NICO Asset Managers

"INVEST today for tomorrow".

WEEKLY MARKET UPDATE
Week ending 15 May 2026

1. **Money Market**

   Government Securities

   The Government Treasury Bills auction held during the week raised a total of K140.81 billion from total applications of K140.81 billion, resulting in a nil rejection rate. The average yield for the 91-day tenor was 12.00%, while the 182-day and 364-day tenors stood at 15.00% and 16.50%, respectively, unchanged from the previous week. There was no auction of 2-year treasury note this week. Total maturities for the week stood at K186.07 billion, resulting in a net liquidity inflow of K45.26 billion. *(Source: RBM)*

   Interbank Market

   Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K426.87 billion from an average of K95.87 billion in the previous week. The daily interbank overnight borrowing volume averaged K124.75 billion at a weighted average rate of 12.00%. (Previous week: K89.4 billion at 12.08%). 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 517,941.30 points (Previous Week: 520,766.83 points), while the Domestic Share Index (DSI) closed at 395,712.09 points (previous week: 394,459.29 points) and the Foreign Share Index (FSI) ended at 83,728.49 points (Previous Week: 88,293.70 points). The decrease in the MASI was due to share price loss on Airtel, NICO, STANDARD BANK, FDHB, NBM, TNM, NITL, NBS and FMBCH. The losses were enough to offset gains on MPICO, BHL, PCL, ILLOVO and OMU. A total of 4.84 million shares were traded during the week, generating a market turnover of K1.57 billion across 658 trades. *(Source: MSE)*

3. **Local Market Developments**

   Malawi Revenue Authority (MRA) collected K532 billion in April 2026, exceeding its monthly revenue target of K510 billion by 4.3% in the first month of the 2026/27 fiscal year. The strong performance was attributed to ongoing institutional reforms, improved tax administration, and enhanced taxpayer compliance. MRA expressed confidence in achieving and surpassing its annual revenue target of K6.2 trillion, supported by daily tax collections estimated between K2 billion and K4 billion. The development signals strengthening domestic revenue mobilisation efforts amid continued fiscal pressures and follows the rollout of the Electronic Invoicing System (EIS) aimed at improving VAT collection efficiency. *(Source: MRA)*

4. **Regional Developments in the Week**

   Nigeria's headline inflation rate increased for the second consecutive month in April 2026, rising to 15.69% year-on-year from 15.38% in March. The uptick reflects persistent price pressures driven primarily by higher food and transportation costs, partly linked to increased domestic fuel prices following heightened geopolitical tensions in the Middle East. Food inflation accelerated to 16.06% year-on-year in April from 15.94% in March, with notable increases recorded in staple food items. On a month-on-month basis, headline inflation moderated to 2.13% in April from 4.18% in March, suggesting a slowdown in the pace of short-term price increases despite sustained elevated annual inflation levels. *(Source: National Bureau of Statistics)*

5. **Global Developments in the Week**

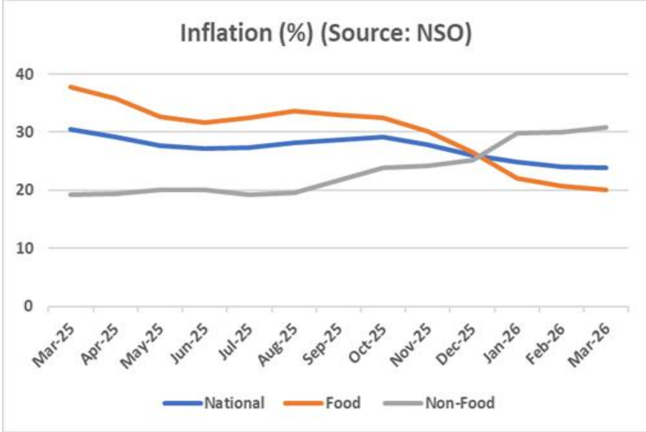
   U.S. inflation accelerated in April 2026, with the Consumer Price Index (CPI) rising 3.8% year-on-year from 3.3% in March, marking the highest annual inflation rate since May 2023. On a month-to-month basis, consumer prices increased by 0.6%, unchanged from market expectations. The increase was driven mainly by energy and food costs, with energy inflation rising 17.9% annually from 10.3% in March, while food inflation increased to 3.2% from 2.7% over the same period. Gasoline prices surged 28.4% year-on-year. Core inflation, which excludes food and energy, accelerated to 2.8% annually from 2.6% in March, remaining above the Federal Reserve's 2% target and strengthening expectations that the Fed may keep interest rates higher for longer. Real average hourly wages declined by 0.3% annually, signalling increasing pressure on household purchasing power. *(Source: Reuters)*

	Div yield %	P/E	P/BV	8-May-26		15-May-26
Counter				MK/Share		MK/Share
AIRTEL	3.10	24.13	20.16	112.51	↓	112.44
BHL	-	17.62	1.35	15.09	↑	16.50
FDHB	1.45	26.55	15.77	569.78	↓	568.64
ICON	1.94	3.27	0.61	15.99		15.99
ILLOVO	0.63	27.24	9.77	2,948.66	↑	2,948.67
MPICO	2.56	3.30	0.58	19.52	↑	19.53
NBM	1.80	25.32	12.59	10,999.49	↓	10,999.21
NBS	3.02	14.75	10.03	763.89	↓	762.52
NICO	2.44	10.21	5.72	1,643.89	↓	1,643.56
NITL	0.28	2.63	1.94	3,930.73	↓	3,930.64
PCL	1.59	7.04	1.98	7,821.02	↑	8,500.00
STANDARD	0.34	39.95	13.94	4,143.39	↓	4,143.28
SUNBIRD	0.55	54.19	4.92	2,585.27		2,585.27
TNM	2.31	16.22	3.36	29.96	↓	29.90
FMBCH	1.47	20.73	8.07	1,743.57	↓	1,649.97
OMU	1.77	30.53	3.95	5,300.01	↑	5,300.02
DSI	N/A	N/A	N/A	394,459.29	↑	395,712.09
FSI	N/A	N/A	N/A	88,293.70	↓	83,728.49
MASI	1.49	18.18	7.63	520,766.83	↓	517,941.30

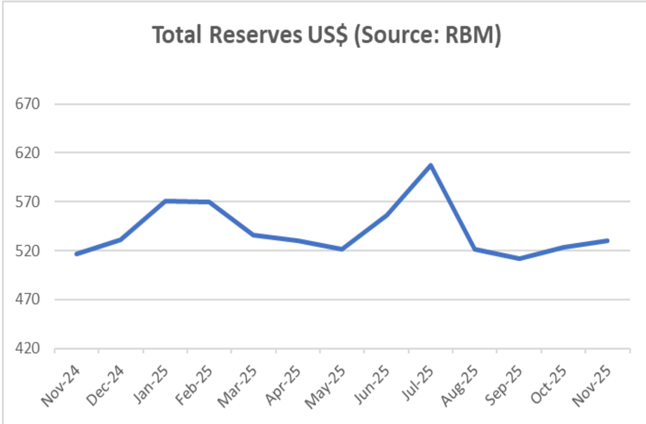
Stock Market (Source: Malawi Stock Exchange)

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

Inflation (Source: NSO)



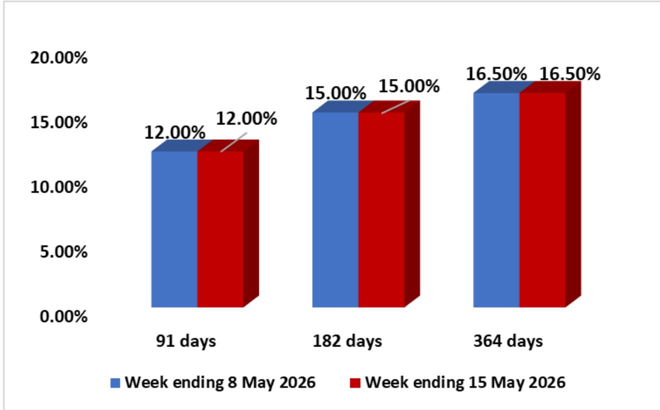
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	8-May-26	15-May-26	% Change
MK/US Dollar	1,734.01	1,734.01	0.00%
MK/GBP	2,425.43	2,384.00	1.71%
MK/ZAR	108.81	107.47	1.23%
MK/EUR	2,096.80	2,078.58	0.87%

Government Securities for week ending 15 May 2026 (Source: RBM)



TENORS	VOLUME (K' BILLION)	AVERAGE YIELD (%)
91-days	9.37	12.00
182-days	31.01	15.00
364-days	100.43	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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