NICO Asset Managers

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WEEKLY MARKET UPDATE

Week ending 25 July 2025

1. **Money Market**

   Government Securities

   The Government Treasury Bills auction held during the week raised a total of K18.18 billion from total applications of K18.18 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 the 5-year Treasury Note during the week in review raised K17.89 billion from total applications of K17.89 billion, resulting in a nil rejection rate. Total maturities for the week stood at K51.48 billion, resulting in a net liquidity inflow of K15.41 billion. (*Source: RBM*).

2. **Interbank Market**

   Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K113.57 billion from an average of K109.73 billion in the previous week. The volume on daily interbank overnight borrowing decreased to an average of K42.20 billion at 23.98% (Previous week: K74.14 billion at 23.99%). No funds were accessed on the Lombard window (Previous week: K200.00 billion at an average rate of 26.2%). (*Source: RBM*)

3. **Stock Market**

   The MASI closed the week at 331,801.40 points (previous week: 367,465.79 points), while the Domestic Share Index (DSI) settled at 240,683.77 points (previous week: 278,199.09 points), and the Foreign Share Index (FSI) ended at 69,672.94 points (previous week: 62,290.25 points). The decrease in the MASI was due to share price loss on ILLOVO. The loss was enough to offset gains on AIRTEL, BHL, NBM, NBS Bank, NICO, Standard Bank, Sunbird, FMBCH and OMU. A total of 9.75 million shares were traded during the week, generating a market turnover of K3.84 billion across 1,113 trades. (*Source: MSE*)

4. **Local Market Developments**

   The IMF has completed its 2025 Article IV consultations with Malawi, concluding that the country faces a critical economic crossroads. The Fund has identified fiscal deficits, unsustainable public debt, foreign exchange shortages, and inflationary pressures as key macroeconomic challenges in the country. The Fund has further underscored the need for comprehensive reforms - fiscal consolidation, revenue mobilization, exchange rate unification, debt restructuring, and structural governance improvements - to restore macroeconomic stability, foster sustainable growth, and improve living standards. (*Source: IMF*)

5. **Regional Developments in the Week**

   Nigeria's Senate has approved President Bola Tinubu's ambitious plan to borrow over $21.0 billion abroad to plug the 2025 budget gap, ensuring funding for infrastructure, health, education, and more. The move, which also includes Euro and Yen loans, and a $65.0 million grant, underpins a pronounced shift toward fiscal expansion. The removal of fuel subsidies and devaluation of the Naira in 2023 triggered a sharp surge in inflation, eroding household purchasing power. (*Source: CNBC Africa*)

6. **Global Developments in the Week**

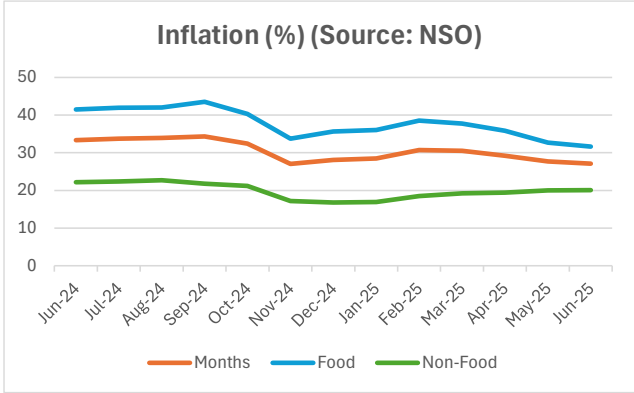
   The European Central Bank (ECB) has resolved to hold its key interest rates steady, maintaining the deposit facility rate at 2.00%, the main refinancing rate at 2.15%, and the marginal lending facility at 2.40%. This pause marks the end of a year-long easing cycle following eight cuts that brought rates to their lowest levels since late 2022. The decision reflects inflation settling around the ECB's 2.00% medium-term target and robust eurozone economic performance amid ongoing uncertainties from US trade tensions. Policymakers remain cautious and data-dependent, ready to adjust policy to uphold price stability. (*Source: Reuters)*

	Div yield %	P/E	P/BV	18-Jul-25		25-Jul-25
Counter				MK/Share		MK/Share
AIRTEL	1.48	34.77	46.26	135.00	↑	135.05
BHL	-	(62.55)	1.32	14.57	↑	14.58
FDH Bank	0.90	49.14	37.36	527.40		527.40
ICON	1.62	4.90	0.82	17.93		17.93
ILLOVO	0.28	56.47	8.59	1,791.28	↓	1,791.27
MPICO	2.20	5.25	0.69	19.51		19.51
NBM	1.94	29.70	11.31	6,500.08	↑	6,505.04
NBS Bank	1.56	27.91	18.18	699.98	↑	700.00
NICO	2.01	14.41	6.67	994.75	↑	994.83
NITL	1.23	4.08	1.65	900.04		900.04
PCL	0.22	9.48	1.76	5,100.00		5,100.00
Standard Bank	6.72	32.74	10.89	2,410.00	↑	2,410.02
Sunbird	3.25	9.85	1.50	400.01	↑	400.03
TNM	-	45.32	8.79	39.50		39.50
FMBCH	0.26	29.10	10.46	1,251.01	↑	1,400.02
OMU	3.31	16.33	2.17	2,500.04	↑	2,500.05
DSI	N/A	N/A	N/A	278,199.09	↓	240,683.77
FSI	N/A	N/A	N/A	62,290.25	↑	69,672.94
MASI	1.86	34.82	9.08	367,465.79	↓	331,801.40

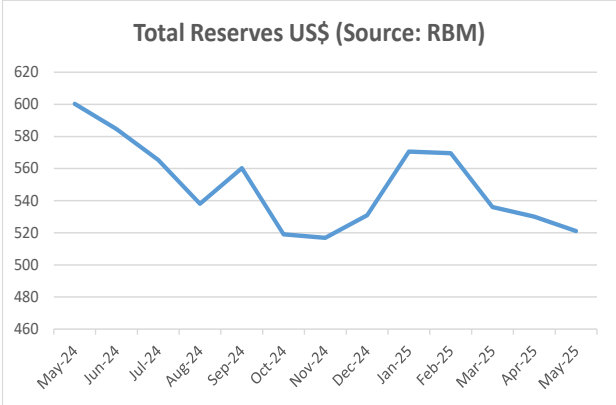
Stock Market (Source: Malawi Stock Exchange)

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

Inflation (Source: NSO)



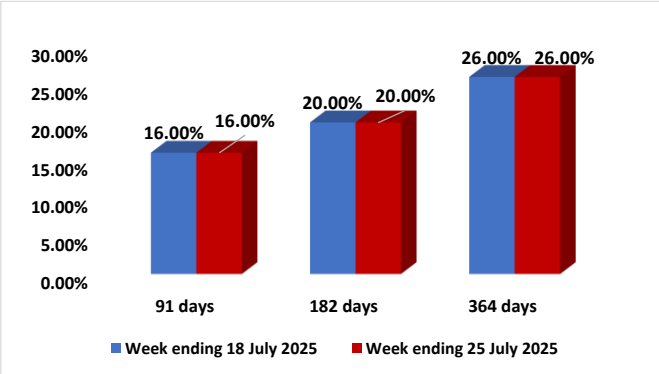
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	18-Jul-25	25-Jul-25	% Change
MK/US Dollar	1,734.01	1,734.01	0.00%
MK/GBP	2,390.07	2,408.46	-0.77%
MK/ZAR	94.93	101.13	-6.54%
MK/EUR	2,069.12	2,097.69	-1.38%

Government Securities for week ending 25 July 2025 (Source: RBM)



TENORS	VOLUME (K' BILLION)	AVERAGE YIELD (%)
91-days	0.04	16.00
182-days	6.86	20.00
364-days	11.28	26.00
5-years	17.89	32.00

Real GDP Growth Projections				
	2022	2023	2024	2025
EIU	0.70%	1.60%	1.30%	1.60%
IMF	0.90%	1.50%	1.80%	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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