WEEKLY MARKET UPDATE
Week ending 1 May 2026

NICO Asset Managers

"INVEST today for tomorrow".

1. **Money Market**

   Government Securities

   The Government Treasury Bills auction held during the week raised a total of K90.00 billion from total applications of K172.78 billion, resulting in a 47.90% 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 16.50% unchanged from the previous week. There was no auction of 2-year treasury note this week. Total maturities for the week stood at K47.04 billion, resulting in a net liquidity outflow of K42.96 billion. *(Source: RBM)*

   Interbank Market

   Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K618.83 billion from an average of K618.83 billion in the previous week. There was no interbank borrowing in the week in review (Previous week: K0.60 billion at 12.50%). 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 524,387.05 points (Previous Week: 525,973.43 points), while the Domestic Share Index (DSI) closed at 394,615.70 points (previous week: 395,635.99 points) and the Foreign Share Index (FSI) ended at 92,021.47 points (Previous Week: 92,508.81 points). The decrease in the MASI was due to share price loss on AIRTEL, NICO, STANDARD BANK, FDHB, NBM, NITL, TNM, NBS and FMBCH. The losses were enough to offset gains on BHL and ILLOVO. A total of 6.41 million shares were traded during the week, generating a market turnover of K2.33 billion across 731 trades. *(Source: MSE)*

3. **Local Market Developments**

   The Monetary Policy Committee (MPC)of the Reserve Bank of Malawi maintained the Policy Rate at 24.0% while raising the Liquidity Reserve Requirement (LRR) on local currency deposits to 12.0% from 10.0%, with the foreign currency LRR held at 3.75% and the Lombard Rate unchanged at a 0.2 percentage point margin above the policy rate. The decision reflects a tight but calibrated monetary stance, where the unchanged policy rate supports ongoing disinflation and anchors expectations, while the higher LRR acts as a quantitative tightening tool to absorb excess liquidity, thereby mitigating inflationary pressures and reinforcing macroeconomic stability. (*Source: RBM*)

4. **Regional Developments in the Week**

   Kenya's inflation accelerated in April, with year-on-year inflation rising to 5.6% from 4.4% in March, while month-on-month inflation increased sharply to 1.4% from 0.5%, signalling a pickup in short-term price momentum. The upward pressure was largely driven by elevated food, transport, and housing costs, which together constitute a significant share of the CPI basket, indicating broad-based cost-push dynamics. Despite this firming trend, inflation remains within the government's 2.5%–7.5% target band, suggesting moderate but building inflationary pressures, with potential implications for monetary policy tightening bias and real household purchasing power. (*Source: Kenya National Bureau of Statistics*)

5. **Global Developments in the Week**

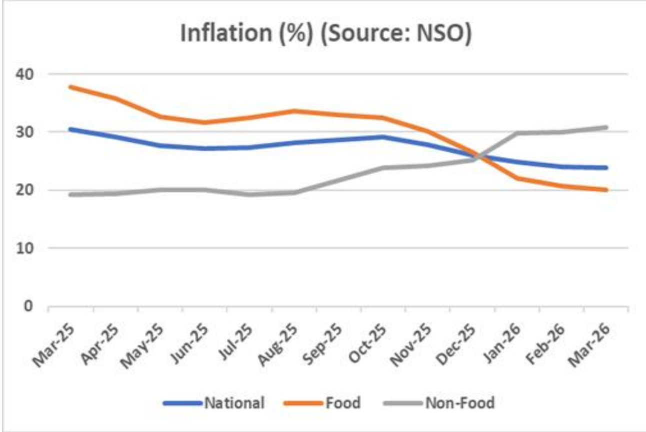
   The Bank of Japan maintained its policy rate at 0.75% at its April 28 meeting, with a 6–3 majority voting to hold rates while three members dissented in favour of a hike to 1.0%. The split highlights rising concern over persistent inflationary pressures, as the central bank also revised inflation forecasts upward and downgraded growth expectations amid global energy shocks. From a market perspective, the hawkish dissent strengthens expectations of a near-term rate hike, potentially as early as June, signalling a gradual shift towards monetary tightening with implications for global liquidity and exchange rate dynamics (*Source: Reuters*)

	Div yield %	P/E	P/BV	24-Apr-26	01-May-26
Counter				MK/Share	MK/Share
AIRTEL	3.10	24.12	20.14	112.56	↓ 112.37
BHL	-	16.12	1.23	15.07	↑ 15.09
FDHB	1.42	27.27	16.20	584.41	↓ 583.90
ICON	1.94	3.27	0.61	15.99	15.99
ILLOVO	0.63	27.24	9.77	2,948.65	↑ 2,948.66
MPICO	2.56	3.30	0.58	19.50	19.50
NBM	1.80	25.32	12.59	10,999.70	↓ 10,999.57
NBS	3.01	14.79	10.05	771.38	↓ 764.27
NICO	2.43	10.23	5.73	1,648.58	↓ 1,645.81
NITL	0.28	2.63	1.94	3,930.88	↓ 3,930.82
PCL	1.73	6.48	1.82	7,820.80	7,820.80
STANDARD	0.34	39.95	13.94	4,169.95	↓ 4,143.47
SUNBIRD	0.63	47.12	4.28	2,248.06	2,248.06
TNM	2.31	16.19	3.35	29.99	↓ 29.84
FMBCH	1.34	22.86	8.90	1,829.99	↓ 1,820.00
OMU	1.77	30.53	3.95	5,300.00	5,300.00
DSI	N/A	N/A	N/A	395,635.99	↓ 394,615.70
FSI	N/A	N/A	N/A	92,508.81	↓ 92,021.47
MASI	1.48	18.41	7.72	525,973.43	↓ 524,387.05

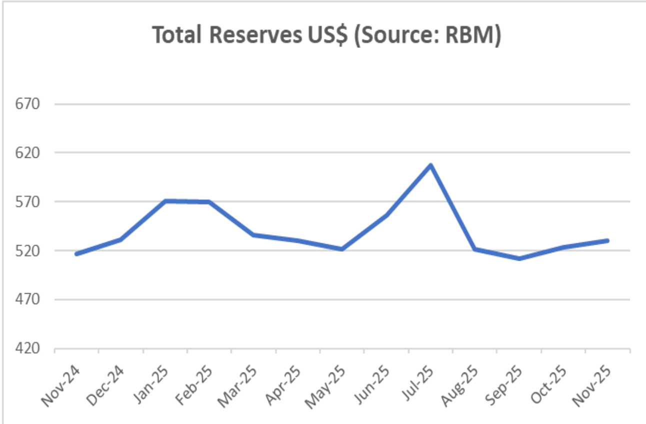
Stock Market (Source: Malawi Stock Exchange)

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

Inflation (Source: NSO)



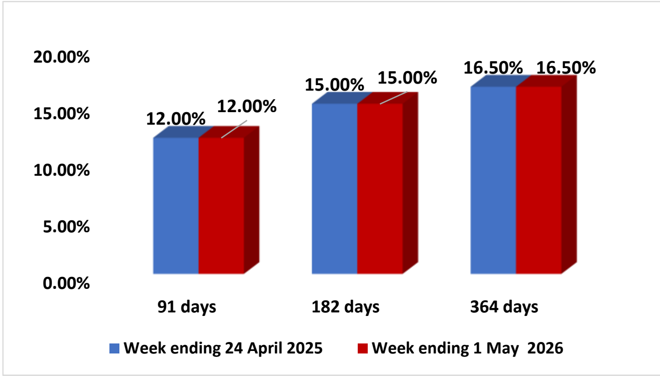
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	24-Apr-26	1-May-26	% Change
MK/US Dollar	1,734.01	1,734.01	0.00%
MK/GBP	2,404.71	2,408.29	-0.15%
MK/ZAR	107.24	106.17	1.00%
MK/EUR	2,086.09	2,085.91	0.01%

Government Securities for week ending 1 May 2026 (Source: RBM)



TENORS	VOLUME (K' BILLION)	AVERAGE YIELD (%)
182-days	4.17	15.00
364-days	85.82	16.50

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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