



NICO Asset Managers
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WEEKLY MARKET UPDATE

Week ending 26 September 2025

1. Money Market

Government Securities

The Government Treasury Bills auction held during the week raised a total of K24.06 billion from total applications of K69.92 billion, resulting in a 65.6% 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 had no applications, leading to no funds being raised. Total maturities for the week stood at K36.92 billion, resulting in a net liquidity inflow of K12.86 billion. (*Source: RBM*).

2. Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K213.88 billion from an average of K192.74 billion in the previous week. The volume on daily interbank overnight borrowing decreased to an average of K63.50 billion at 23.98% (Previous week: K92.75 billion at 23.98%). A total of K153.50 billion was accessed on the Lombard window at an average rate of 26.2% (Previous week: No funds were accessed). (*Source: RBM*)

3. Stock Market

The MASI closed the week at 578,342.42 points (previous week: 573,791.65 points), while the Domestic Share Index (DSI) closed at 441,119.10 points (previous week: 437,040.56 points), and the Foreign Share Index (FSI) ended at 94,070.25 points (previous week: 94,066.81 points). The upward movement in the MASI was driven by share price gains on FDH Bank, ICON, Illovo, NBM, NITL, PCL and FMBCH. The gains were enough to offset the marginal losses on AIRTEL, NBS Bank, NICO, Standard Bank and TNM. A total of 7.75 million shares were traded during the week, generating a market turnover of K4.11 billion across 1,077 trades. (*Source: MSE*)

4. Local Market Developments

Malawi's headline inflation rose to 28.2% in August, up from 27.3% in July, largely driven by soaring food prices. Rising prices of staples such as maize, beans, and meat pushed food inflation up to 33.7% from 32.4% the **previous** month. This surge pushed up the monthly inflation rate to 2.7% in August, from 2.3% in July. Concurrently, non-food inflation edged up to 19.5% from 19.3%, but the burden fell unevenly, with urban prices rising faster than in rural areas. (*Source: NSO*)

5. Regional Developments in the Week

Nigeria's central bank has reduced its key interest rate by 50 basis points, from 27.5% to 27.0%. This marks the first rate cut since September 2020. The decision, approved unanimously by the Monetary Policy Committee, follows five consecutive months of declining inflation, a trend the committee anticipates will continue through the end of the year. Central bank governor Olayemi Cardoso highlighted the role of stable exchange rates, lower fuel prices, and the harvest season in easing food price pressures and anchoring inflation expectations. (*Source: CNBC Africa*)

6. Global Developments in the Week

The U.S. economy grew at an annualized rate of 3.8% in the second quarter, revised up from 3.3%, marking its strongest pace since late 2023. This upgrade reflects robust consumer spending, which rose by 2.5%, alongside increased business investment focused on artificial intelligence and intellectual property. A sharp narrowing of the trade deficit, driven by a drop in imports after a surge in the first quarter, also supported growth. However, economists warn the headline figure overstates momentum, as tariff uncertainty and tighter immigration policies cloud the outlook. (*Source: Reuters*)

