



# NICO IQ: NEWS FLASH

NICO Asset Managers Limited

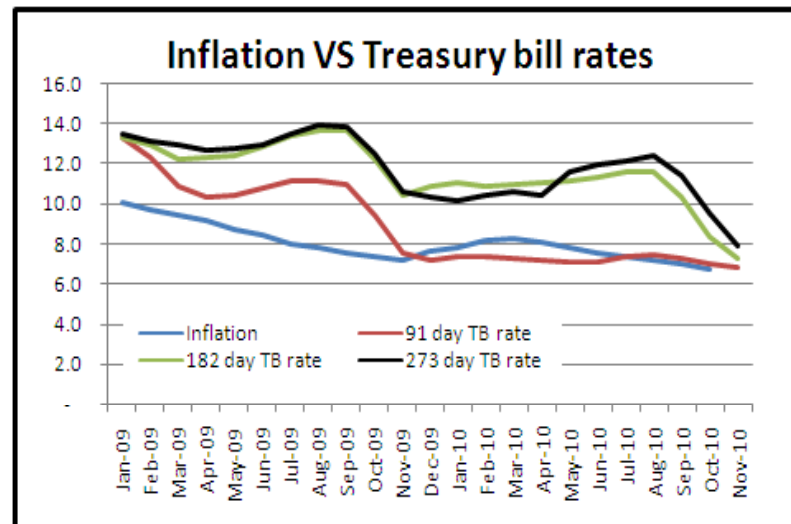
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## Zero real returns on the 91 day Treasury bill

The latest Treasury bill auction results, for the auction that took place on 30 November 2010, have revealed that investors on the 91 day treasury bill will be earning a zero real rate of return. During the auction, the average 91 day treasury bill rate dropped to 6.7% from 6.93% in the previous week, which is also the latest inflation rate recorded for the month of October 2010. In the current year, treasury bill rates have been declining since August, following the bank rate cut to 13%. The average treasury bill rate dropped to 7.32% in September 2010 from 7.48% in August. We are yet to see whether treasury bill rates will continue to decline despite the zero real return being earned on the 91 day tenor.



Tenor	AMOUNTS (K' MILLION)					BID PRICE (PER K100)		Weighted Discount Rate	AVERAGE YIELD		
	Days	Announced (Cost Value)	Applied (Face Value)	Applied (Cost Value)	Alloted (Face Value)	Alloted (Cost Value)	Highest Price		Lowest Price	%	Current %
91		10.00	426.77	419.52	58.36	57.40	98.4000	98.3522	6.59	6.70	6.93
182		250.00	457.50	441.94	457.50	441.94	96.6599	96.5365	6.82	7.06	7.20
273		550.00	1,292.00	1,215.98	369.00	349.33	94.8000	94.3571	7.13	7.53	7.78
<b>TOTAL</b>		810.00	2,176.27	2,077.44	884.86	848.67					

Source: Reserve Bank of Malawi (RBM)