NICO Asset Managers

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WEEKLY MARKET UPDATE
Week ending 12 December 2025

1. **Money Market**
   Government Securities
   The Government Treasury Bills auction held during the week raised a total of K32.22 billion from total applications of K37.36 billion, resulting in a 15.9% 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 5-year Treasury Notes during the week in review raised K53.01 billion from total applications of K53.01 billion, resulting in a nil rejection rate. The Open Market Operations (OMO) Repo auction held during the week raised a total of K145 billion from total applications of K145 billion, resulting in a nil rejection rate. The average yields for the 14 days, 30 days and 61 days tenors were 26.00% respectively (Previous week: no Auction was held). Total maturities for the week stood at K14.00 billion, resulting in a net liquidity outflow of K71.23 billion. (Source: RBM).

2. **Interbank Market**
   Liquidity levels (excess reserves after Central Bank Operations) decreased to a daily average of K5.52 billion from an average of K121.35 billion in the previous week. The volume on daily interbank overnight borrowing increased to an average of K157.90 billion at 23.98% (Previous week: K125.56 billion at 23.98%). No funds were accessed through the Lombard window this week (*Source: RBM*)

3. **Stock Market**
   The MASI closed the week at 613,095.22 points (Previous Week: 615,346.07 points), while the Domestic Share Index (DSI) closed at 411,938.96 points (previous week: 413,855.15 points), and the Foreign Share Index (FSI) ended at 167,186.36 points (Previous Week: 167,310.97 points). The decrease in the MASI was due to share price losses on Airtel, FDH Bank, NBS Bank, NBM, ICON, TNM, NITL, Standard Bank, PCL and FMBCH. The losses were enough to offset gains on ILLOVO and OMU. A total of 1.85 million shares were traded during the week, generating a market turnover of K1.20 billion across 741 trades. (*Source: MSE*)

4. **Local Market Developments**
   Malawi's total foreign exchange reserves increased to US$526.8 million in October, equivalent to 2.1 months of import cover, up from US$511.8 million in September. This represents a 2.9 percent increase, largely driven by higher private sector reserves, which more than offset a marginal decline in official reserves. The improvement in the reserve position followed improvement in the goods trade balance in the third quarter of 2025, which narrowed to a deficit of US$587.1 million from US$743.9 million in the previous quarter. *(Source: RBM)*

5. **Regional Developments in the Week**
   Kenya's Monetary Policy Committee (MPC) has reduced the Central Bank Rate (CBR) by 25 basis points to 9.00% from 9.25%. The move aims to stimulate bank lending and support economic growth. The Committee said the rate cut complements prior policy measures to boost credit growth while keeping inflation expectations anchored and the exchange rate stable. *(Source: Central Bank of Kenya)*

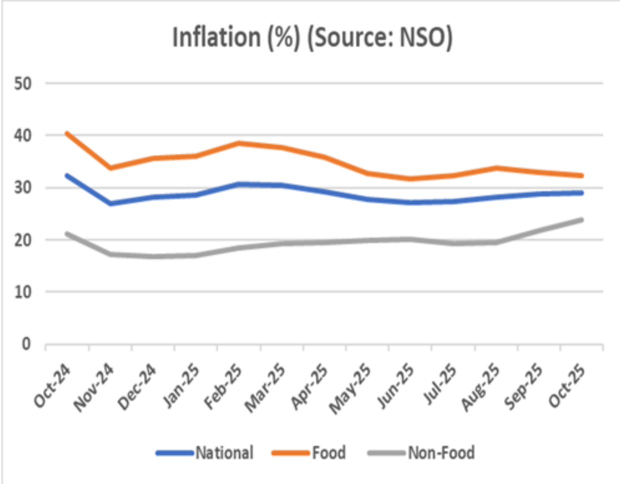
6. **Global Developments in the Week**
   The US Federal Reserve cut its benchmark rate by 25 basis points from 3.75%-4.00% to 3.50%-3.75% in a 9-3 vote, marking the third reduction this year following similar moves in September and October. The Committee reported moderate economic expansion but noted slower job gains, a slight rise in unemployment and still-elevated inflation. Uncertainty has increased, partly due to a 43-day data blackout that forced reliance on September figures showing 4.4% unemployment and 2.8% core inflation. The US Treasury also announced it will resume Treasury bill issuance on 20 December 2025 to help restore post-shutdown liquidity. *(Source: Reuters)*

	Div yield %	P/E	P/BV	05-Dec-25		12-Dec-25
Counter				MK/Share		MK/Share
AIRTEL	1.61	32.00	42.57	124.41	↓	124.30
BHL	-	(64.53)	1.36	15.04		15.04
FDH Bank	0.75	58.92	44.80	634.02	↓	632.35
ICON	1.62	4.90	0.82	17.90		17.90
ILLOVO	0.79	21.53	7.72	2,330.00	↑	2,330.05
MPICO	2.20	5.25	0.69	19.51		19.51
NBM	1.03	56.10	21.37	12,396.01	↓	12,289.99
NBS Bank	1.18	36.68	23.89	938.00	↓	919.96
NICO	1.15	25.20	11.66	1,740.00		1,740.00
NITL	0.28	17.87	7.21	3,939.60	↓	3,939.54
PCL	0.13	16.23	3.00	8,728.46	↓	8,727.95
Standard Bank	3.81	57.72	19.19	4,249.92	↓	4,248.81
Sunbird	1.73	18.47	2.81	750.01		750.01
TNM	-	36.10	7.00	31.49	↓	31.47
FMBCH	0.11	70.22	25.24	3,380.51	↓	3,377.97
OMU	2.18	28.35	3.78	3,790.01	↑	3,790.02
DSI	N/A	N/A	N/A	413,855.15	↓	411,938.96
FSI	N/A	N/A	N/A	167,310.97	↓	167,186.36
MASI	1.17	41.98	14.45	615,346.07	↓	613,095.22

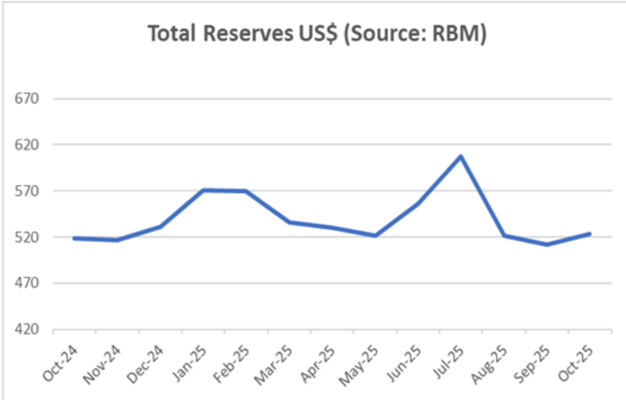
Stock Market (Source: Malawi Stock Exchange)

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

Inflation (Source: NSO)



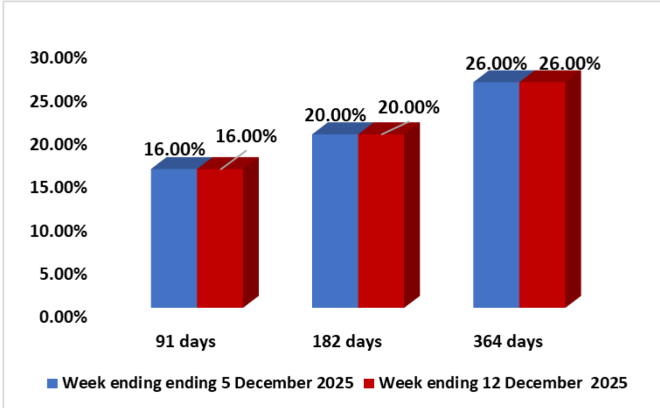
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	5-Dec-25	12-Dec-25	% Change
MK/US Dollar	1,734.01	1,734.01	0.00%
MK/GBP	2,384.00	2,391.85	-0.33%
MK/ZAR	105.39	106.02	-0.60%
MK/EUR	2,082.33	2,096.27	-0.67%

Government Securities for week ending 12 December 2025 (Source: RBM)



TENORS	VOLUME (K' BILLION)	AVERAGE YIELD (%)
91-day	0.03	16.00
182-day	9.16	20.00
364-day	23.03	26.00
5-year	53.01	34.00

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%	2.00%
GOVERNMENT	1.19%	1.50%	1.70%	2.80%
Average Real GDP	0.92%	1.50%	1.65%	2.20%

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