WEEKLY MARKET UPDATE
Week ending 10 October 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 K9.05 billion from total applications of K45.87 billion, resulting in an 80.3% 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 K371.05 billion from total applications of K371.05 billion, resulting in a nil rejection rate. Total maturities for the week stood at K46.59 billion, resulting in a net liquidity outflow of K333.52 billion. (*Source: RBM*).

   Interbank Market
   Liquidity levels (excess reserves after Central Bank Operations) decreased to a daily average of K128.17 billion from an average of K133.17 billion in the previous week. The volume on daily interbank overnight borrowing increased to an average of K63.50 billion at 23.98% (Previous week: K47.00 billion at 23.98%). A total of K322.40 billion was accessed on the Lombard window at an average rate of 26.2% (Previous week: K49.60 billion at an average rate of 26.2%). (*Source: RBM*)

2. **Stock Market**
   The MASI closed the week at 607,253.70 points (previous week: 600,469.03 points), while the Domestic Share Index (DSI) closed at 455,477.92 points (previous week: 454,131.46 points), and the Foreign Share Index (FSI) ended at 108,100.53 points (previous week: 102,354.84 points). The upward movement in the MASI was driven by share price gains on BHL, ICON, Illovo, PCL, FMBCH and OMU. The gains were enough to offset losses on AIRTEL, FDH Bank, NBM, NBS Bank, NICO, NITL, Standard Bank and TNM. A total of 9.62 million shares were traded during the week, generating a market turnover of K5.64 billion across 1,335 trades. (*Source: MSE*)

3. **Local Market Developments**
   The Reserve Bank of Malawi (RBM)'s August review shows that the country's foreign-exchange reserves fell by 14.1% to US$521.9 million (2.1 months of import cover), down from US$607.7 million (2.4 months of import cover) in July. The decline was driven by a 47.7% drop in gross official reserves to K121.60 billion (equivalent to US$64.45 million) from K232.50 billion (equivalent to US$132.78 million) the previous month. (*Source: RBM*)

4. **Regional Developments in the Week**
   Nigeria's economy grew by 3.9% year-on-year in the first half of 2025, up from 3.5% in the same period last year, supported by services, agriculture, and a rebound in oil output. The World Bank highlighted that recent reforms such as, fuel subsidy removal, Naira devaluation, and tax changes have helped stabilize growth and improve external balances. The fiscal deficit is projected at 2.6% of GDP in 2025. However, food inflation remains a key concern, with the cost of a basic food basket up fivefold since 2019. The Bank projects GDP growth of 4.2% in 2025, rising to 4.4% by 2027. (*Source: CNBC Africa*)

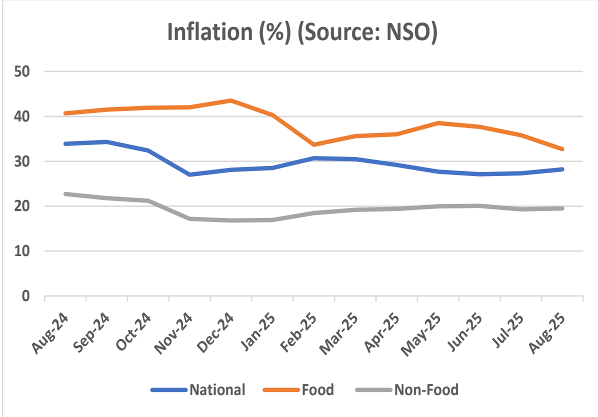
5. **Global Developments in the Week**
   Gold prices have surged to a record high of US$4,000.00 per ounce, rising over 50.0% in the past year amid global recession fears, falling interest rates, and political uncertainty. Analysts at Goldman Sachs expect prices to climb another 6.0% by mid-2026, while UBS sees demand nearly doubling earlier forecasts. Central banks, especially from emerging markets, are also increasing gold reserves. Industry leaders say the rally signals investor fear, not rising consumer demand, with gold now acting as a key safe haven asset. (*Source: Reuters*)

Counter	Div yield %	P/E	P/BV	03-Sep-25 MK/Share		10-Sep-25 MK/Share
AIRTEL	1.45	35.52	47.25	137.95	↓	137.94
BHL	-	(64.53)	1.36	15.03	↑	15.04
FDH Bank	0.74	59.24	45.04	637.76	↓	635.72
ICON	1.62	4.91	0.82	17.94	↑	17.95
ILLOVO	0.25	63.99	9.73	1,792.51	↑	2,030.00
MPICO	2.20	5.26	0.69	19.55		19.55
NBM	1.02	56.61	21.57	12,400.00	↓	12,399.99
NBS Bank	1.06	40.83	26.58	1,024.23	↓	1,023.84
NICO	1.15	25.20	11.66	1,739.80	↓	1,739.71
NITL	0.28	17.88	7.22	3,942.48	↓	3,941.84
PCL	0.15	14.11	2.61	7,590.01	↑	7,590.03
Standard Bank	2.53	86.97	28.91	6,462.71	↓	6,401.35
Sunbird	2.60	12.31	1.87	500.04		500.04
TNM	-	36.69	7.12	32.00	↓	31.98
FMBCH	0.17	45.40	16.31	2,066.76	↑	2,183.76
OMU	3.31	16.58	2.21	2,500.06	↑	2,500.07
DSI	N/A	N/A	N/A	454,131.46	↑	455,477.92
FSI	N/A	N/A	N/A	102,354.84	↑	108,100.53
MASI	1.15	44.63	14.74	600,469.03	↑	607,253.70

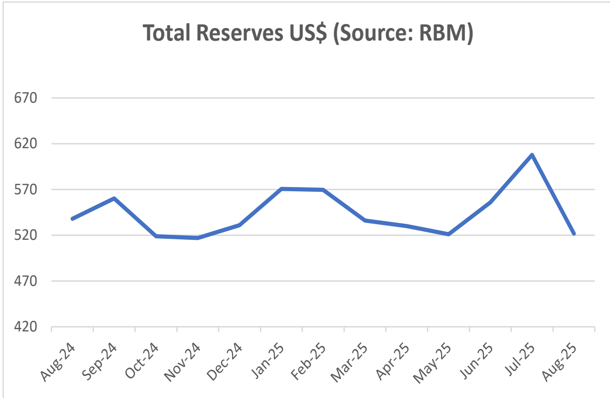
Stock Market (Source: Malawi Stock Exchange)

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

Inflation (Source: NSO)



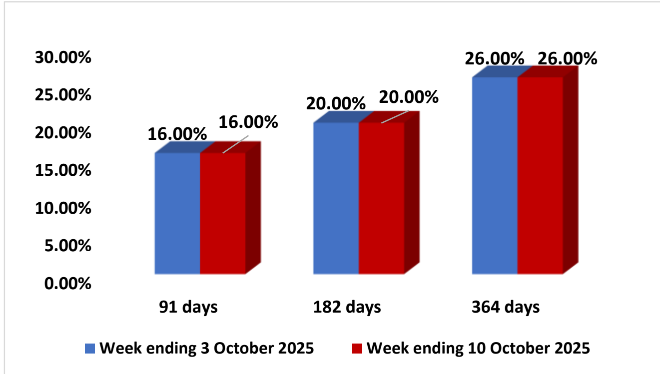
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	3-Oct-25	10-Oct-25		% Change
MK/US Dollar	1,734.01	1,734.01	→	0.00%
MK/GBP	2,399.36	2,373.46	↑	1.08%
MK/ZAR	103.34	103.46	↓	-0.12%
MK/EUR	2,092.87	2,066.62	↑	1.25%

Government Securities for week ending 10 October 2025 (Source: RBM)



TENORS	VOLUME (K' BILLION)	AVERAGE YIELD (%)
91-days	0.08	16.00
182-days	4.79	20.00
364-days	4.19	26.00
2-year	0.01	28.75
3-year	12.58	30.00
5-year	68.59	32.00
7-year	34.18	34.00
10-year	255.69	35.00

Contacts:

Head Office
NICO Asset Managers Limited, 19 Glyn Jones Road
Chibisa House, P.O. Box 3173, Blantyre
Tel No: 01 832 085/086

Lilongwe Branch
NICO Asset Managers Limited, Umodzi Park
P.O. Box 30729, Lilongwe 3
Tel No: 01 757 086

Email: invest@nicoassetmanagers.com Website: www.nicoassetmanagers.com NICO Asset Managers/Facebook

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