WEEKLY MARKET UPDATE
Week ending 17 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 K32.80 billion from total applications of K49.02 billion, resulting in a 33.1% 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 K15.63 billion from total applications of K15.63 billion, resulting in a nil rejection rate. Total maturities for the week stood at K264.64 billion, resulting in a net liquidity inflow of K216.21 billion. (*Source: RBM*).

2. **Interbank Market**
   Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K219.44 billion from an average of K128.17 billion in the previous week. The volume on daily interbank overnight borrowing increased to an average of K70.50 billion at 23.98% (Previous week: K63.50 billion at 23.98%). A total of K120.00 billion was accessed on the Lombard window at an average rate of 26.2% (Previous week: K322.40 billion at an average rate of 26.2%). (*Source: RBM*)

3. **Stock Market**
   The MASI closed the week at 585,955.49 points (previous week: 607,253.70 points), while the Domestic Share Index (DSI) closed at 436,371.30 points (previous week: 455,477.92 points), and the Foreign Share Index (FSI) ended at 108,102.49 points (previous week: 108,100.53 points). The decrease in the MASI was due to share price losses on AIRTEL, NBS Bank, NICO, Standard Bank and TNM. The losses were enough to offset gains on FDH Bank, NITL, PCL and FMBCH. A total of 6.56 million shares were traded during the week, generating a market turnover of K4.69 billion across 1,112 trades. (*Source: MSE*)

4. **Local Market Developments**
   Malawi's headline inflation rose to 28.7% year-on-year in September 2025, up from 28.2% in August. The increase was driven by non-food inflation, which climbed to 21.7% from 19.5%, buoyed by rising prices of housing, water and electricity, furnishing and household, education and health. However, food inflation eased to 33.0% from 33.7%. On a monthly basis, inflation decelerated to 2.2% in September, as food inflation eased to 1.9% from 3.3%. Non-food prices increased 2.7% month-on-month, up from 1.6% in the previous month. *(Source: NSO)*

5. **Regional Developments in the Week**
   Botswana's annual inflation rate has increased to 3.7% in September, up from 1.4% in August. The surge was primarily driven by the transport sector, which contributed 1.5 percentage points to the headline figure. Food and non-alcoholic beverages and miscellaneous goods and services also exerted significant upward pressure, each contributing 0.8 of a percentage point. A deflationary impulse from the housing, water, electricity, gas and other fuels group offset these increases, which subtracted 0.5 of a percentage point from the overall rate. *(Source: CNBC Africa)*

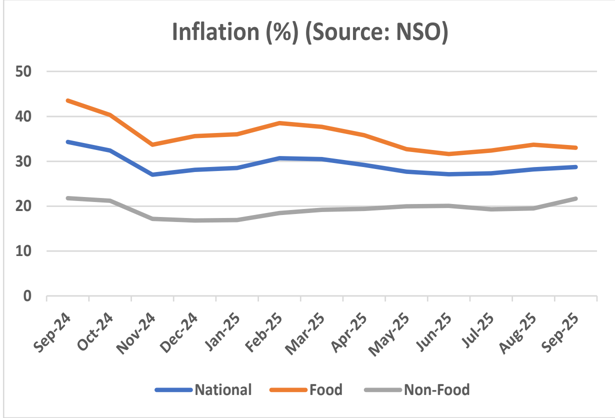
6. **Global Developments in the Week**
   The U.S.-China trade war re-emerged as President Trump has announced sweeping 100% tariffs on Chinese goods to narrow its trade deficit and counter Beijing's export controls on rare earth minerals. The new trade steps were Trump's reaction to China dramatically expanding its rare earth element export controls. Despite heightened tensions, both sides have kept diplomatic channels open, with plans for President Trump and President Xi to meet later this month. The standoff has rattled global markets and raised concerns over potential disruptions to high-tech supply chains. *(Source: Reuters)*

Counter	Div yield %	P/E	P/BV	10-Oct-25 MK/Share		17-Oct-25 MK/Share
AIRTEL	1.48	34.76	46.24	137.94	↓	135.00
BHL	-	(64.53)	1.36	15.04		15.04
FDH Bank	0.74	59.41	45.17	635.72	↑	637.61
ICON	1.62	4.91	0.82	17.95		17.95
ILLOVO	0.25	63.99	9.73	2,030.00		2,030.00
MPICO	2.20	5.26	0.69	19.55		19.55
NBM	1.02	56.61	21.57	12,400.00		12,400.00
NBS Bank	1.07	40.81	26.57	1,023.80	↓	1,023.47
NICO	1.15	25.20	11.66	1,739.71	↓	1,739.68
NITL	0.28	17.88	7.22	3,941.84	↑	3,941.85
PCL	0.15	14.11	2.61	7,590.03	↑	7,590.05
Standard Bank	2.98	73.79	24.53	6,401.35	↓	5,431.13
Sunbird	2.60	12.31	1.87	500.04		500.04
TNM	-	36.60	7.10	31.98	↓	31.90
FMBCH	0.17	45.40	16.31	2,183.76	↑	2,183.80
OMU	-	31.98	31.98	2,500.07		2,500.07
DSI	N/A	N/A	N/A	455,477.92	↓	436,371.30
FSI	N/A	N/A	N/A	108,100.53	↑	108,102.49
MASI	1.19	43.08	14.22	607,253.70	↓	585,955.49

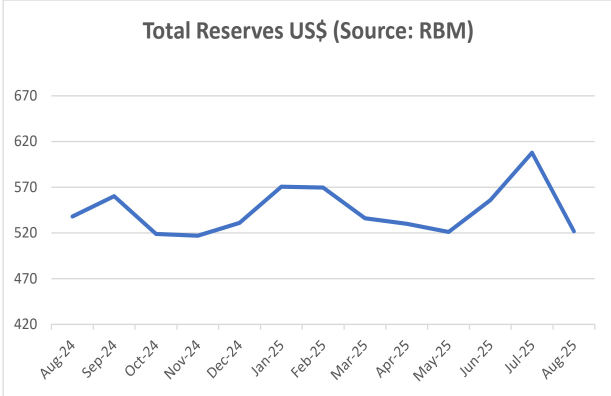
Stock Market (Source: Malawi Stock Exchange)

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

Inflation (Source: NSO)



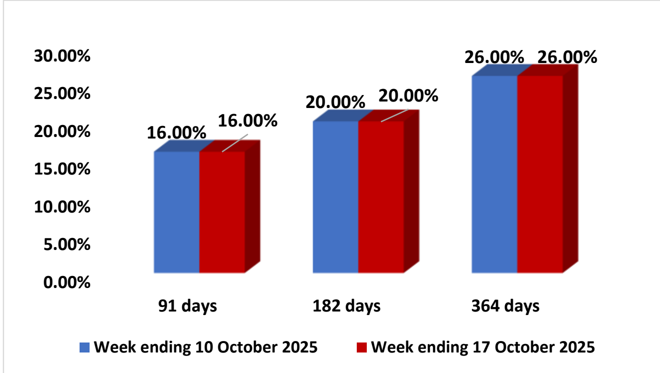
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	10-Oct-25	17-Oct-25	% Change
MK/US Dollar	1,734.01	1,734.01	0.00%
MK/GBP	2,373.46	2,405.07	-1.33%
MK/ZAR	103.46	102.96	0.49%
MK/EUR	2,066.62	2,093.05	-1.28%

Government Securities for week ending 17 October 2025 (Source: RBM)



TENORS	VOLUME (K' BILLION)	AVERAGE YIELD (%)
91-days	0.15	16.00
182-days	9.78	20.00
364-days	22.87	26.00
10-year	15.63	35.00

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%	1.90%
GOVERNMENT	1.19%	1.50%	1.70%	2.80%
Average Real GDP	0.92%	1.50%	1.65%	2.18%

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