



NICO Asset Managers

“INVEST today for tomorrow”.

WEEKLY MARKET UPDATE

Week ending 22 August 2025

1. Money Market

Government Securities

The Government Treasury Bills auction held during the week raised a total of K30.18 billion from total applications of K30.18 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 10-year Treasury Note during the week in review raised K342.91 billion from total applications of K342.91 billion, resulting in a nil rejection rate. Total maturities for the week stood at K88.36 billion, resulting in a net liquidity outflow of K284.73 billion. (Source: RBM).

2. Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) improved to a daily average of K4.28 billion from an average of minus K26.84 billion in the previous week. Despite the improvement in liquidity, the volume on daily interbank overnight borrowing increased to an average of K89.00 billion at 23.98% (Previous week: K85.25 billion at 24.01%). A total of K210.00 billion was accessed on the Lombard window at an average rate of 26.2% (Previous week: K421.16 billion at an average rate of 26.2%). (Source: RBM)

3. Stock Market

The MASI closed the week at 490,201.45 points (previous week: 449,662.23 points), while the Domestic Share Index (DSI) closed at 380,213.56 points (previous week: 343,858.20 points), and the Foreign Share Index (FSI) ended at 72,066.64 points (previous week: 72,063.69 points). The upward movement in the MASI was driven by share price gains on NBM, NBS Bank, NICO, NITL, PCL, Standard Bank and FMBCH. The gains were enough to offset the marginal losses on AIRTEL and FDH Bank. A total of 20.05 million shares were traded during the week, generating a market turnover of K16.25 billion across 1,278 trades. (Source: MSE)

4. Local Market Developments

Malawi's headline inflation rose to 27.3% year-on-year in July 2025, up from 27.1% in June, ending a four-month downward trend. The increase was driven by food inflation, which climbed to 32.4% from 31.6%, buoyed by rising prices of maize grain, maize flour, cooking oil and vegetables. However, non-food inflation eased slightly to 19.3% from 20.1%. On a monthly basis, inflation accelerated to 2.3% in July, from 1.9% in June, as food prices surged 3.2%, up from 2.3% in the previous month. Non-food inflation eased to 0.6% from 1.4%. (Source: NSO)

5. Regional Developments in the Week

Rwanda's central bank has raised its key repo rate by 25 basis points to 6.75% from 6.50%, in response to rising inflation that threatens economic stability. Headline inflation accelerated to 7.3% year-on-year in July, nearing the upper limit of the bank's 2.0-8.0% target range. The bank has projected inflation to average 7.1% by the end of 2025, before easing to 5.6% in 2026. The outlook is clouded by adverse weather, geopolitical tensions, and trade uncertainties. Meanwhile, growth is forecast to slow to 7.1% from 8.9% in 2024. (Source: CNBC Africa)

6. Global Developments in the Week

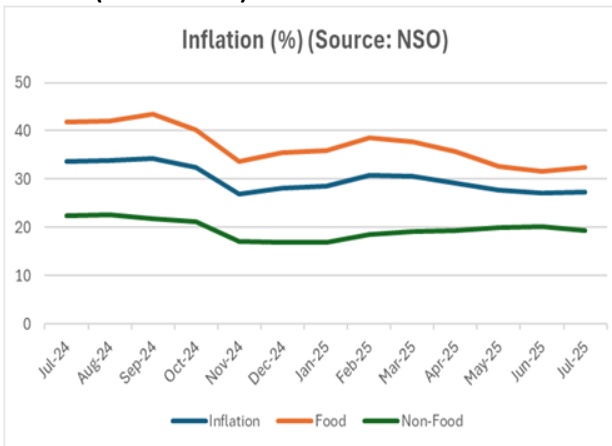
Germany's economy contracted by 0.3% in the second quarter of 2025, worse than the 0.1% dip initially estimated by economic forecasters. Household spending and industrial output, manufacturing and construction, underperformed. Goods exports fell by 0.6%, while investment in machinery dropped by 1.9%. Industrial production sank to its lowest since 2020. (Source: Reuters)

	Div yield %	P/E	P/BV	15-Aug-25	22-Aug-25
Counter				MK/Share	MK/Share
AIRTEL	1.43	36.03	47.93	139.99	↓ 139.95
BHL	-	(62.64)	1.32	14.60	14.60
FDH Bank	0.70	63.37	48.19	689.97	↓ 680.14
ICON	1.62	4.91	0.82	17.95	17.95
ILLOVO	0.28	56.47	8.59	1,791.27	1,791.27
MPICO	2.21	5.25	0.69	19.50	19.50
NBM	1.94	29.70	11.32	6,506.09	↑ 6,506.22
NBS Bank	1.17	37.28	24.27	810.06	↑ 934.79
NICO	1.52	19.08	8.83	1,144.34	↑ 1,317.01
NITL	0.88	5.74	2.32	1,150.01	↑ 1,265.00
PCL	0.17	12.27	2.27	5,800.00	↑ 6,600.00
Standard Bank	2.86	76.92	25.57	4,281.17	↑ 5,661.86
Sunbird	2.83	11.33	1.72	460.01	460.01
TNM	-	45.30	8.79	39.49	39.49
FMBCH	0.25	30.14	10.83	1,450.00	↑ 1,450.06
OMU	3.31	16.33	2.17	2,500.06	2,500.06
DSI	N/A	N/A	N/A	343,858.20	↑ 380,213.56
FSI	N/A	N/A	N/A	72,063.69	↑ 72,066.64
MASI	1.42	36.03	11.90	449,662.23	↑ 490,201.45

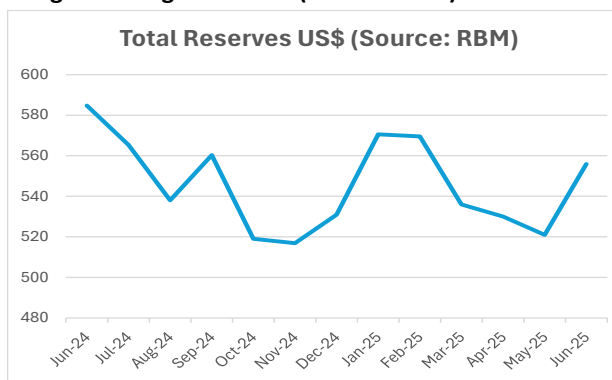
Stock Market (Source: Malawi Stock Exchange)

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

Inflation (Source: NSO)



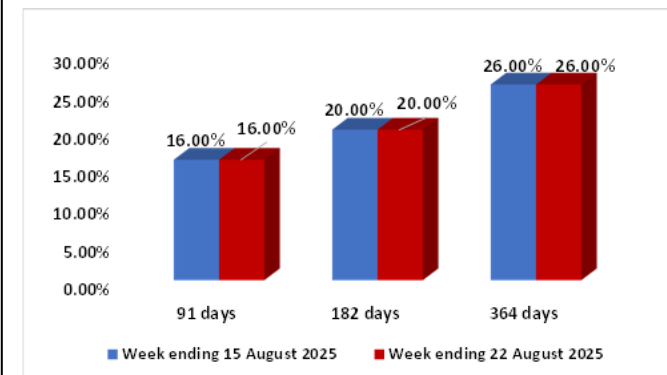
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	15-Aug-25	22-Aug-25	% Change
MK/US Dollar	1,734.01	1,734.01	→ 0.00%
MK/GBP	2,419.18	2,394.35	↑ 1.03%
MK/ZAR	101.70	100.82	↑ 0.86%
MK/EUR	2,083.94	2,071.08	↑ 0.62%

Government Securities for week ending 22 August 2025 (Source: RBM)



TENORS	VOLUME (K' BILLION)	AVERAGE YIELD (%)
91-days	0.04	16.00
182-days	18.21	20.00
364-days	11.93	26.00
2-year	3.35	28.75
3-year	59.92	30.00
5-year	48.94	32.00
7-year	14.39	34.00
10-year	216.31	35.00

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