SBM Mauritius Asset Managers Ltd

Monthly Market Wrap

I January 2026

Equity index returns (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y	5Y Std Dev
S&P 500	+1.4%	+1.4%	+9.5%	+1.4%	+14.9%	+70.2%	+86.8%	15.0%
MSCI World	+2.2%	+3.1%	+11.1%	+2.2%	+18.0%	+62.6%	+70.1%	14.3%
MSCI World Small Cap	+5.6%	+8.2%	+15.8%	+5.6%	+20.5%	+38.2%	+35.2%	16.9%
MSCI Europe	+3.1%	+6.6%	+11.9%	+3.1%	+12.7%	+33.9%	+55.4%	11.9%
MSCI EM	+8.8%	+9.0%	+22.9%	+8.8%	+39.8%	+48.1%	+14.9%	15.7%
MSCI AC Asia	+7.5%	+7.1%	+19.3%	+7.5%	+33.0%	+45.8%	+20.1%	14.5%
SEMDEX	-1.4%	-4.9%	-3.3%	-1.4%	-6.4%	+17.3%	+43.4%	10.8%
DEMEX	-1.6%	+0.0%	-0.2%	-1.6%	-6.8%	-16.5%	-2.9%	9.8%

Selected economic data*

Index	Manufacturing PMI		Service PMI		Consumer confidence		CPI YoY	Policy rate	Unemployment
	Current	-1M	Current	-1M	Current	-1M	Current	Current	Current
US	52.4	51.8	52.7	52.5	89.0	94.2	2.4%	3.5% - 3.75%	4.3%
Germany	49.1	47.0	52.4	52.7	90.0	90.0	2.1%	2.2%	6.3%
France	51.2	50.7	48.4	50.1	90.0	90.0	0.3%	2.2%	7.9%
UK	51.8	50.6	54.0	51.4	-16.0	-17.0	3.0%	3.8%	5.2%
Japan	51.5	50.0	53.7	51.6	37.6	36.8	1.5%	0.8%	2.6%
China	50.3	50.1	52.3	52.0	NA	89.5	0.2%	4.4%	4.0%
India	55.4	55.0	58.5	58.0	NA	NA	2.8%	5.3%	7.7%

**based on latest available data*

Fixed income index returns (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y	5Y Std Dev
Barclays Global Aggregate Bond	+0.9%	+1.4%	+3.3%	+0.9%	+8.6%	+9.9%	-8.6%	7.7%
Barclays US Aggregate Bond	+0.1%	+0.6%	+3.5%	+0.1%	+6.8%	+11.3%	-1.0%	6.3%
Barclays High Yield bond	+1.0%	+2.5%	+5.5%	+1.0%	+11.6%	+35.3%	+24.4%	7.6%
JP Morgan EMU IG Bond	+0.6%	+0.0%	+0.9%	+0.6%	+1.5%	+7.8%	-12.0%	6.2%
JP Morgan EM Bond	+0.3%	+1.3%	+6.8%	+0.3%	+12.7%	+30.1%	+9.0%	9.5%
FTSE Asian Broad Bond	+0.3%	+0.5%	+3.5%	+0.3%	+7.8%	+18.8%	+5.4%	5.8%

SBM Fund performance (% local currency)

Fund	Currency	Strategy	NAV	1M	3M	1Y	5Y Std Dev
SBM Perpetual Fund	MUR	Local fixed income	253.80	+0.3%	+1.0%	+3.7%	0.3%
SBM Universal Fund	MUR	Multi-asset	38.15	-0.4%	-0.5%	+3.6%	5.9%
SBM Growth Fund	MUR	Global equities	18.83	-0.3%	-0.4%	+5.9%	9.8%
SBM India Opportunities Fund (Class B)	USD	Indian equities	91.33	-5.2%	-6.5%	-1.5%	

Commodity prices

Commodity	Current $	1M
WTI Crude Oil / Bbl	65.21	+13.6%
Brent Crude Oil / Bbl	70.69	+16.2%
Natural Gas / mmBtu	4.35	+18.1%
Copper / oz	592.40	+4.3%
Silver / oz	85.20	+18.9%
Gold / oz	4,894.23	+13.3%

Exchange rates

	Current	-1M
EUR/USD	1.19	1.17
USD/JPY	154.78	156.71
GBP/USD	1.37	1.35
USD/MUR	45.40	46.14
EUR/MUR	53.80	54.16
GBP/MUR	62.14	62.08

SEMDEX sector performance (%)

Index	Weight	1M
Financials	49.7%	-1.0%
Commerce	10.9%	-1.4%
Industry	5.4%	-1.3%
Investments	17.5%	-3.0%
Leisure & Hotels	9.7%	-0.1%
Property	3.1%	-1.9%
ICT	3.3%	-6.3%
Sugar	0.4%	-1.3%
Foreign	0.1%	0.0%

Top 3 Gainers - SEMDEX

Stock	1M
BlueLife Limited	+31.4%
Riveo Limited	+6.7%
BMH LTD	+2.9%

Top 3 Losers - SEMDEX

Stock	1M
Automatic Systems Ltd	-9.1%
National Investment Trust Ltd	-8.7%
Medine Limited	-6.7%

Secondary market yields - GoM

Tenor	91D	182D	364D	3Y	5Y	10Y	15Y	20Y
Current	4.15%	4.39%	4.68%	4.98%	5.18%	5.54%	5.81%	5.92%
-1M	4.30%	4.56%	4.86%	5.11%	5.35%	5.61%	5.85%	5.97%

Commentary

Local indices started the year on a negative note, with the SEMDEX and DEMEX closing at 2,348.54 and 221.04 points respectively, translating into corresponding returns of -1.4% and -1.6%. The main leaders, that is, companies which contributed to the positive performance of the SEMDEX were RIVO, BLL and BMH, while the main laggards were MCBG, EMTL, and ERL. The top three price performers were BLL (+31.4%), RIVO (+6.7%) and BMH (+2.9%), while the detractors were ASL (-9.1%), NIT (-8.7%) and MSE (-6.7%). The price-earnings ratio and dividend yield of the SEMDEX stood at 7.15x and 4.85%, respectively, as at 31 January 2026 against corresponding figures of 7.26x and 4.77%, as at 31 December 2025. During the month, foreign investors turned net buyer to the tune of MUR 4.3M (versus net outflow of MUR 470.2M in Dec-25), led mainly by MCBG, PAD, and ALTG.

The MSCI World Index advanced by 2.2% MoM in January 2026, supported by improved global risk sentiment at the start of the year. Gains were primarily driven by expectations of a more accommodative monetary policy backdrop in major developed markets and resilient corporate earnings.

The S&P 500 index gained 1.4% in January, supported by a combination of easing financial conditions and resilient corporate fundamentals; the index briefly hit new record levels late in the month, crossing the 7,000 mark before closing the month at 6,939.03. The market continued to broaden with value stocks outperforming their growth counterparts, recording 2.4% vs 0.5% MoM. Manufacturing activity strengthened with the S&P Global US Manufacturing PMI rising to 52.4 from 51.8, driven by a sharp acceleration in output, partly supported by inventory rebuilding amid stronger new orders. Domestic demand showed signs of stabilisation while exports remained a drag for a seventh consecutive month amid tariffs and ongoing trade uncertainties.

The Euro Stoxx 50 index advanced by 2.7% MoM as easing inflation pressures and a stabilising macro-outlook improved investor sentiment. The DAX 30 and FTSE MIB indices registered modest corresponding returns of 0.2% and 1.3%, while the CAC 40 index declined by 0.3% MoM. Eurozone manufacturing conditions remained subdued, with headline index rising modestly to 49.5 from 48.8 in December 2025 but staying below the 50.0 threshold for a third consecutive month. While manufacturing output expanded for the tenth time in the past 11 months, the pace of growth remained weak and was constrained by a further decline in new orders, including exports. In the UK, the FTSE 100 index gained 2.9% MoM. Manufacturing activity strengthened in January, with PMI rising to a 17-month high of 51.8 from 50.6, marking the third consecutive month of expansion. Output and new orders accelerated, supported by improving export, customer restocking and a broadly stable domestic market, while business confidence climbed to a near one-and-a-half-year high.

Japanese equities were the top performers among developed markets, with the Nikkei 225 index surging 5.9%, supported by yen weakness. Japan's manufacturing sector rebounded strongly with the S&P Global Japan Manufacturing PMI moving to 51.5 from 50.0, signalling the first expansion in operating conditions since mid-2025 and the strongest improvement since August 2022. The recovery was driven by renewed growth in output, new orders and purchasing activity, supported by stronger domestic demand, new product launches and a rebound in export orders, particularly to the US and Taiwan.

Emerging markets outperformed developed markets' equities with the MSCI Emerging Markets index adding 8.8% MoM. The CSI 300 index gained 1.7% in local currency and 2.2% in USD terms. China's manufacturing conditions improved modestly with the headline PMI increasing to 50.3 from 50.1, remaining in expansionary territory for a second consecutive month and marking the fastest growth in three months. Output growth accelerated slightly, supported by higher new orders, including a renewed increase in export demand. In India, the BSE 500 index recorded -3.4% in January as the index came under pressure amid profit-taking in mid- and small-cap stocks while sentiment was further weighed down by foreign investor outflows amid a firmer US dollar and higher global bond yields. India's manufacturing sector regained momentum with the HSBC India Manufacturing PMI rising to 55.4 (December 2025:55.0), signalling a stronger improvement in operating conditions that remains above its long-run average. Export growth remained positive but subdued, indicating that the recovery in manufacturing activity continued to be primarily domestically driven.

Within fixed income, the Barclays Global Aggregate Bond index registered 0.9% MoM. The 10-year US yield closed the month at 4.24%, equivalent to a monthly increase of 7bps. At its January meeting, the FOMC kept the federal funds rate unchanged at 3.50%-3.75%, pausing the rate-cutting cycle initiated in late 2025. The decision reflected continued economic resilience, signs of labour market stabilisation, and inflation remaining within comfort levels. In Europe, interest rates on the deposit facility, main refinancing operations and marginal lending facility remained unchanged at 2.00%, 2.15% and 2.40%, respectively, as no ECB monetary policy meeting was held during January.

On the commodity side, the S&P GSCI index surged by 9.8% MoM, led by a sharp rally in energy prices. Crude oil strengthened, with Brent and WTI rising 16.2% and 13.6%, respectively, supported by supply-side constraints, geopolitical risk premia and expectations of firmer global demand. The price of natural gas rose by 18.1% MoM, reflecting seasonal demand and tighter inventories. Within industrial metals, the price of copper rose by 4.3% MoM, while silver gained 18.9%. Gold reached fresh record highs in January after rising 13.3% to USD 4,894.23 per ounce.

Hotline: 202 1111 | E: sbm.assetm@sbmgroup.mu | W: nbfc.sbmgroup.mu/mam