WEEKLY MARKET UPDATE
Week ending 31 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 K27.64 billion from total applications of K27.65 billion, resulting in a 0.04% 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 K49.25 billion from total applications of K49.25 billion, resulting in a nil rejection rate. Total maturities for the week stood at K31.81 billion, resulting in a net liquidity outflow of K45.08 billion. (*Source: RBM*).

   Interbank Market

   Liquidity levels (excess reserves after Central Bank Operations) decreased to a daily average of –k17.47 billion from an average of K213.05 billion in the previous week. The volume on daily interbank overnight borrowing increased to an average of K80.60 billion at 23.98% (Previous week: K86.20 billion at 23.98%). A total of K46.40 billion was accessed on the Lombard window at an average rate of 26.2% (Previous week: K152.00 billion at an average rate of 26.2%). (*Source: RBM*)

2. **Stock Market**

   The MASI closed the week at 602,600.89 points (previous week: 593,333.78 points), while the Domestic Share Index (DSI) closed at 441,847.26 points (previous week: 437,930.45 points), and the Foreign Share Index (FSI) ended at 124,300.17 points (previous week: 113,804.48 points). The increase in the MASI was due to share price gains on SUNBIRD, ILLOVO, NICO, NBM, BHL, PCL, OMU and FMBCH. The gains were enough to offset losses on AIRTEL, NBS Bank, Standard Bank, NITL, and TNM. A total of 11.78 million shares were traded during the week, generating a market turnover of K7.59 billion across 1,305 trades. (*Source: MSE*)

3. **Local Market Developments**

   At its fourth meeting of 2025, the Reserve Bank of Malawi's Monetary Policy Committee (MPC) maintained the Policy Rate at 26.0%, citing persistent inflationary pressures and continued supply-side constraints. Inflation rose slightly from 28.0% in the previous quarter to 28.1% in the third quarter of 2025, driven mainly by higher fuel prices and supply bottlenecks. The Committee revised its 2025 inflation forecast upward to 28.9% from 28.5% projected earlier. It emphasized that limited fiscal consolidation and recurring supply-side challenges continue to strain price stability, necessitating the maintenance of a tight monetary policy stance to anchor inflation expectations. *(Source: RBM)*

4. **Regional Developments in the Week**

   Kenya's headline inflation remained unchanged at 4.6% year-on-year in October, matching September's rate. On a monthly basis, consumer prices rose by 0.2% in October, also unchanged from the previous month. The government targets an inflation range of 2.5% to 7.5% in the medium term and the latest figures suggest that price pressures remain comfortably within this band. *(Source: CBK)*

5. **Global Developments in the Week**

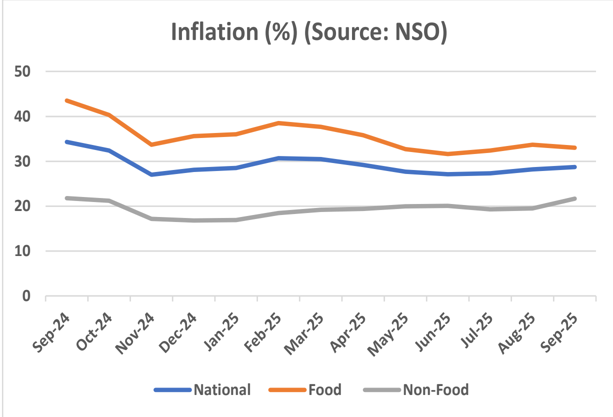
   The US Federal Reserve has lowered its benchmark federal funds rate by 25 basis points to a target range of 3.75%-4.00%, from 4.00%-4.25%, following a 10-2 vote. The decision reflects a moderation in economic activity and a slowdown in job growth. The Committee noted that unemployment has edged up slightly but remains low, while inflation has increased since earlier in the year and continues to run above the 2% target. *(Source: Reuters)*

Counter	Div yield %	P/E	P/BV	24-Oct-25 MK/Share		31-Oct-25 MK/Share
AIRTEL	2.88	34.75	46.23	134.97	↓	134.94
BHL	(1.55)	(64.53)	1.36	15.03	↑	15.03
FDHB	1.68	59.41	45.17	637.62		637.59
ICON	20.37	4.91	0.82	17.95		17.95
ILLOVO	1.36	73.45	11.17	2,030.03	↑	2,330.00
MPICO	19.01	5.26	0.69	19.55		19.55
NBM	1.77	56.61	21.57	12,399.98	↑	12,399.95
NBS	2.45	40.79	26.56	1,023.12	↓	1,022.88
NICO	3.97	25.20	11.66	1,739.79		1,739.79
NITL	5.60	17.87	7.21	3,941.00	↓	3,940.00
PCL	6.16	16.23	3.00	8,728.59		8,728.59
STANDARD	1.36	73.39	24.40	5,415.61	↓	5,199.95
SUNBIRD	7.06	14.16	2.15	500.07	↑	575.10
TNM	2.75	36.40	7.06	31.78	↓	31.73
FMBCH	1.92	52.20	18.76	2,300.03	↑	2,511.01
OMU	4.64	21.54	2.87	2,500.07	↑	2,875.00
DSI	N/A	N/A	N/A	438,282.46	↑	437,930.45
FSI	N/A	N/A	N/A	113,804.48	↑	124,300.17
MASI	1.15	44.62	14.73	593,333.78	↑	602,600.89

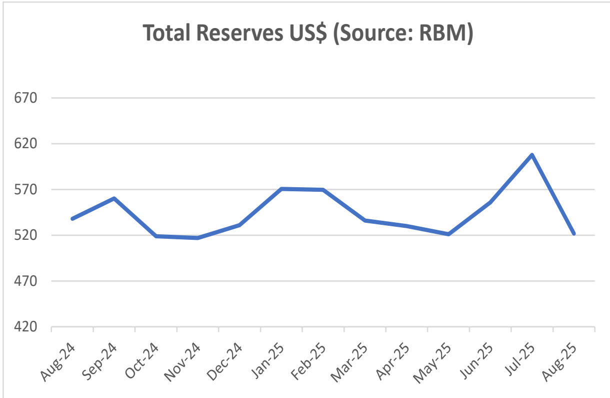
Stock Market (Source: Malawi Stock Exchange)

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

Inflation (Source: NSO)



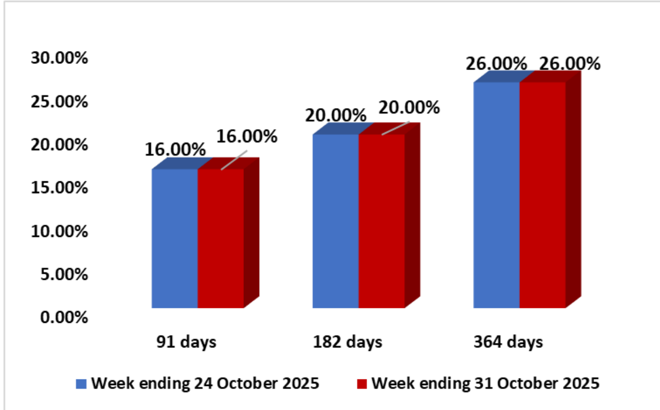
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	24-Oct-25	31-Oct-25	% Change
MK/US Dollar	1,734.01	1,734.01	0.00%
MK/GBP	2,379.17	2,349.17	1.26%
MK/ZAR	103.10	103.34	-0.23%
MK/EUR	2,072.51	2,066.62	0.28%

Government Securities for week ending 31 October 2025 (Source: RBM)



TENORS	VOLUME (K' BILLION)	AVERAGE YIELD (%)
91-days	0.10	16.00
182-days	0.50	20.00
364-days	14.30	26.00
2-year	0.05	28.75
3-year	0.06	30.00
5-year	0.02	32.00
7-year	39.10	34.00
10-year	10.02	35.00

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