NICO Asset Managers

"INVEST today for tomorrow".

WEEKLY MARKET UPDATE
Week ending 18 July 2025

1. **Money Market**
   Government Securities
   The Government Treasury Bills auction held during the week raised a total of K57.65 billion from total applications of K57.65 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: 16.00%, and 364 days: 26.00%). The auction on various Treasury Notes during the week in review raised K20.09 billion from total applications of K20.09 billion, resulting in a nil rejection rate. Total maturities for the week stood at K43.93 billion, resulting in a net liquidity outflow of K33.81 billion. (*Source: RBM*).

2. **Interbank Market**
   Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K113.17 billion from an average of minus K1.96 billion in the previous week. The volume on daily interbank overnight borrowing improved to an average of K74.14 billion at 23.99% (Previous week: K63.13 billion at 23.98%). A total of K200.00 billion was accessed on the Lombard window at an average rate of 26.2%. (Previous week: K341.30 billion at an average rate of 26.2%). (*Source: RBM*)

3. **Stock Market**
   The MASI closed the week at 367,465.79 points (previous week: 350,875.20 points), while the Domestic Share Index (DSI) settled at 278,199.09 points (previous week: 265,426.83 points), and the Foreign Share Index (FSI) ended at 62,290.25 points (previous week: 59,748.59 points). The upward movement in the MASI was driven by share price gains in AIRTEL, BHL, FDH Bank, MPICO, NBM, NICO, NITL, Standard Bank, Sunbird, TNM, FMBCH and OMU. These advances were sufficient to offset losses in NBS Bank. A total of 14.80 million shares were traded during the week, generating a market turnover of K5.22 billion across 1,086 trades. (*Source: MSE*)

4. **Local Market Developments**
   Malawi's year-on-year headline inflation moderated to 27.1% in June 2025 from 27.7% in May. This was driven by a decline in food inflation to 31.6% from 32.7%. Conversely, non-food inflation edged up marginally to 20.1% from 20.0%. On a monthly basis, however, inflation accelerated to 1.9% in June, up from 0.6% in May, as food inflation rose sharply to 2.3% from 0.2% and non-food inflation crept up to 1.4% from 1.2%. (*Source: NSO*)

5. **Regional Developments in the Week**
   Mozambique has laid the groundwork for TotalEnergies to resume its $20.0 billion liquefied natural gas project, halted in 2021 after insurgent attacks threatened the Afungi site. Despite ongoing security concerns, recent interventions have reduced attacks, prompting optimism. TotalEnergies' CEO met President Daniel Chapo to discuss restarting operations. Estevao Pale, the energy minister, said the government is actively creating conditions to enable investors to recommence activities swiftly, signalling a cautious but determined push to revive the vital project. (*Source: CNBC Africa*)

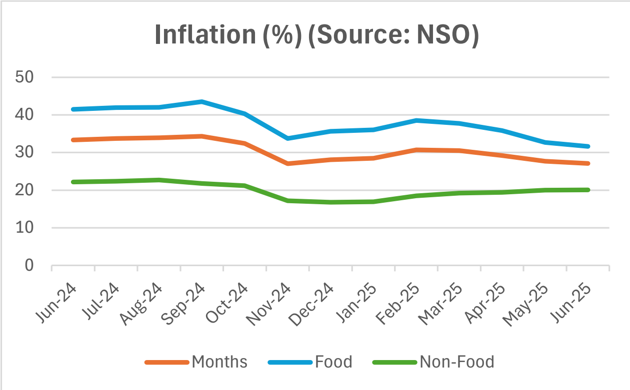
6. **Global Developments in the Week**
   U.S. inflation rose to 2.7% year-on-year, up from 2.4% in May, marking its highest level since February. The increase was driven by rising food prices, especially eggs and coffee and higher costs for used cars and transport services. While energy prices continued to fall, the declines were less pronounced than before. Early tariff effects also contributed, as businesses started passing on higher import costs to consumers. Inflation remains moderate but shows signs of renewed upward pressure amid ongoing trade tensions. (*Source: Reuters)*

Counter	Div yield %	P/E	P/BV	11-Jul-25 MK/Share		18-Jul-25 MK/Share
AIRTEL	1.48	34.76	46.24	127.41	↑	135.00
BHL	-	(62.51)	1.32	14.55	↑	14.57
FDH Bank	0.90	49.14	37.36	458.61	↑	527.40
ICON	1.62	4.90	0.82	17.93		17.93
ILLOVO	0.28	56.47	8.59	1,791.28		1,791.28
MPICO	2.20	5.25	0.69	19.25	↑	19.51
NBM	1.94	29.67	11.30	6,500.02	↑	6,500.08
NBS Bank	1.56	27.91	18.18	700.00	↓	699.98
NICO	2.01	14.41	6.67	865.00	↑	994.75
NITL	1.23	4.08	1.65	900.00	↑	900.04
PCL	0.22	9.48	1.76	5,100.00		5,100.00
Standard Bank	1.34	32.74	10.88	12,000.00	↑	12,050.00
Sunbird	3.25	9.85	1.50	350.01	↑	400.01
TNM	-	45.32	8.79	34.50	↑	39.50
FMBCH	0.29	26.01	9.35	1,250.01	↑	1,251.01
OMU	3.31	16.33	2.17	2,500.04		2,500.04
DSI	N/A	N/A	N/A	265,426.83	↑	278,199.09
FSI	N/A	N/A	N/A	59,748.59	↑	62,290.25
MASI	1.14	27.01	8.92	350,875.20	↑	367,465.79

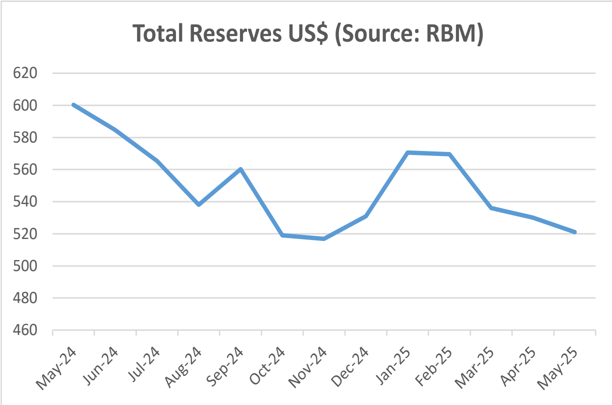
Stock Market (Source: Malawi Stock Exchange)

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

Inflation (Source: NSO)



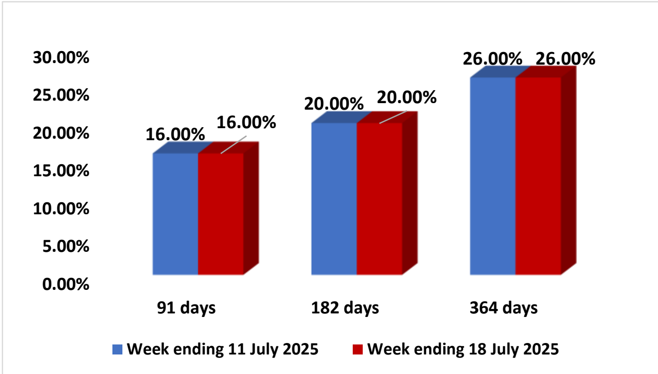
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	11-Jul-25	17-Jul-25	% Change
MK/US Dollar	1,734.01	1,734.01	0.00%
MK/GBP	2,417.39	2,390.07	1.13%
MK/ZAR	100.42	99.93	0.49%
MK/EUR	2,085.55	2,069.12	0.79%

Government Securities for week ending 18 July 2025 (Source: RBM)



TENORS	VOLUME (K' BILLION)	AVERAGE YIELD (%)
91-days	0.01	16.00
182-days	41.47	20.00
364-days	16.17	26.00
2-years	20.09	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%	2.40%
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%**	**2.30%**

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