



NICO Asset Managers

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WEEKLY MARKET UPDATE

Week ending 23 January 2026

1. Money Market

Government Securities

The Government Treasury Bills auction held during the week raised a total of K25.36 billion from total applications of K201.04 billion, resulting in an 87.39% rejection rate. The weighted average yield for the 91-day treasury bill was 15.11% (Previous week at 16.00%) and for 182-day and 364-day tenors remain unchanged from the previous week at 20.00% and 26.00% respectively. There was no auction on Treasury Notes during the week in review. Total maturities for the week stood at K43.25 billion, resulting in a net liquidity inflow of K17.89 billion. (Source: RBM)

Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K580.45 billion from an average of K463.13 billion in the previous week. The volume on daily interbank overnight borrowing increased to an average of K63.75 billion at 23.98% (Previous week: K53.25 billion at 23.98%). No funds were accessed on the Lombard window this week, as was the case in the previous week. (Source: RBM)

2. Stock Market

The MASI closed the week at 591,983.80 points (Previous Week: 598,180.06 points), while the Domestic Share Index (DSI) closed at 407,759.93 points (previous week: 408,604 points) and the Foreign Share Index (FSI) ended at 149,330.52 points (Previous Week: 155,019.41 points). The decrease in the MASI was due to share price loss on MPICO, PCL, STANDARD BANK, NBM, NICO, NITL, FDH Bank, TNM, FMBCH, NBS Bank and BHL. The losses were enough to offset gains on ILLOVO. A total of 4.61 million shares were traded during the week, generating a market turnover of K1.19 billion across 1010 trades. (Source: MSE)

3. Local Market Developments

Malawi Energy Regulatory Authority (MERA) has increased the pump prices of petrol and diesel under the Automatic Pricing Mechanism (APM) to MK4,965 and MK4,945 per litre from MK3,499 and MK3,500, representing price adjustments of 41.9% and 41.3%, respectively. This follows a previous upward adjustment of 33.2% in October 2024. The Minister of Energy indicated that the reinstatement of the APM and the latest price adjustment are aimed at correcting significant pricing distortions arising from unpaid fuel-related levies and accumulated losses estimated at MK1.88 trillion. The move is therefore intended to restore cost-reflective pricing, improve fiscal transparency and stem further quasi-fiscal losses within the fuel supply chain, albeit at the cost of near-term inflationary pressures and higher operating costs across the economy. (Source: MERA, Ministry of Energy)

4. Regional Developments in the Week

South Africa's headline inflation edged up to 3.6% year-on-year in December from 3.5% in November, remaining comfortably 1 percentage point target band within the 3% target. The increase was driven mainly by housing and utilities, food and non-alcoholic beverages, and insurance and financial services, while both goods and services inflation ticked higher to 3.0% and 4.2% from 2.9% and 4.1% in November respectively. Core inflation held steady at 3.3%, underscoring contained underlying price pressures. With average inflation for 2025 at a 21-year low and real interest rates still restrictive, analysts continue to expect further South Africa Reserve Bank rate cuts in 2026, potentially as early as the January MPC meeting. (Source: Reuters)

5. Global Developments in the Week

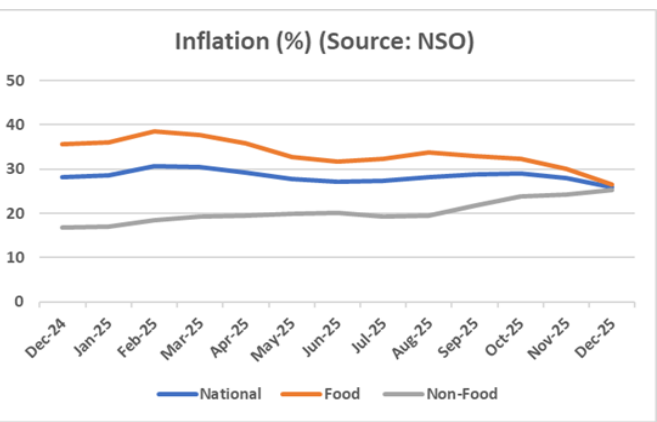
UK inflation edged higher in December, rising to 3.4% year-on-year from 3.2% in November. The Consumer Prices Index including owner occupiers' housing costs (CPIH) increased to 3.6% from 3.5%. The uptick was driven mainly by alcohol and tobacco, transport, and firmer food prices, while services inflation remained elevated at 4.5%. Core CPI and core CPIH inflation were unchanged at 3.2% and 3.5%, respectively. Inflation remains above the Bank of England's 2% target. However, the contained core trend supports expectations of gradual monetary policy easing later in the year, provided services inflation moderates further. (Source: Reuters)

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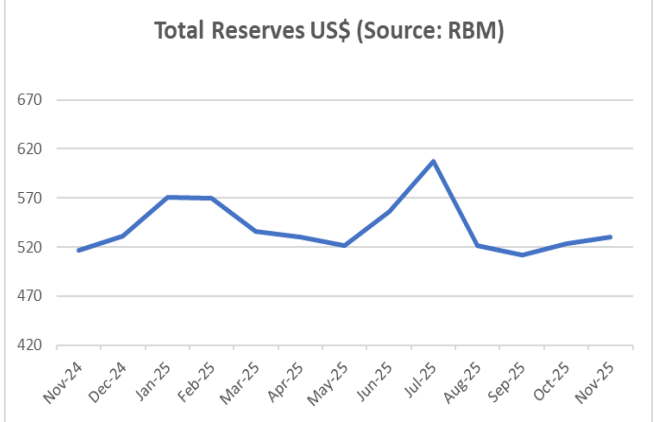
	Div yield %	P/E	P/BV	16-Jan-26	23-Jan-26
Counter				MK/Share	MK/Share
AIRTEL	1.67	30.90	41.10	120.00	120.00
BHL	-	(64.27)	1.36	15.04	↓ 14.98
FDHB	0.79	55.52	42.22	597.89	↓ 595.86
ICON	1.81	4.38	0.73	16.00	16.00
ILLOVO	0.69	24.76	8.88	2,616.60	↑ 2,679.86
MPICO	2.21	5.24	0.69	19.49	↓ 19.47
NBM	1.07	54.05	20.59	11,958.14	↓ 11,840.00
NBS	1.22	35.51	23.12	893.13	↓ 890.55
NICO	1.16	24.99	11.56	1,727.80	↓ 1,724.97
NITL	0.28	17.85	7.20	3,934.94	↓ 3,934.79
PCL	0.14	14.55	2.69	7,827.00	↓ 7,824.00
STANDARD	3.81	57.70	19.18	4,248.32	↓ 4,247.40
SUNBIRD	0.76	41.85	6.36	1,700.01	1,700.01
TNM	-	34.41	6.67	31.28	↓ 29.99
FMBCH	0.12	62.64	22.51	3,129.96	↓ 3,013.39
OMU	2.18	44.73	5.96	3,790.04	3,790.04
DSI	N/A	N/A	N/A	408,604.18	↓ 407,759.93
FSI	N/A	N/A	N/A	155,019.41	↓ 149,330.52
MASI	1.21	40.59	13.97	598,180.06	↓ 591,983.80

Stock Market (Source: Malawi Stock Exchange)
 MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index

Inflation (Source: NSO)



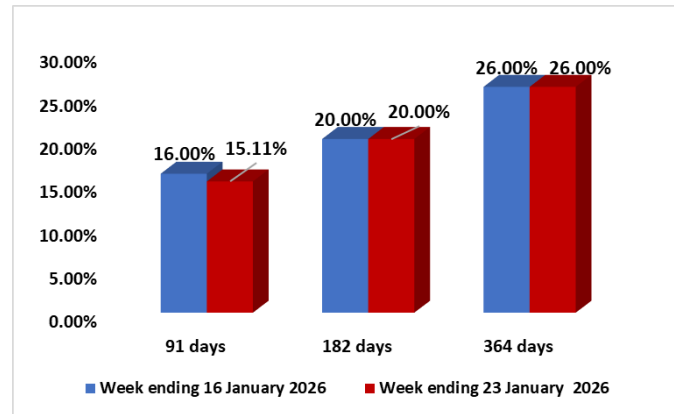
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	16-Jan-26	23-Jan-26	% Change
MK/US Dollar	1,734.01	1,734.01	→ 0.00%
MK/GBP	2,389.35	2,398.11	↓ -0.37%
MK/ZAR	109.18	109.84	↓ -0.60%
MK/EUR	2,073.40	2,087.51	↓ -0.68%

Government Securities for week ending 23 January 2026 (Source: RBM)



TENORS	VOLUME (K' BILLION)	AVERAGE YIELD (%)
91-day	25.36	15.11

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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