WEEKLY MARKET UPDATE
Week ending 29 August 2025

NICO Asset Managers

"INVEST today for tomorrow".

1. **Money Market**
   Government Securities
   The Government Treasury Bills auction held during the week raised a total of K61.73 billion from total applications of K61.73 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 K27.87 billion from total applications of K27.87 billion, resulting in a nil rejection rate. Total maturities for the week stood at K128.85 billion, resulting in a net liquidity inflow of K39.25 billion. (*Source: RBM*).

2. **Interbank Market**
   Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K156.48 billion from an average of K4.28 billion in the previous week. Despite the improvement in liquidity, the volume on daily interbank overnight borrowing decreased to an average of K57.00 billion at 23.98% (Previous week: K89.00 billion at 23.98%). A total of K66.10 billion was accessed on the Lombard window at an average rate of 26.2% (Previous week: K210.00 billion at an average rate of 26.2%). (*Source: RBM*)

3. **Stock Market**
   The MASI closed the week at 535,303.19 points (previous week: 490,201.45 points), while the Domestic Share Index (DSI) closed at 412,549.45 points (previous week: 380,213.56 points), and the Foreign Share Index (FSI) ended at 81,906.38 points (previous week: 72,066.64 points). The upward movement in the MASI was driven by share price gains on BHL, Illovo, MPICO, NBM, NBS Bank, NICO, NITL, Standard Bank and FMBCH. The gains were enough to offset the marginal losses on AIRTEL, FDH Bank and TNM. A total of 14.52 million shares were traded during the week, generating a market turnover of K13.49 billion across 1,205 trades. (*Source: MSE*)

4. **Local Market Developments**
   Lindian Resources has secured a US$59.0 million final investment approval for full construction of the Kangankunde Rare Earth Mine in Balaka, with production expected to start in the fourth quarter of 2026. The funding will cover final stage one works, which includes open-pit mining and a plant targeting 15,300tpa of monazite concentrate, and fund stage two expansion. The mine has a 45-year lifespan with output projected to grow from 15,000 to 50,000 metric tons annually, potentially generating US$114.0 million per year. (*Source: The Nation*)

5. **Regional Developments in the Week**
   Mozambique has signed a US$20.0 billion strategic cooperation agreement with Al Mansour Holding, a Qatar-based investment conglomerate, to drive development across key sectors including agriculture, energy, infrastructure, and social services. Sheikh Mansour Bin Jabor Bin Jassim Al Thani, representative of Al Mansour Holding, described the partnership as historic, emphasizing a shared destiny to turn natural wealth into lasting growth, create jobs, empower the youth, and foster unity between Africa and the Middle East. (*Source: CNBC Africa*)

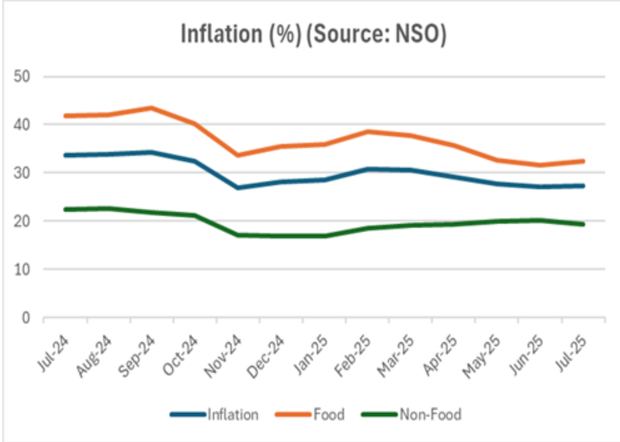
6. **Global Developments in the Week**
   U.S. GDP grew at an annualized 3.3% in Q2 2025, exceeding both the initial 3.0% estimate and the 3.1% forecast. The boost came mainly from stronger-than-expected consumer spending (up 1.6%) and a sharp drop in imports (down 29.8%) as businesses reacted to new tariffs. Net exports added nearly 5 percentage points to GDP. Inflation remained stable, with core personal consumption expenditures prices at 2.5%. (*Source: Reuters*)

Counter	Div yield %	P/E	P/BV	22-Aug-25 MK/Share	29-Aug-25 MK/Share
AIRTEL	2.79	35.84	47.67	139.95	↓ 139.18
BHL	(1.55)	(64.36)	1.36	14.60	↑ 15.00
FDH Bank	1.63	61.50	46.76	679.99	↓ 659.99
ICON	20.37	4.91	0.82	17.95	17.95
ILLOVO	1.77	56.47	8.59	1,791.27	↑ 1,791.40
MPICO	19.05	5.25	0.69	19.50	↑ 19.51
NBM	2.92	34.24	13.05	6,506.22	↑ 7,501.02
NBS Bank	2.45	40.87	26.61	934.79	↑ 1,024.94
NICO	3.97	25.20	11.66	1,317.01	↑ 1,740.01
NITL	17.43	5.74	2.32	1,265.00	↑ 1,265.04
PCL	8.15	12.27	2.27	6,600.00	6,600.00
Standard Bank	1.13	88.30	29.35	5,661.86	↑ 6,499.09
Sunbird	8.83	11.33	1.72	460.01	460.01
TNM	2.44	41.06	7.96	39.49	↓ 35.79
FMBCH	2.91	34.31	12.33	1,450.06	↑ 1,650.40
OMU	6.13	16.33	2.17	2,500.06	2,500.06
DSI	N/A	N/A	N/A	380,213.56	↑ 412,549.45
FSI	N/A	N/A	N/A	72,066.64	↑ 81,906.38
MASI	1.30	39.35	12.99	490,201.45	↑ 535,303.19

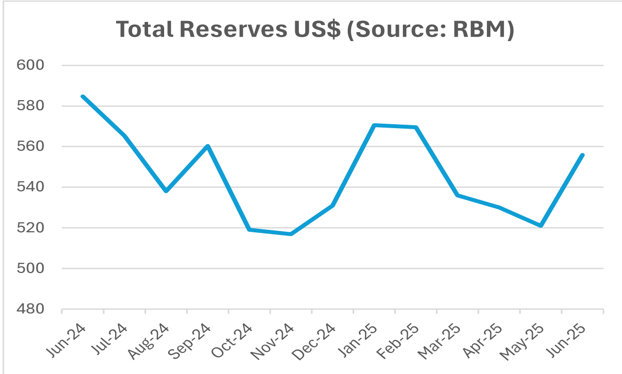
Stock Market (Source: Malawi Stock Exchange)

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

Inflation (Source: NSO)



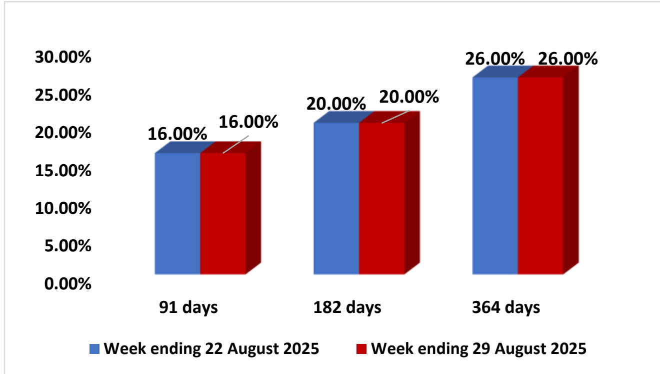
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	22-Aug-25	29-Aug-25	% Change
MK/US Dollar	1,734.01	1,734.01	0.00%
MK/GBP	2,394.35	2,410.07	-0.66%
MK/ZAR	100.82	100.78	0.04%
MK/EUR	2,071.08	2,083.05	-0.58%

Government Securities for week ending 29 August 2025 (Source: RBM)



TENORS	VOLUME (K' BILLION)	AVERAGE YIELD (%)
91-days	0.01	16.00
182-days	20.97	20.00
364-days	40.75	26.00
3-Year	4.96	30.00
5-Year	10.22	32.00
7-Year	1.27	34.00
10-Year	11.42	35.00

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