NICO Asset Managers

"INVEST today for tomorrow".

WEEKLY MARKET UPDATE
Week ending 20 March 2026

1. **Money Market**

Government Securities

The Government Treasury Bills auction held during the week raised a total of K50.77 billion from total applications of K72.77 billion, resulting in a 30.23% rejection rate. The average yield for the 91-day tenor was 12.00%, for 182-day tenor stood at 15.00% and for 364-day tenor was at 17.00%, unchanged from the previous week respectively. The auction on 2-year Treasury Note during the week in review raised K67.65 billion from total applications of K65.67 billion, resulting in a nil rejection rate. Total maturities for the week stood at K83.83 billion, resulting in a net liquidity outflow of K34.59 billion. (Source: RBM)

Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) decreased to a daily average of K543.01 billion from an average of K558.14 billion in the previous week. The volume on daily interbank overnight borrowing increased to an average of K63.00 billion at 13.50% average rate (Previous week: K108.6 billion at 13.97%). No funds were accessed through the Lombard window this week (Previous week: No funds were accessed). (*Source: RBM*)

2. **Stock Market**

The MASI closed the week at 577,021.98 points (Previous Week: 576,866.54 points), while the Domestic Share Index (DSI) closed at 405,065.05 points (previous week: 404,827.42 points) and the Foreign Share Index (FSI) ended at 136,387.46 points (Previous Week: 136,505.54 points). The increase in the MASI was due to share price gain on TNM, BHL, SUNBIRD and ILLOVO. The losses were enough to offset gains on AIRTEL, STANDARD BANK, NBM, MPICO, NICO, NITL, FDHB, NBS and FMBCH. A total of 4.43 million shares were traded during the week, generating a market turnover of K1.84 billion across 720 trades. (*Source: MSE*)

3. **Local Market Developments**

Malawi's year-on-year inflation rate eased to 24.1% in February 2026 from 24.9% in January 2026. Food inflation eased to 20.8% from 22.1%, while non-food inflation edged up to 30.0% from 29.8% over the same period. On a month-to-month basis, inflation stood at 3.2%, with food and non-food prices increasing by 3.1% and 3.3%, respectively. Spatial dynamics indicate subdued price pressures in urban areas, where monthly inflation averaged 1.4% (food: 1.5%; non-food: 1.2%), compared to significantly higher rural inflation of 4.1%, underpinned by food and non-food increases of 3.8% and 4.6%, respectively. (Source: NSO)

4. **Regional Developments in the Week**

Nigeria's year-on-year inflation rate eased marginally to 15.06% in February 2026 from 15.10% in January 2026. Food inflation, however, rose to 12.12% from 8.89%, remaining a key driver of overall price dynamics, while core inflation stayed elevated at 15.8% from 17.72%, indicating persistent underlying pressures. The Central Bank of Nigeria recently initiated a cautious easing cycle, citing improved currency stability and expectations of continued disinflation, although rising food prices and structural supply constraints continue to pose upside risks to the inflation outlook. *(Source: Nigeria National Bureau of Statistics)*

5. **Global Developments in the Week**

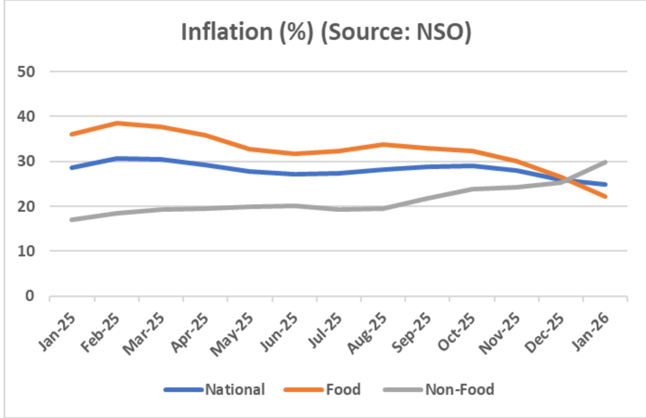
The European Central Bank maintained its benchmark deposit rate at 2.00% at its 19 March 2026 meeting, marking a continued pause in its policy cycle amid elevated global uncertainty stemming from the Iran war. Policymakers opted to hold rates steady despite emerging upside risks to inflation linked to higher energy prices. While near-term inflation is expected to rise modestly, it remains close to target, allowing the ECB to keep policy unchanged as it assesses the balance between inflationary pressures and weakening growth dynamics *(source: ECB)*

Counter	Div yield %	P/E	P/BV	13-Mar-26 MK/Share		20-Mar-26 MK/Share
AIRTEL	1.77	29.17	38.81	113.46	↓	113.30
BHL	-	(64.48)	1.36	15.02	↑	15.03
FDHB	0.80	55.28	42.03	593.42	↓	593.24
ICON	1.82	4.37	0.73	15.97		15.97
ILLOVO	0.63	27.24	9.77	2,948.42	↑	2,948.49
MPICO	2.21	5.23	0.69	19.46	↓	19.45
NBM	1.12	51.54	19.64	11,406.12	↓	11,289.99
NBS	2.69	16.54	11.24	855.76	↓	854.55
NICO	1.19	24.36	11.27	1,684.72	↓	1,681.81
NITL	0.28	17.85	7.20	3,934.03	↓	3,933.93
PCL	0.14	14.55	2.69	7,823.00		7,823.00
STANDARD	0.34	40.86	14.26	4,238.07	↓	4,237.87
SUNBIRD	0.58	55.35	8.41	1,955.03	↑	2,248.01
TNM	-	35.52	6.89	30.81	↑	30.96
FMBCH	0.13	56.92	20.45	2,740.44	↓	2,738.02
OMU	1.80	54.27	7.23	4,600.06		4,600.06
DSI	N/A	N/A	N/A	404,827.42	↑	405,065.05
FSI	N/A	N/A	N/A	136,505.54	↓	136,387.46
MASI	0.80	34.65	12.54	576,866.54	↑	577,021.98

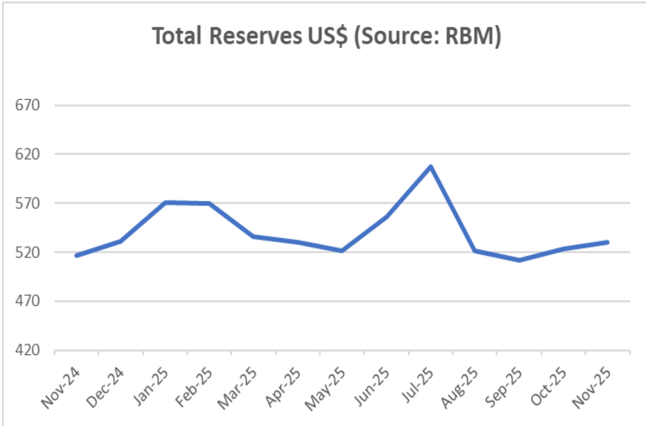
Stock Market (Source: Malawi Stock Exchange)

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

Inflation (Source: NSO)



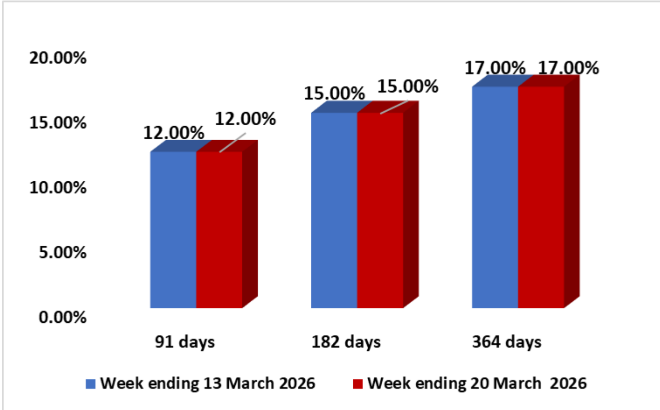
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	13-Mar-26	20-Mar-26	% Change
MK/US Dollar	1,734.01	1,734.01	0.00%
MK/GBP	2,374.71	2,394.35	-0.83%
MK/ZAR	105.77	106.30	-0.50%
MK/EUR	2,049.47	2,065.19	-0.77%

Government Securities for week ending 20 March 2026 (Source: RBM)



TENORS	VOLUME (K' BILLION)	AVERAGE YIELD (%)
92-days	9.71	12.00
182-days	18.63	15.00
364-days	22.45	17.00
2-Year	67.65	18.50

Real GDP Growth Projections				
	2023	2024	2025	2026
EIU	1.60%	1.30%	1.60%	2.00%
IMF	1.50%	1.80%	2.40%	2.70%
WORLD BANK	1.40%	1.80%	1.90%	2.60%
GOVERNMENT	1.50%	1.70%	2.70%	3.80%
Average Real GDP	1.50%	1.65%	2.15%	2.78%

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