SBM Mauritius Asset Managers Ltd

Monthly Market Wrap | May 2026

Equity index returns (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y	5Y Std Dev
S&P 500	+5.1%	+10.2%	+10.7%	+10.7%	+28.2%	+81.3%	+80.3%	15.8%
MSCI World	+4.4%	+6.8%	+10.6%	+9.8%	+25.9%	+73.7%	+63.5%	15.2%
MSCI World Small Cap	+3.6%	+3.9%	+14.9%	+14.0%	+32.1%	+62.1%	+30.5%	17.8%
MSCI Europe	+2.6%	-1.3%	+8.5%	+5.7%	+13.9%	+37.6%	+41.4%	12.5%
MSCI EM	+9.5%	+8.8%	+28.2%	+24.8%	+51.4%	+82.8%	+27.3%	18.6%
MSCI AC Asia	+8.3%	+6.2%	+24.4%	+22.0%	+42.2%	+75.3%	+32.8%	17.4%
SEMDEX	-0.9%	-3.0%	-5.8%	-5.5%	-6.8%	+13.4%	+31.3%	11.0%
DEMEX	+0.8%	-1.6%	-2.0%	-2.7%	-3.4%	-13.1%	-17.2%	7.6%

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	55.1	54.5	50.7	51.0	93.1	93.8	4.2%	3.5% - 3.75%	4.3%
Germany	50.1	51.4	48.1	46.9	85.0	NA	2.6%	2.4%	6.3%
France	49.7	52.8	44.3	46.5	82.0	84.0	2.4%	2.4%	8.1%
UK	53.9	53.7	49.3	52.7	-23.0	-25.0	2.8%	3.8%	4.9%
Japan	54.5	55.1	50.0	51.0	32.9	32.0	1.5%	1.0%	2.5%
China	51.8	52.2	54.4	52.6	NA	89.0	1.2%	4.4%	4.0%
India	55.0	54.7	59.8	58.8	NA	NA	3.9%	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	+0.3%	-1.5%	+0.8%	+0.5%	+3.3%	+11.4%	-7.7%	7.8%
Barclays US Aggregate Bond	+0.3%	-1.3%	+0.2%	+0.4%	+5.1%	+12.3%	+0.9%	6.4%
Barclays High Yield bond	+0.7%	+0.7%	+2.9%	+1.9%	+9.4%	+38.6%	+23.1%	7.8%
JP Morgan EMU IG Bond	+1.1%	-1.2%	+0.2%	+0.8%	+0.7%	+7.7%	-9.3%	6.4%
JP Morgan EM Bond	+1.0%	+0.1%	+2.4%	+1.8%	+12.5%	+34.3%	+11.2%	9.6%
FTSE Asian Broad Bond	+0.4%	-0.8%	+0.7%	+0.8%	+6.0%	+19.6%	+6.7%	5.9%

SBM Fund performance (% local currency)

Fund	Currency	Strategy	NAV	1M	3M	1Y	5Y Std Dev
SBM Perpetual Fund	MUR	Local fixed income	257.54	+0.5%	+1.2%	+4.2%	0.3%
SBM Universal Fund	MUR	Multi-asset	39.57	+2.3%	+3.4%	+9.6%	6.3%
SBM Growth Fund	MUR	Global equities	20.03	+4.0%	+5.6%	+15.4%	10.6%
SBM India Opportunities Fund (Class B)	USD	Indian equities	86.21	+0.3%	-6.6%	-11.8%	

Commodity prices

Commodity	Current $	1M
WTI Crude Oil / Bbl	87.36	-16.9%
Brent Crude Oil / Bbl	92.05	-19.3%
Natural Gas / mmBtu	3.29	+18.9%
Copper / oz	638.90	+7.8%
Silver / oz	75.30	+2.1%
Gold / oz	4,540.26	-1.7%

Exchange rates

	Current	-1M
EUR/USD	1.17	1.17
USD/JPY	159.27	156.59
GBP/USD	1.35	1.36
USD/MUR	47.36	47.01
EUR/MUR	55.22	55.18
GBP/MUR	63.73	63.97

SEMDEX sector performance (%)

Index	Weight	1M
Financials	50.0%	-1.9%
Commerce	10.7%	-1.4%
Industry	5.2%	-1.7%
Investments	16.9%	+0.5%
Leisure & Hotels	9.9%	+1.1%
Property	3.3%	+0.3%
ICT	3.5%	+4.5%
Sugar	0.4%	0.0%
Foreign	0.1%	0.0%

Top 3 Gainers - SEMDEX

Stock	1M
Sun Limited	+10.7%
P. O. L. I. C. Y Ltd	+5.8%
Alteo Limited	+5.5%

Top 3 Losers - SEMDEX

Stock	1M
Stevenhills Ltd	-19.3%
MCFI Ltd	-16.7%
Almarys Limited	-13.4%

Secondary market yields - GoM

Tenor	91D	182D	364D	3Y	5Y	10Y	15Y	20Y
Current	4.03%	4.28%	4.59%	4.85%	5.05%	5.58%	5.77%	5.89%
-1M	4.00%	4.19%	4.43%	4.71%	5.00%	5.54%	5.73%	5.85%

Commentary

Local indices registered contrasting performances in May with the SEMDEX giving up part of its past month's gains to close at 2,250.48 points while the DEMEX maintained its positive momentum to end at 218.62 points; equivalent to respective returns of -0.9% and 0.8%. The main leaders, that is, companies which contributed to the positive performance of the SEMDEX were SUN, SBMH and EMTL, while the main laggards were MCBG, PBL and IBLL. The top three price performers were SUN (+10.7%), POLICY (+5.8%) and ALTG (+5.5%), while the main detractors were SHL (-19.3%), MCFI (-16.7%) and ENLG (-13.4%). The price-earnings ratio and dividend yield of the SEMDEX stood at 7.13x and 5.55% respectively, as at 31 May against corresponding figures of 7.18x and 5.64%, as at 30 April. During the month, foreign investors turned net buyer to the tune of MUR 3.1M (vs. net outflow of MUR 36.6M in Apr-26), led mainly by MCBG, IBLL and MUAL.

The MSCI World Index gained 4.4% MoM in May 2026, building on last month's rally. This strong upward momentum was driven by macro resilience, strong global earnings season and renewed appetite for AI-driven stocks, which sustained the "risk-on" approach by global investors.

The S&P 500 index continued its record-breaking run in May 2026, surging by 5.1% amid a strong earnings season and cooling energy prices. The technology sector was once again the standout performer as investors continued pouring into growth stocks, which outperformed value counterparts with a return of 8.0% versus 1.8%. US manufacturing PMI edged higher from 54.5 in April to 55.1 in May, driven by higher production growth and increased order books, partly due to stockpiling. Inflationary pressures persisted as input costs rose at their fastest pace since July 2022 amid supply chain disruptions.

European stocks had a more modest growth compared to its US counterparts, with the Euro Stoxx 50 index advancing 2.9% in May, as the initial euphoria surrounding the Middle East ceasefire gave way to cautious optimism amid US-Iran diplomatic negotiations. This was reflected at country level with the FTSE MIB and the DAX 30 registering 3.7% and 3.3%, respectively, while the CAC 40 clocked a more modest 0.8%. Eurozone manufacturing conditions slowed in May with the headline index falling to 51.6 from 52.2 in April, primarily driven by higher input costs and stagnating demand. In the UK, the FTSE 100 index posted a sluggish return of 0.3% MoM. UK manufacturing activity expanded with PMI rising to a four-year high of 53.9, as output, new orders, and staffing levels all registered higher during the month. However, inflationary pressures remain a downside risk amid persistent higher input costs and supply chain pressures.

Japanese equity remained the standout performer, with the Nikkei 225 surging 11.9% in May, driven by a strong earnings season, heavily concentrated in technology and semiconductors. Manufacturing momentum slowed down in May, with the PMI falling to 54.5 from 55.1 in April, as production and new orders expanded at a slower pace. Inflationary pressures continued to surge in May as input costs and output prices rose at some of the steepest rates on record, while supply chain disruptions caused longer lead times.

Emerging markets maintained strong upward momentum in May 2026, with the MSCI Emerging Markets index gaining 9.5%, as a strong global earnings season sustained investors' risk appetite for global equities. In China, the CSI 300 index posted modest gains of 1.8% in local currency and 2.7% in USD. Manufacturing PMI clocked at 51.8 in May, as new orders and output expanded at a slower pace as demand growth softened. Inflationary pressures eased in May as input costs softened while business sentiment remained optimistic. Contrary to global market trends, the BSE 500 index contracted by 0.3% in May, owing to FPI outflows, higher US bond yields and a depreciating Indian rupee. The HSBC India Manufacturing PMI climbed from 54.7 to 55.0, backed by robust domestic demand, while inflationary pressures softened as both input costs and output prices eased during the month.

Within fixed income, the Barclays Global Aggregate Bond index returned 0.3% MoM. US 10-year treasury yields closed May at 4.44%, up 6bps, as higher than expected CPI at 3.8% reignited inflation fears. No FOMC meeting was held in May, with the feds rates remaining unchanged at 3.50%-3.75%. Similarly, the ECB did not have a meeting in May, hence the deposit facility, main refinancing and marginal lending rates remained unchanged at 2.00%, 2.15%, and 2.40%, respectively, amid intensifying upside risks to inflation.

On the commodity side, the S&P GSCI index contracted by 7.6% MoM, unwinding months of outsized momentum as progress toward a US-Iran diplomatic truce led to cooling energy markets. Crude oil prices experienced a steep correction, with Brent and WTI prices moving -19.3% and -16.9%, respectively, driven by optimism regarding the reopening of the Strait of Hormuz. Conversely, Natural gas surged 18.9% MoM, led by high seasonal demand. Within industrial metals, copper continued its upward momentum, rising 7.8% MoM, amidst supply constraints and robust demand linked to electrification and infrastructure building. Silver price increased by 2.1% MoM, finding support from AI technology manufacturing requirements, while Gold retracted 1.7% MoM, weighed down by a more restrictive Federal Reserve and elevated US Treasury yields.

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