

Monthly Market Wrap

I March 2026

Equity index returns (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y	5Y Std Dev
S&P 500	-5.1%	-4.6%	-2.4%	-4.6%	+16.3%	+58.9%	+64.3%	15.2%
MSCI World	-6.6%	-3.9%	-1.1%	-3.9%	+17.4%	+52.5%	+51.4%	14.6%
MSCI World Small Cap	-7.9%	+1.0%	+3.5%	+1.0%	+24.3%	+38.9%	+20.8%	17.2%
MSCI Europe	-8.0%	-1.5%	+4.3%	-1.5%	+8.8%	+26.6%	+36.8%	12.5%
MSCI EM	-13.3%	-0.5%	+3.8%	-0.5%	+26.9%	+41.1%	+6.1%	16.9%
MSCI AC Asia	-13.3%	-0.5%	+2.7%	-0.5%	+24.4%	+39.7%	+11.3%	16.0%
SEMDEX	-4.6%	-7.1%	-10.1%	-7.1%	-11.0%	+13.0%	+38.3%	11.0%
DEMEX	-3.0%	-4.1%	-3.8%	-4.1%	-7.8%	-16.2%	-6.4%	9.5%

Fixed income index returns (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y	5Y Std Dev
Barclays Global Aggregate Bond	-3.1%	-1.1%	-0.8%	-1.1%	+4.3%	+8.0%	-7.1%	7.7%
Barclays US Aggregate Bond	-1.8%	-0.0%	+1.1%	-0.0%	+4.3%	+11.3%	+1.6%	6.4%
Barclays High Yield bond	-2.5%	-1.3%	+0.9%	-1.3%	+8.6%	+33.5%	+22.6%	7.7%
JP Morgan EMU IG Bond	-2.6%	-0.6%	-0.3%	-0.6%	+1.3%	+6.5%	-11.6%	6.3%
JP Morgan EM Bond	-3.5%	-1.9%	+1.1%	-1.9%	+9.4%	+29.0%	+11.0%	9.5%
FTSE Asian Broad Bond	-1.9%	-0.4%	+0.6%	-0.4%	+5.2%	+18.5%	+6.3%	5.8%

Commodity prices

Commodity	Current \$	1M
WTI Crude Oil / Bbl	101.38	+51.3%
Brent Crude Oil / Bbl	118.35	+63.3%
Natural Gas / mmBtu	2.88	+0.9%
Copper / oz	561.40	-6.5%
Silver / oz	75.17	-19.9%
Gold / oz	4,668.06	-1.6%

Exchange rates

	Current	-1M
EUR/USD	1.16	1.18
USD/JPY	158.72	156.05
GBP/USD	1.32	1.35
USD/MUR	47.08	46.38
EUR/MUR	54.42	54.81
GBP/MUR	62.30	62.48

SEMDEX sector performance (%)

Index	Weight	1M
Financials	49.6%	-4.9%
Commerce	11.2%	-0.9%
Industry	5.5%	-4.5%
Investments	17.2%	-5.3%
Leisure & Hotels	9.5%	-6.3%
Property	3.3%	-1.8%
ICT	3.3%	-5.2%
Sugar	0.4%	-1.3%
Foreign	0.1%	0.0%

Top 3 Gainers - SEMDEX

Stock	1M
Vivo Energy Mauritius Limited	+3.1%
Lottotech Ltd	+2.4%
SBM Holdings Ltd	+0.9%

Top 3 Losers - SEMDEX

Stock	1M
Harel Mallac Ltd	-22.9%
Stevenhills Ltd	-16.9%
Medine Limited	-14.8%

Secondary market yields - GoM

Tenor	91D	182D	364D	3Y	5Y	10Y	15Y	20Y
Current	3.78%	4.09%	4.36%	4.65%	4.94%	5.47%	5.67%	5.87%
-1M	3.81%	4.13%	4.40%	4.76%	5.06%	5.48%	5.70%	5.87%

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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	52.3	51.6	49.8	51.7	92.2	91.0	3.3%	3.5% - 3.75%	4.3%
Germany	52.2	50.9	50.9	53.5	89.0	92.0	2.7%	2.2%	6.3%
France	50.0	50.1	48.8	49.6	89.0	91.0	1.7%	2.2%	7.9%
UK	51.0	51.7	50.5	53.9	-21.0	-19.0	3.3%	3.8%	4.9%
Japan	51.6	53.0	53.4	53.8	33.7	39.7	1.5%	0.8%	2.7%
China	50.8	52.1	52.1	56.7	NA	91.6	1.0%	4.4%	4.0%
India	53.9	56.9	57.5	58.1	NA	NA	3.4%	5.3%	7.7%

*based on latest available data

SBM Fund performance (% local currency)

Fund	Currency	Strategy	NAV	1M	3M	1Y	5Y Std Dev
SBM Perpetual Fund	MUR	Local fixed income	255.53	+0.4%	+1.0%	+3.9%	0.3%
SBM Universal Fund	MUR	Multi-asset	37.07	-3.1%	-3.2%	+3.8%	6.1%
SBM Growth Fund	MUR	Global equities	17.91	-5.5%	-5.1%	+6.3%	10.2%
SBM India Opportunities Fund (Class B)	USD	Indian equities	79.46	-13.9%	-17.5%	-13.4%	

Commentary

Local indices closed in negative territory with the SEMDEX and DEMEX ending at 2,213.57 and 215.55 points, respectively, equivalent to corresponding returns of -4.6% and -3.0%. The main leaders, that is, companies which contributed to the positive performance of the SEMDEX were SHELL, SBMH and LOTO, while the main laggards were MCBG, MSE and CIEL. The top three price performers were SHELL (+3.1%), LOTO (+2.4%) and SBMH (+0.9%), while the main detractors were HMALLAC (-22.9%), SHL (-16.9%) and MSE (-14.8%). The price-earnings ratio and dividend yield of the SEMDEX stood at 7.39x and 5.13% respectively, as at 31 March against corresponding figures of 7.10x and 4.89%, as at 28 February.

The MSCI World Index retracted by 6.6% MoM in March 2026, marking its sharpest monthly decline since 2022. This downturn completely reversed the previous month's gains as a major escalation of conflict in the Middle East triggered a global "risk-off" move.

The S&P 500 index fell by 5.1% as markets were rattled by a major escalation of conflict in the Middle East. The technology sector remained under intense pressure while growth stocks continued to lag its value counterparts, recording -5.4% vs -4.8% MoM. US manufacturing sector showed resilience in March with the PMI jumping from 51.6 in February to 52.3 in March. Growth was fuelled by stronger output and a rebound in new orders, as firms engaged in precautionary stock building amid war-related disruptions. However, outlook softened with the war in the Middle East driving up inflation and causing supply chain disruptions.

The Euro Stoxx 50 index fell by 9.3% MoM, as escalating geopolitical conflict in the Middle East triggered widespread risk aversion and stagflation fears. The DAX 30, FTSE MIB, and CAC 40 indices ended the month in the red with corresponding returns of -10.3%, -6.1%, and -8.9%. Eurozone manufacturing conditions proved resilient, with headline index rising to 51.6 from 50.8 in February, driven by upticks in both production and new orders. However, soaring input cost inflation and supply chain disruptions amid the Middle East war will likely put demand under renewed pressure. In the UK, the FTSE 100 index was down 6.7% MoM, driven by heightened geopolitical uncertainty and global risk aversion. Manufacturing activity contracted in March, with PMI posting 51.0 compared to 51.7 in February, as output and employment decreased. Business sentiment shrunk amid rising geopolitical tensions, ongoing uncertainty about domestic government policy and inflation fears.

Japanese equities saw a significant reversal of their February momentum, with the Nikkei 225 down 13.2% in March, driven by geopolitical shocks and domestic policy uncertainty. The Middle East war triggered a massive sell-off as oil price spikes and regional instability rattled investors. Japan's manufacturing sector, although resilient, contracted in March with the S&P Global Japan Manufacturing PMI falling from 53.0 to 51.6 as growth in production and new orders eased. The war contributed to stronger cost pressures and dampened business confidence amid heightened uncertainty and supply chain pressures.

Emerging markets faced significant headwinds in March, with the MSCI Emerging Markets index shrinking 13.3% MoM, as early-year optimism was tempered by the conflict and rising energy costs. The CSI 300 index recorded -5.5% in local currency and -6.0% in USD terms. China's manufacturing sector proved resilient with PMI coming at 50.8 in March, with new orders and output expanded, albeit at a slower pace. Despite cost and supply chain pressures, manufacturers maintained an optimistic outlook for production over the coming year, with confidence linked to improved market demand, capacity investment, and supportive government policies. The BSE 500 index contracted by 11.4% in March amid escalating geopolitical tensions, higher energy costs, and continued selling pressure from foreign institutional investors. India's manufacturing sector shrunk with the HSBC India Manufacturing PMI falling to 53.9 from 56.9 in February, as output and new orders slowed noticeably, signalling softer demand and greater uncertainty.

Within fixed income, the Barclays Global Aggregate Bond index registered -3.1% MoM. The 10-year US yield closed the month at 4.32%, equivalent to a monthly increase of 38bps, as investors priced in higher-for-longer rates due to an oil price shock. During the FOMC meeting held in March, the Fed kept rates unchanged at 3.50%-3.75% amid elevated inflation fears and heightened uncertainty. Similarly, during its March meeting the ECB kept the deposit facility, main refinancing, and marginal lending rates unchanged at 2.00%, 2.15%, and 2.40%, respectively. The pause was driven by a significantly uncertain outlook amid escalating geopolitical tensions, surging cost pressures and supply chain disruptions.

On the commodity side, the S&P GSCI index surged by 24.5% MoM, underpinned by higher energy prices and a heightened geopolitical risk premium. Crude oil posted robust gains, with Brent and WTI rising 63.3% and 51.3%, respectively, driven by one of the largest oil supply disruptions in history following the war outbreak in the Middle East. Natural gas posted modest gain of 0.9% MoM, as prices remained relatively driven by strong domestic production and high storage. Within industrial metals, the price of copper fell by 6.5% MoM, while silver fell 19.9% MoM. Gold retracted by 11.6% MoM, driven by a stronger US dollar, rising Treasury yields and profit taking after reaching record highs.

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