Contacts:

Head Office
NICO Asset Managers Limited, 19 Glyn Jones Road
Chibisa House, P.O. Box 3173, Blantyre
Tel No: 01 832 085/086

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

Email: invest@nicoassetmanagers.com Website: www.nicoassetmanagers.com NICO Asset Managers/Facebook

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