NICO Asset Managers

"INVEST today for tomorrow"

WEEKLY MARKET UPDATE

Week ending 30 October 2026

1. **Money Market**

Government Securities

The Treasury Bills auction recorded total applications of MK15.06 billion, all of which were allotted, representing a zero-rejection rate. Yields on the 91-day, 182-day and 364-day tenors remained unchanged at 12.00%, 14.50% and 16.00%, respectively. There was no Treasury Notes auction during the week. Total maturities amounted to MK50.27 billion, resulting in a net liquidity injection of MK35.21 billion into the market. (*Source: RBM*)

Interbank Market

Liquidity levels (excess reserves after central bank operations) decreased to a daily average of -K280.24 billion from an average of -K118.76 billion in the previous week. The daily interbank overnight borrowing volume averaged K100.00 billion at a weighted average rate of 17.50% (Previous week: K14.40 billion at 16.50%). A sum of K1.53 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 483,326.63 points (Previous Week: 484,422.99 points points), while the Domestic Share Index (DSI) closed at 360,484.09 points (previous week: 360,849.99 points) and the Foreign Share Index (FSI) ended at 89,515.62 points (Previous Week: 89,390.80). The decrease in the MASI was due to share price loss on CHL, BHL, ICON, ILLOVO, SUNBIRD, OMU, AIRTEL, PCL, NBM, NBS, NICO, STANDARD, TNM, FDHB and FMBCH. A total of K2.54 million shares were traded during the week, generating a market turnover of K0.82 billion across 512 trades. *(Source: MSE)*

3. **Local Market Developments**

The Reserve Bank of Malawi's Monetary Policy Committee, following its meeting held on 27–28 October 2026, maintained the Policy Rate at 24.0%, the Liquidity Reserve Requirement (LRR) ratios for local and foreign currency deposits at 12.0% and 3.75%, respectively, while raising the Lombard Rate to 26.0% from 24.2%. The decision reflects persistent inflationary pressures, with inflation remaining above the Bank's medium-term target of 5.0%, alongside elevated upside risks to the inflation outlook. The increase in the Lombard Rate is aimed at strengthening liquidity management and enhancing the monetary policy implementation framework. (*Source: RBM*)

4. **Regional Developments in the Week**

Kenya's year-on-year inflation rate increased to 7.3% in October 2026, up from 6.8% in September, marking its highest level since July 2023. The increase was driven by rising food and non-alcoholic beverage prices, which accelerated by 10.2%, alongside transport costs, which rose by 17.1%, largely reflecting higher fuel prices and an 18.2% increase in public transport fares. Core inflation also edged up to 4.3% from 4.0%, while non-core inflation rose to 15.1% from 14.0%. (*Source: KNBS*)

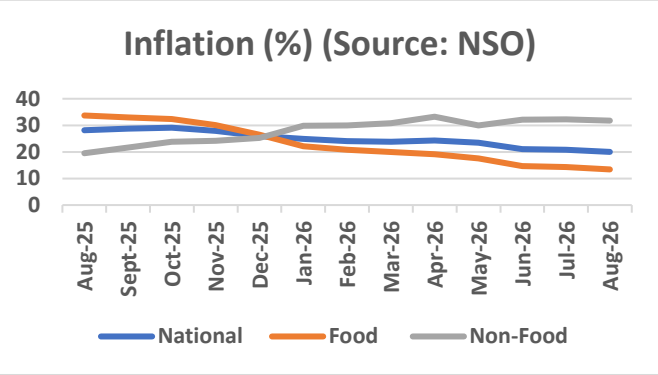
5. **Global Developments in the Week**

The Bank of Japan (BOJ) maintained its benchmark policy rate at 1.25%, the highest level since 1995, as underlying inflation was assessed to be broadly consistent with its 2.0% target for the first time since its adoption in 2013. The decision, reached by an 8–1 vote, reflects continued progress towards sustainable inflation, supported by rising wages and domestic price pressures. Meanwhile, the BOJ revised upwards its fiscal year 2027 inflation forecast to 2.6% from 2.4%, while its core-core inflation forecast increased to 2.7% from 2.6%, signalling persistent upside risks to the inflation outlook and the possibility of further monetary policy tightening. (*Source: CNBC*)

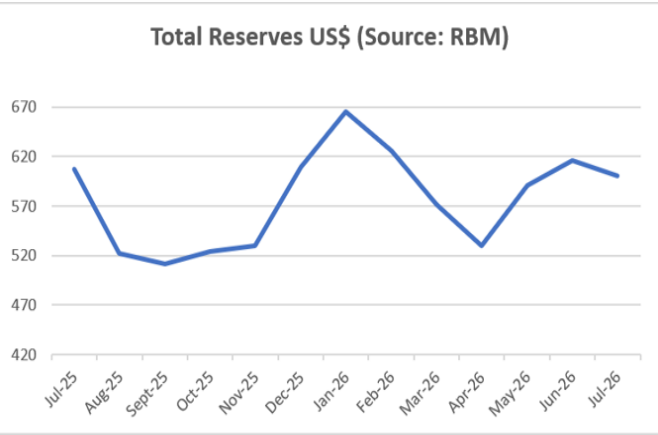
Counter	Div yield %	P/E	P/BV	23-Oct-26 MK/Share	30-Oct-26 MK/Share
AIRTEL	3.46	21.72	18.14	101.29	↓ 101.17
BHL	-	18.70	1.43	17.52	↓ 17.51
CHL	1.79	14.96	7.93	204.93	↓ 199.99
FDHB	1.80	21.44	12.73	459.33	↓ 459.11
ICON	1.82	3.48	0.65	17.00	↓ 16.99
ILLOVO	0.53	32.36	11.60	3,501.93	↓ 3,501.92
MPICO	2.55	3.32	0.58	19.61	19.61
NBM	2.23	20.42	10.15	8,899.99	↓ 8,869.80
NBS	3.71	11.98	8.15	619.53	↓ 619.25
NICO	3.01	8.27	4.63	1,333.28	↓ 1,330.55
NITL	0.34	2.18	1.61	3,288.79	↓ 3,268.76
PCL	1.24	9.04	2.54	312.03	↓ 311.75
STANDARD	0.37	37.50	13.09	3,889.79	↓ 3,889.70
SUNBIRD	0.42	71.27	6.47	3,399.98	↓ 3,399.93
TNM	3.30	11.35	2.35	21.62	↓ 20.92
FMBCH	1.36	22.44	8.73	1,786.31	↓ 1,785.96
OMU	2.84	19.23	2.49	3,699.99	↓ 3,300.48
DSI	N/A	N/A	N/A	360,849.99	↓ 360,484.09
FSI	N/A	N/A	N/A	89,385.44	↓ 89,515.62
MASI	1.61	16.89	7.12	484,422.99	↓ 483,326.63

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

Inflation (Source: NSO)



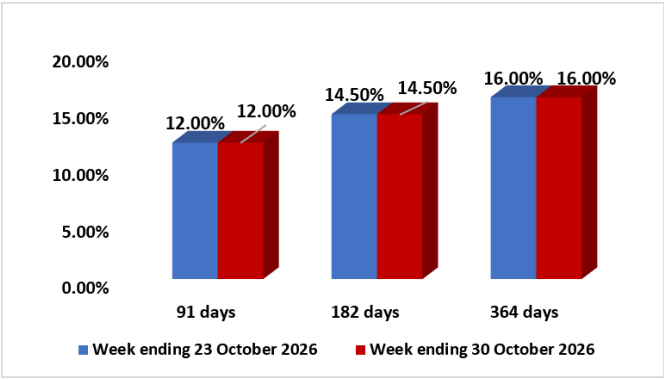
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	23-Oct-26	23-Oct-26	% Change
MK/US Dollar	1,734.01	1,734.01	0.00%
MK/GBP	2,391.14	2,392.75	-0.07%
MK/ZAR	108.23	107.41	0.76%
MK/EUR	2,002.86	1,997.68	0.26%

Government Securities for week ending 30 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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