NICO Asset Managers

"INVEST today for tomorrow"

WEEKLY MARKET UPDATE

Week ending 23 October 2026

1. **Money Market**

Government Securities

The Treasury Bills auction recorded no applications or allotments, while yields on the 91-day, 182-day and 364-day tenors remained unchanged at 12.00%, 14.50% and 16.00%, respectively. Meanwhile, RBM conducted an Open Market Operation (OMO) across several tenors, raising K52.60 billion, comprising K40.50 billion under the overnight tenor, K2.10 billion under the 60-day tenor and K10.00 billion under the 62-day tenor, at respective average yields of 18.50%, 18.50% and 18.00%. The 2-year Treasury Note auction received applications of K0.067 billion, with no allotment. Total maturities amounted to K194.60 billion, resulting in a net liquidity inflow of the same amount. *(Source: RBM)*

Interbank Market

Liquidity levels (excess reserves after central bank operations) increased to a daily average of -K118.76 billion from an average of -K149.37 billion in the previous week. The daily interbank overnight borrowing volume averaged K14.40 billion at a weighted average rate of 16.50% (Previous week: K53.25 billion at 16.50%). A sum of K1.68 trillion was accessed through the Lombard window this week at rate of 24.20% *(Source: RBM)*

2. **Stock Market**

The MASI closed the week at 484,422.99 points (Previous Week: 486,186.25 points points), while the Domestic Share Index (DSI) closed at 360,849.99 points (previous week: 362,422.56 points) and the Foreign Share Index (FSI) ended at 89,385.44 points (Previous Week: 89,390.80). The decrease in the MASI was due to share price loss on CHL, AIRTEL, PCL, NBM, NBS, NICO, STANDARD, TNM, FDHB and FMBCH. A total of K1.03 million shares were traded during the week, generating a market turnover of K0.22 billion across 460 trades. *(Source: MSE)*

3. **Local Market Developments**

Malawi's year-on-year inflation rate eased to 19.4% in September 2026, from 20.0% in August, driven by a decline in food inflation to 12.5% from 13.4%, while non-food inflation moderated to 31.5% from 31.8%. Monthly inflation also slowed to 1.7% from 2.0%, reflecting a deceleration in food price increases to 1.1% from 2.5%, although non-food inflation accelerated to 2.6% from 1.2%. Urban monthly inflation stood at 2.1%, compared with 1.5% in rural areas, highlighting persistent non-food price pressures. (*Source: NSO*)

4. **Regional Developments in the Week**

South Africa's annual headline inflation edged up to 4.5% in September 2026, from 4.4% in August, remaining below market expectations of 4.7%. Transport inflation accelerated to 10.8% from 8.8%, accounting for approximately one-third of headline inflation, as higher fuel costs intensified price pressures. With petrol prices rising by around 5% in September before surging by 12% in October, economists expect inflation to exceed 5% in the next release. The South African Reserve Bank has raised interest rates twice since the start of the Iran conflict. *(Source: Reuters)*

5. **Global Developments in the Week**

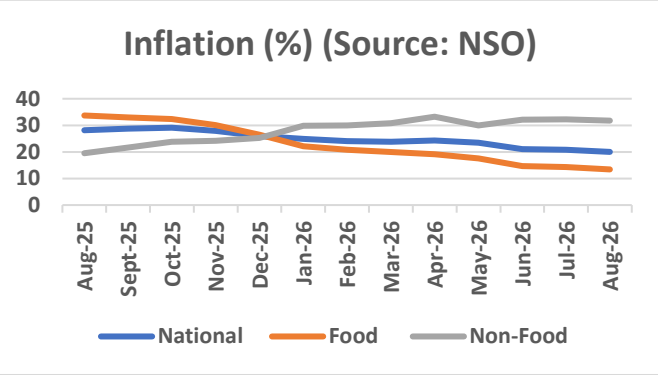
Global oil prices rose amid concerns over a possible escalation of the Middle East conflict, following reports that the United States and Israel were preparing renewed strikes against Iran. Brent crude futures increased by 2.45% to US$111.49 per barrel, while West Texas Intermediate (WTI) rose by 2.39% to US$99.47 per barrel. The escalation in geopolitical tensions, alongside heightened security concerns in the Gulf region, has increased the risk of supply disruptions and sustained upward pressure on oil prices. Although consumers, particularly in the United States, may be better positioned to absorb higher energy costs than in previous decades, persistently elevated prices could increase global inflationary pressures and raise fuel import costs for oil-importing economies. *(Source: CNBC Africa)*

Counter	Div yield %	P/E	P/BV	16-Oct-26 MK/Share	23-Oct-26 MK/Share
AIRTEL	3.46	21.74	18.16	101.41	↓ 101.29
BHL	-	18.71	1.43	17.52	17.52
CHL	1.74	15.33	8.13	208.08	↓ 204.93
FDHB	1.80	21.45	12.74	459.59	↓ 459.33
ICON	1.82	3.48	0.65	17.00	17.00
ILLOVO	0.53	32.36	11.60	3,501.93	3,501.93
MPICO	2.55	3.32	0.58	19.61	19.61
NBM	2.22	20.48	10.18	9,064.89	↓ 8,899.99
NBS	3.71	11.99	8.15	621.63	↓ 619.53
NICO	3.00	8.29	4.64	1,333.95	↓ 1,333.28
NITL	0.33	2.20	1.62	3,288.79	3,288.79
PCL	1.24	9.04	2.54	312.31	↓ 312.03
STANDARD	0.37	37.50	13.09	3,889.88	↓ 3,889.79
SUNBIRD	0.42	71.27	6.47	3,399.98	3,399.98
TNM	3.19	11.73	2.43	21.64	↓ 21.62
FMBCH	1.36	22.44	8.73	1,786.42	↓ 1,786.31
OMU	2.53	21.56	2.79	3,699.99	3,699.99
DSI	N/A	N/A	N/A	362,422.56	↓ 360,849.99
FSI	N/A	N/A	N/A	89,390.80	↓ 89,385.44
MASI	1.60	16.93	7.14	486,186.25	↓ 484,422.99

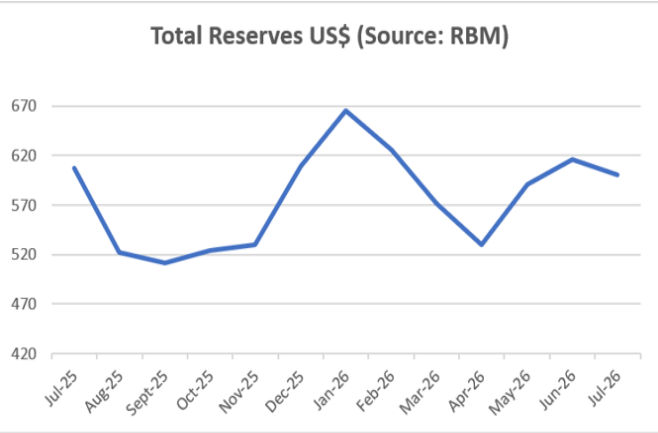
Stock Market (Source: Malawi Stock Exchange)
MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index

Note: PCL had a 35 to 1 share split

Inflation (Source: NSO)



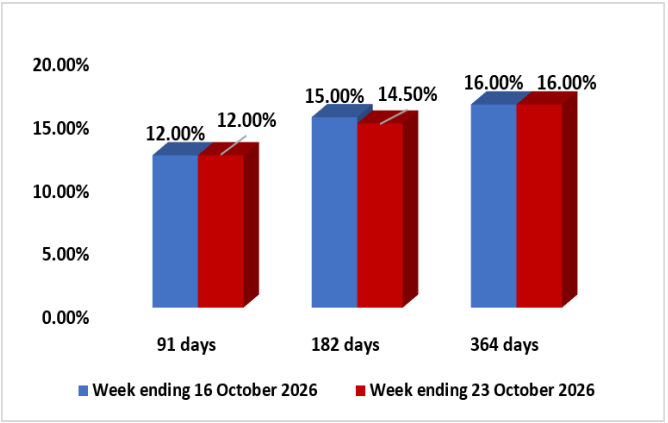
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	16-Oct-26	23-Oct-26	% Change
MK/US Dollar	1,734.01	1,734.01	0.00%
MK/GBP	2,376.49	2,391.14	-0.62%
MK/ZAR	108.46	108.23	0.21%
MK/EUR	2,005.89	2,002.86	0.15%

Government Securities for week ending 23 October 2026 (Source: RBM)



Real GDP Growth Projections	2023	2024	2025	2026
EIU	1.60%	1.30%	1.60%	2.50%
IMF	1.50%	1.80%	2.10%	2.60%
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%**	**2.08%**	**2.55%**

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