NICO Asset Managers

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WEEKLY MARKET UPDATE
Week ending 16 January 2026

1. **Money Market**
   Government Securities
   The Government Treasury Bills auction held during the week raised no funds, with K0.00 billion allotted against total applications of K69.78 billion, translating into a 100% rejection rate. The average yields for the 91 days, 182 days and 364 days tenors remained unchanged from the previous week at 16.00%, 20.00% and 26.00% respectively. There was no auction on Treasury Note during the week in review raised. Total maturities for the week stood at K85.61 billion, resulting in a net liquidity inflow of K85.61 billion. (Source: RBM)

2. **Interbank Market**
   Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K463.13 billion from an average of K159.39 billion in the previous week. The volume on daily interbank overnight borrowing increased to an average of K53.25 billion at 23.98% (Previous week: K125.00 billion at 23.98%). No funds were accessed on the Lombard window this week (Previous week: K149.00 billion at an average rate of 26.2%). (*Source: RBM*)

3. **Stock Market**
   The MASI closed the week at 598,180.06 points (Previous Week: 597,467.17 points), while the Domestic Share Index (DSI) closed at 408,604 points (previous week: 405,651.73 points) and the Foreign Share Index (FSI) ended at 155,019.41 points (Previous Week: 157,821.13 points). The increase in the MASI was due to share price gain on ILLOVO and Sunbird**.** The gains were enough to offset losses on MPICO, PCL, NBM, NICO, NITL, FDH Bank, TNM, FMBCH, NBS Bank, AIRTEL AND BHL. A total of 3.27 million shares were traded during the week, generating a market turnover of K1.24 billion across 905 trades. (*Source: MSE*)

4. **Local Market Developments**
   Malawi's headline inflation eased to 26.0% year on year in December 2025, down from 27.9% in November, largely reflecting a marked slowdown in food inflation, which fell to 26.5% from 30.1%. By contrast, non-food inflation edged up to 25.2% from 24.2%, underscoring persistent cost pressures outside the food basket. On a month-on-month basis, inflation stood at 3.0%, driven by a 3.2% increase in food prices and a 2.6% rise in non-food prices, with stronger price pressures evident in rural areas. On an annual average basis, inflation declined to 28.4% in 2025 from 32.2% in 2024. *(Source: National Statistical Office)*

5. **Regional Developments in the Week**
   Ghana has cleared US$1.47 billion in legacy energy-sector arrears, easing financial strain in the power industry and helping to restore investor confidence. The settlement included US$597.0 million to the World Bank, fully replenishing the partial risk guarantee underpinning nearly US$8.0 billion in private energy investment; US$480.0 million to ENI and Vitol for gas supplied under the Sankofa project; and US$393.0 million to independent power producers. The accumulation of arrears had contributed to recurrent power outages and undermined the sector's credibility. Since then, the authorities have renegotiated power-purchase agreements and pledged stricter financial discipline to prevent the re-emergence of arrears. *(Source: Reuters)*

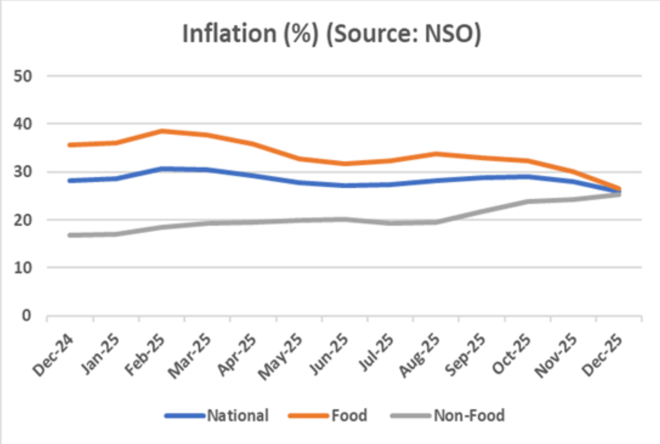
6. **Global Developments in the Week**
   The U.S. House of Representatives has approved a three-year extension of the African Growth and Opportunity Act (AGOA) by 340 votes to 54, and sent the bill, H.R. 6500, to the Senate. The measure extends duty-free access for eligible sub-Saharan African exports to the American market until December 31, 2028, beyond the programme's scheduled expiry in September 2025. The extension offers short-term certainty for U.S. importers while supporting trade flows, export earnings and investment across beneficiary countries. (Source: Reuters)

Counter	Div yield %	P/E	P/BV	09-Jan-26 MK/Share		16-Jan-26 MK/Share
AIRTEL	1.67	30.90	41.10	120.74	↓	120.00
BHL	-	(64.53)	1.36	15.07	↓	15.04
FDHB	0.79	55.71	42.36	599.07	↓	597.89
FMBCH	0.12	65.06	23.38	3,187.07	↓	3,129.96
ICON	1.81	4.38	0.73	16.00		16.00
ILLOVO	0.71	24.18	8.67	2,330.18	↑	2,616.60
MPICO	2.21	5.24	0.69	19.52	↓	19.49
NBM	1.06	54.59	20.80	11,987.61	↓	11,958.13
NBS	1.22	35.61	23.19	906.92	↓	893.13
NICO	1.16	25.03	11.58	1,735.62	↓	1,727.80
NITL	0.28	17.85	7.20	3,938.88	↓	3,934.94
OMU	2.18	28.35	3.78	3,790.04		3,790.04
PCL	0.14	14.55	2.69	7,828.64	↓	7,827.00
STANDARD	3.81	57.72	19.19	4,248.44	↓	4,248.32
SUNBIRD	0.76	41.85	6.36	1,486.66	↑	1,700.01
TNM	-	35.89	6.96	31.41	↓	31.28
DSI	N/A	N/A	N/A	405,651.73	↑	408,604.18
FSI	N/A	N/A	N/A	157,821.13	↓	155,019.41
MASI	1.19	40.96	14.10	597,467.17	↑	598,180.06

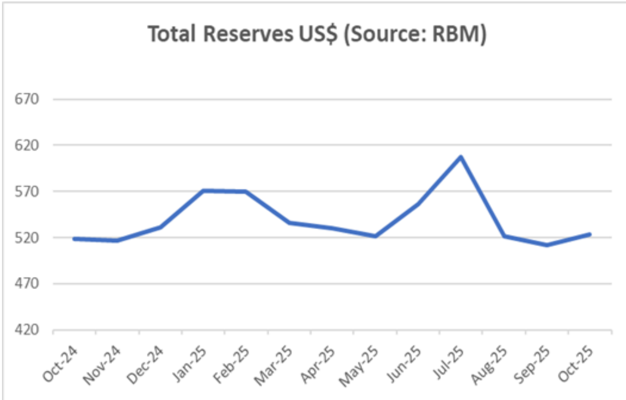
Stock Market (Source: Malawi Stock Exchange)

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

Inflation (Source: NSO)



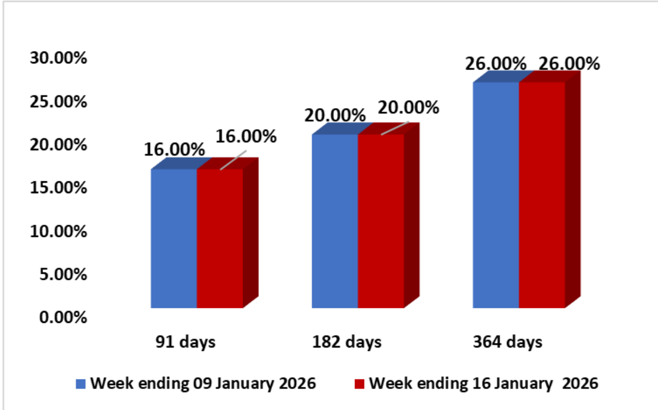
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	9-Jan-26	16-Jan-26	% Change
MK/US Dollar	1,734.01	1,734.01	0.00%
MK/GBP	2,397.21	2,389.35	0.33%
MK/ZAR	108.00	109.18	-1.09%
MK/EUR	2,080.37	2,073.40	0.34%

Government Securities for week ending 16 January 2026 (Source: RBM)



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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