



NICO Asset Managers

“INVEST today for tomorrow”

WEEKLY MARKET UPDATE

Week ending 2 October 2026

1. Money Market

Government Securities

The Treasury Bills auction held during the week raised a total of K6.26 billion from applications amounting to K6.26 billion, resulting in a nil rejection rate. The average yields for the 91-day and 364-day tenors remained unchanged from the previous week at 12.00% and 16.00% respectively while the average yield for 184-day tenor ended the week at 14.5% from 15.00% in the previous week. Total maturities amounted to K84.50 billion, resulting in a net liquidity inflow of K78.24 billion. (*Source: RBM*)

Interbank Market

Liquidity levels (excess reserves after central bank operations) decreased to a daily average of K18.24 billion from an average of K58.90 billion in the previous week. The daily interbank overnight borrowing volume averaged K165.60 billion at a weighted average rate of 16.00% (Previous week: K83.00 billion at 16.00%). A sum of K913.00 billion was accessed through the Lombard window this week at rate of 24.20% (*Source: RBM*)

2. Stock Market

The MASI closed the week at 488,941.49 points (Previous Week: 489,687.34 points), while the Domestic Share Index (DSI) closed at 364,785.53 points (previous week: 365,017.54 points) and the Foreign Share Index (FSI) ended at 89, 515.62 points (Previous Week: 90,052.88). The decrease in the MASI was due to share price losses on CHL, AIRTEL, BHL, PCL, NBM, NBS, NICO, STANDARD, TNM, FDHB and FMBCH. The losses were enough to offset a gain on ILLOVO. A total of K8.02 million shares were traded during the week, generating a market turnover of K2.40 billion across 521 trades. (*Source: MSE*)

3. Local Market Developments

Malawi government's restoration of the Automatic Pricing Mechanism (APM) implementation has cut fuel importer under-recoveries by 21.6% to K743.8 billion and statutory levy arrears by 20.5% to K401.08 billion by August 2026, down from K949.2 billion and K504.37 billion respectively in December 2025. This is easing liquidity pressure on importers and improving remittances to levy-dependent institutions – notably the Roads Fund Administration (over 85% of income from the road maintenance levy) and the Malawi Rural Electrification Programme (90% of capital from the rural electrification levy). The residual K743.8 billion and K401.08 billion balances remain material fiscal and operational risks, with further progress contingent on sustained APM discipline, forex availability and fuel-procurement efficiency. (*Source: The Nation*)

4. Regional Developments in the Week

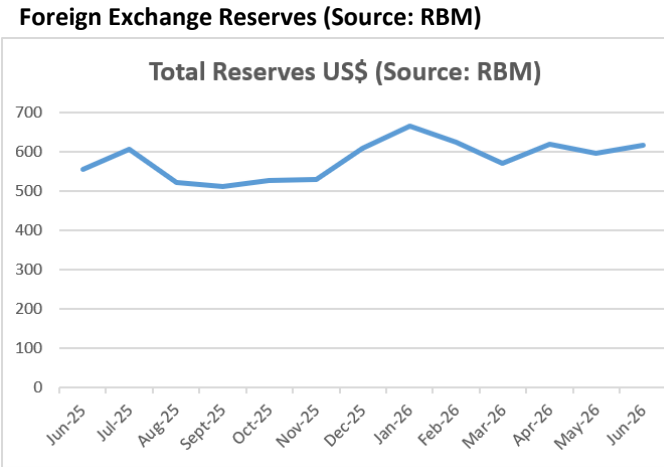
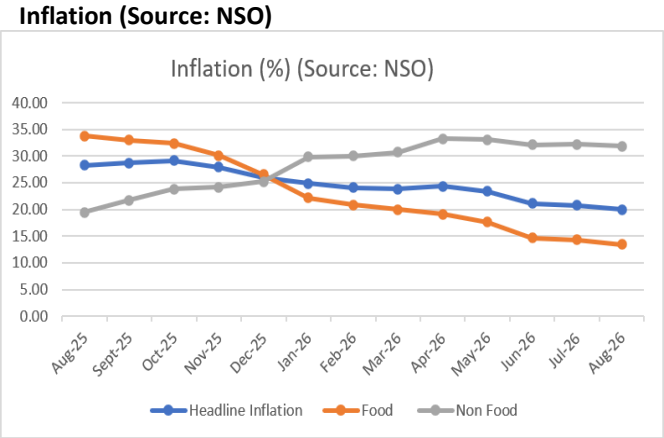
Kenya's headline inflation rose to 6.8% year-on-year in September, up from 6.6% in August, driven mainly by higher prices of food and non-alcoholic beverages, which increased by 9.5%, and transport, which rose by 15.6%, while housing, water, electricity, gas and other fuels inflation stood at 3.2%. Month-on-month inflation slowed to 0.4% from 0.6% in August, as food prices rose by 0.9%, partly offset by a 0.4% decline in transport costs. (*Source: Kenya National Bureau of statistics*)

5. Global Developments in the Week

U.S. real GDP grew at an annualised 2.2% in Q2 2026, revised up from 1.5%, following 2.5% growth in Q1. Growth was supported by 3.8% annualised consumer spending, non-residential fixed investment and government spending, while a 12.6% rise in imports weighed on output, subtracting about 1.7 percentage points from growth. (*Source: Reuters*)

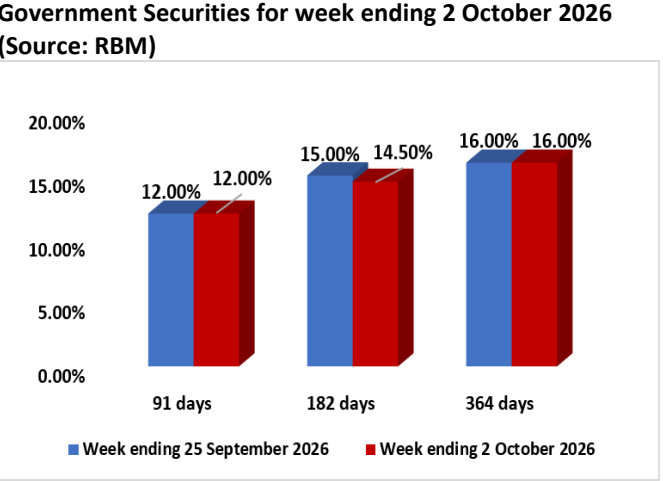
	Div yield %	P/E	P/BV	25-Sep-26	02-Oct-26
Counter				MK/Share	MK/Share
AIRTEL	3.44	21.87	18.26	101.96	↓ 101.88
BHL	-	18.71	1.43	17.51	↑ 17.52
CHL	1.71	15.63	8.28	209.11	↓ 208.85
FDHB	1.80	21.49	12.77	467.57	↓ 460.20
ICON	1.82	3.48	0.65	16.97	↑
ILLOVO	0.53	32.36	11.60	3,502.05	↓ 3,501.99
MPICO	2.55	3.32	0.58	19.61	19.61
NBM	2.17	21.00	10.44	9,145.73	↓ 9,123.99
NBS	3.66	12.16	8.27	595.82	↑ 628.61
NICO	3.00	8.31	4.65	1,337.66	↓
NITL	0.33	2.20	1.62	3,288.99	↓ 3,288.88
PCL	1.24	9.07	2.55	312.79	↓ 312.77
STANDARD	0.36	37.60	13.12	3,938.48	↓ 3,899.98
SUNBIRD	0.40	73.37	6.66	3,500.00	↓ 3,499.97
TNM	2.71	13.83	2.87	25.61	↓ 25.49
FMBCH	1.36	22.47	8.74	1,800.00	↓ 1,788.98
OMU	2.53	21.56	2.79	3,700.00	3,700.00
DSI	N/A	N/A	N/A	365,017.54	↓ 364,785.53
FSI	N/A	N/A	N/A	90,052.88	↓ 89,515.62
MASI	1.59	17.09	7.21	489,687.34	↓ 488,941.49

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



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	25-Sept-26	2-Oct-26	% Change
MK/US Dollar	1,734.01	1,734.01	0.00%
MK/GBP	2,361.49	2,360.06	0.06%
MK/ZAR	109.01	107.09	1.76%
MK/EUR	2,033.04	2,010.54	1.11%



Real GDP Growth Projections				
	2023	2024	2025	2026
EIU	1.60%	1.30%	1.60%	2.50%
IMF	1.50%	1.80%	2.40%	2.20%
WORLD BANK	1.40%	1.80%	1.90%	2.30%
GOVERNMENT	1.50%	1.70%	2.70%	2.80%
Average Real GDP	1.50%	1.65%	2.15%	2.45%

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