



NICO Asset Managers

“INVEST today for tomorrow”.

WEEKLY MARKET UPDATE

Week ending 27 February 2026

1. Money Market

Government Securities

The Government Treasury Bills auction held during the week raised a total of K42.67 billion from total applications of K44.75 billion, resulting in a 4.63% rejection rate. The average yield for the 91-day tenor was 12.00%, unchanged from the previous week, while the 182-day tenor stood at 15.00% (previous week: 16.00%). The 364-day tenor was at 18.00%, also the same as the previous week. The auction for the 2-year Treasury Note raised K48.05 billion from total applications of K48.05 billion. Total maturities for the week stood at K98.15 billion, resulting in a net liquidity inflow of K7.43 billion. (Source: RBM)

Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) decreased to a daily average of K609.12 billion from an average of K692.67 billion in the previous week. The volume on daily interbank overnight borrowing decreased to an average of K11.00 billion at 16.50% average (Previous week: K21.00 billion at 22.00%). 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 574,679.80 points (Previous Week: 573,773.12 points), while the Domestic Share Index (DSI) closed at 402,723.18 points (previous week: 401,743.59 points) and the Foreign Share Index (FSI) ended at 136,674.36 points (Previous Week: 136,873.40 points). The increase in the MASI was due to share price gains on ICON, PCL, SUNBIRD, MPICO, OMU and ILLOVO. The gains were enough to offset losses on AIRTEL, STANDARD BANK, NBM, TNM, NICO, NITL, FDHB, NBS and FMBCH. A total of 15.43 million shares were traded during the week, generating a market turnover of K14.70 billion across 818 trades. (Source: MSE)

3. Local Market Developments

The Minister of Finance tabled in Parliament the FY2026/27 National Budget, with total expenditure projected at MK10.978 trillion, up from MK8.589 trillion, representing a 27.8% year-on-year increase. Total revenue and grants are forecast at MK8.126 trillion, compared to MK5.461 trillion in the previous fiscal year, reflecting a 48.8% increase. Of this amount, tax revenue is projected at MK6.203 trillion, rising from MK4.328 trillion (43.3% growth), non-tax revenue at MK250.5 billion, up from MK149.5 billion (67.6% increase), and grants at MK1.672 trillion, compared to MK983.0 billion last year (70.1% growth). The overall fiscal deficit is projected at MK2.852 trillion, slightly lower than MK2.903 trillion in the prior year, equivalent to 9.0% of GDP. The macroeconomic framework underpinning the budget assumes headline inflation will moderate to 15.0% by year-end from the current 24.9%, alongside a reduction in the policy rate to 18.0% from 26.0%. (Source: Ministry of Finance)

4. Regional Developments in the Week

The Central Bank of Nigeria reduced the Monetary Policy Rate by 50 basis points to 26.5% from 27.0% at its February 2026 meeting. The Monetary Policy Committee approved the decision unanimously (11-0). The easing reflects sustained disinflation, with headline inflation moderating to 15.10% year-on-year in January 2026 from 15.15% in December 2025, supported by exchange rate stability, improved food supply conditions and the lagged effects of prior monetary tightening. External buffers strengthened, with gross reserves increasing to US\$50.45 billion (9.68 months of import cover), alongside continued expansion in economic activity. (Source: Central Bank of Nigeria)

5. Global Developments in the Week

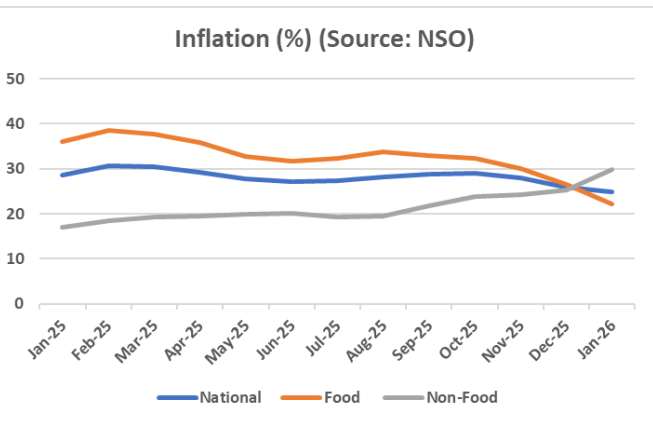
Japan's annual consumer price inflation eased to 1.5% year-on-year in January 2026, down from 2.0% in December 2025 and marking the first reading below the Bank of Japan's 2% target since March 2022. The decline ends a 45-month period of inflation above target, reflecting moderating domestic demand, fuel subsidies and base effects from prior energy price spikes. Core inflation (excluding fresh food and energy) slowed to 1.9% in January 2025 from 2.1% in December 2025, indicating underlying price pressures remain but at a reduced pace. (Source: Reuters, Japan Ministry of Internal Affairs and Communications)

	Div yield %	P/E	P/BV	20-Feb-26	27-Feb-26
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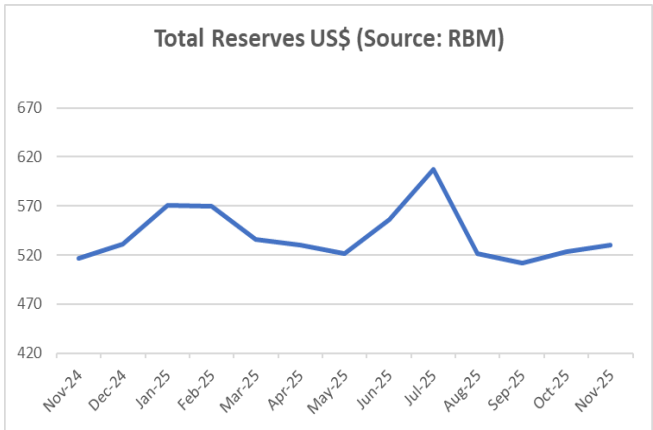
Counter				MK/Share	MK/Share
AIRTEL	1.76	29.30	38.98	113.88	↓ 113.81
BHL	-	(64.40)	1.36	15.01	↓ 15.01
FDHB	0.80	55.31	42.05	593.90	↓ 593.59
ICON	1.82	4.37	0.73	15.96	↑ 15.97
ILLOVO	0.69	24.76	8.88	2,680.17	↑ 2,680.23
MPICO	2.21	5.24	0.69	19.45	↑ 19.47
NBM	1.10	52.49	20.00	11,499.61	↓ 11,498.89
NBS	1.27	34.21	22.27	858.34	↓ 857.87
NICO	1.18	24.49	11.33	1,691.95	↓ 1,690.97
NITL	0.28	17.85	7.20	3,934.33	↓ 3,934.22
PCL	0.14	14.55	2.69	7,823.98	↑ 7,824.00
STANDARD	3.82	57.58	19.14	4,238.56	↓ 4,238.44
SUNBIRD	0.66	48.13	7.31	1,700.03	↑ 1,955.01
TNM	-	35.55	6.90	31.13	↓ 30.99
FMBCH	0.13	57.04	20.50	2,747.98	↓ 2,743.90
OMU	1.80	54.27	7.23	4,600.02	↑ 4,600.06
DSI	N/A	N/A	N/A	401,743.59	↑ 402,723.18
FSI	N/A	N/A	N/A	136,873.40	↓ 136,674.36
MASI	1.25	39.40	13.57	573,773.12	↑ 574,679.80

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

Inflation (Source: NSO)



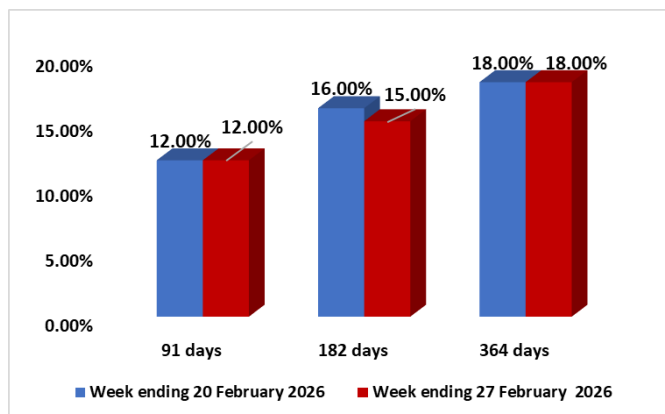
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	20-Feb-26	27-Feb-26	% Change
MK/US Dollar	1,734.01	1,734.01	→ 0.00%
MK/GBP	2,403.64	2,420.79	↓ -0.71%
MK/ZAR	110.64	112.61	↓ -1.78%
MK/EUR	2,099.84	2,110.73	↓ -0.52%

Government Securities for week ending 27 February 2026 (Source: RBM)



TENORS	VOLUME (K' BILLION)	AVERAGE YIELD (%)
92-days	92.61	12.00
182-days	28.67	15.00
364-days	4.74	18.00
2-Year	48.05	20.55

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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