SBM Mauritius Asset Managers Ltd

Monthly Market Wrap

I July 2026

Equity index returns (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y	5Y Std Dev
S&P 500	-0.1%	+3.9%	+7.9%	+9.4%	+18.1%	+63.2%	+70.4%	15.8%
MSCI World	+0.5%	+4.0%	+7.1%	+9.4%	+18.9%	+58.2%	+58.0%	15.2%
MSCI World Small Cap	-2.4%	+2.6%	+6.8%	+12.9%	+23.7%	+44.3%	+30.1%	17.8%
MSCI Europe	+0.9%	+6.5%	+6.5%	+9.8%	+19.2%	+37.2%	+42.1%	12.5%
MSCI EM	-3.3%	+4.1%	+9.0%	+18.6%	+34.0%	+59.1%	+30.4%	18.4%
MSCI AC Asia	-1.5%	+5.3%	+10.2%	+18.5%	+31.5%	+58.0%	+36.7%	17.3%
SEMDEX	+1.8%	+0.7%	-2.7%	-4.0%	-5.8%	+13.6%	+19.3%	10.3%
DEMEX	+1.1%	+2.2%	+0.3%	-1.4%	+0.1%	-13.0%	-20.4%	6.7%

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	53.9	53.9	54.6	51.2	90.8	92.2	3.4%	3.5% - 3.75%	4.1%
Germany	52.2	50.3	49.8	48.6	84.0	84.0	2.8%	2.4%	6.3%
France	49.8	51.2	49.6	46.8	86.0	84.0	2.1%	2.4%	8.3%
UK	51.9	52.5	52.1	48.8	-17.0	-23.0	2.9%	3.8%	4.9%
Japan	54.5	54.8	51.2	52.2	34.6	33.5	1.9%	1.0%	2.5%
China	50.9	51.7	50.4	54.1	NA	89.4	0.5%	4.4%	4.0%
India	53.5	54.2	53.3	57.4	NA	NA	4.5%	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	-0.5%	-0.9%	-1.7%	-0.7%	+1.6%	+9.2%	-9.2%	7.7%
Barclays US Aggregate Bond	-1.3%	-0.8%	-0.8%	-0.7%	+2.7%	+11.6%	-2.0%	6.4%
Barclays High Yield bond	-0.3%	+0.6%	+0.9%	+1.9%	+6.4%	+32.5%	+22.6%	7.8%
JP Morgan EMU IG Bond	-1.6%	-0.2%	-1.1%	-0.4%	-0.2%	+6.7%	-12.4%	6.3%
JP Morgan EM Bond	-1.7%	+0.1%	+0.6%	+0.9%	+7.5%	+27.9%	+8.8%	9.6%
FTSE Asian Broad Bond	-0.9%	-0.4%	-0.2%	+0.0%	+3.3%	+18.2%	+5.7%	5.9%

SBM Fund performance (% local currency)

Fund	Currency	Strategy	NAV	1M	3M	1Y	5Y Std Dev
SBM Perpetual Fund	MUR	Local fixed income	259.33	+0.3%	+1.2%	+4.2%	0.3%
SBM Universal Fund	MUR	Multi-asset	39.89	+0.0%	+3.1%	+6.8%	5.9%
SBM Growth Fund	MUR	Global equities	20.04	-0.7%	+4.1%	+10.0%	10.1%
SBM India Opportunities Fund (Class B)	USD	Indian equities	89.70	+1.4%	+4.4%	-8.0%	

Commodity prices

Commodity	Current $	1M
WTI Crude Oil / Bbl	84.67	+21.8%
Brent Crude Oil / Bbl	90.12	+23.6%
Natural Gas / mmBtu	2.75	-16.1%
Copper / oz	646.55	+4.4%
Silver / oz	57.60	-1.7%
Gold / oz	4,046.15	+1.0%

Exchange rates

	Current	-1M
EUR/USD	1.15	1.14
USD/JPY	157.40	162.55
GBP/USD	1.35	1.33
USD/MUR	47.28	47.31
EUR/MUR	54.31	54.04
GBP/MUR	63.54	62.74

SEMDEX sector performance (%)

Index	Weight	1M
Financials	50.5%	+1.5%
Commerce	9.8%	-3.9%
Industry	6.0%	+3.0%
Investments	16.5%	+3.3%
Leisure & Hotels	10.0%	+5.5%
Property	3.4%	+1.8%
ICT	3.4%	+0.4%
Sugar	0.4%	+5.9%
Foreign	0.1%	0.0%

Top 3 Gainers - SEMDEX

Stock	1M
MUA Ltd	+18.3%
Mauritius Oil Refineries Ltd	+16.7%
National Investment Trust Ltd	+11.8%

Top 3 Losers - SEMDEX

Stock	1M
MCFI Ltd	-10.0%
IBL Ltd	-7.8%
BlueLife Limited	-5.7%

Secondary market yields - GoM

Tenor	91D	182D	364D	3Y	5Y	10Y	15Y	20Y
Current	4.00%	4.18%	4.43%	4.84%	4.97%	5.57%	5.73%	5.86%
-1M	3.98%	4.24%	4.49%	4.86%	5.07%	5.62%	5.77%	5.87%

Commentary

Local indices were on the uptrend in July with the SEMDEX and DEMEX closing at 2,286.09 and 221.65 points, equivalent to respective returns of 1.8% and 1.1%. The main leaders, that is, companies which contributed to the positive performance of the SEMDEX were MCBG, ERL and SUN, while the main laggards were IBLL, SBMH and CIM. The top three price gainers were MUAL (+18.3%), MOR (+16.7%) and NIT (+11.8%) while the main detractors were MCFI (-10.0%), IBLL (-7.8%) and BLL (-5.7%). The price-earnings ratio and dividend yield of the SEMDEX stood at 7.28x and 5.42%, respectively as at 31 July against corresponding figures of 7.13x and 5.49% as at 30 June. During the month, foreign investors remained net buyer, though to a lower tune of MUR 91.8M (vs. MUR 222.5M in Jun 26), driven mainly by MCBG, SBMH and SWAN.

The MSCI World index gained 0.5% in July, supported by resilient corporate earnings and strength across broader equity markets despite a selloff in semiconductor stocks. Market gains were tempered by ongoing geopolitical tensions in the Middle East and persistent uncertainty surrounding global trade and tariff policies.

The S&P 500 index edged 0.1% lower in July as investor attention turned from geopolitical developments to the sustainability of returns across the AI investment cycle. Profit-taking in semiconductor stocks, coupled with concerns over elevated valuations and China's technological progress, offset generally resilient second-quarter earnings. However, robust earnings from several mega-cap technology companies supported a late month rebound, limiting the decline in the broader index. Growth stocks dragged the market benchmark, lagging the value counterparts after returning -1.8% versus 1.9%. 7 out of the 11 major industry groups recorded positive returns, led by Energy, Financials and Real Estate while Information Technology, Industrials and Utilities dragged the performance. The S&P Global US Manufacturing PMI index remained unchanged at 53.9 in July, signalling continued expansion in manufacturing activity for the twelfth consecutive month. Output and new order growth, however moderated amid subdued business confidence, persistent inflationary pressures and ongoing supply chain disruptions, while weaker external demand and tariffs continued to weigh on exports.

European equities outperformed their US counterparts in July, as resilient corporate earnings and the region's relatively lower exposure to semiconductors supported investor sentiment; the Euro Stoxx 50 index gained 0.5%. The DAX 30 and CAC 40 indices advanced 2.5% and 1.3%, respectively, while the FTSE MIB index added 0.9%. The S&P Global Eurozone Manufacturing PMI rose to 51.9 in July from 51.4 in June, with output expanding at its fastest pace since March 2022, supported by the completion of backlogged orders, although new order growth remained modest. In the UK, the FTSE 100 index gained 3.5%. Manufacturing activity remained in expansionary territory, as output growth accelerated to its fastest pace in almost two years, driven by stronger domestic and export orders as improving market conditions boosted demand; PMI stood at 51.9 in July (June: 52.5).

Japanese equities lagged developed markets after the Nikkei 225 index registered -8.1% as semiconductors came under pressure. Manufacturing activity, however, remained resilient and supported by stronger demand particularly within semiconductors and AI, while employment and purchasing activity continued to strengthen; the PMI clocked at 54.5 in July against June's reading of 54.8.

Emerging equities underperformed developed markets with the MSCI Emerging Markets index posting -3.3% MoM; performance was mainly weighed down by the sharp reversal in Asian technology and semiconductor stocks as well as higher global yields. In China, the CSI 300 index returned -7.9% in local currency and -7.4% in USD. The manufacturing sector remained in expansion, with the PMI registering 50.9 in July (June: 51.7). While the pace of growth moderated, sustained increases in output, new orders and employment reflected resilient domestic demand and a gradual improvement in external demand. In India, the BSE 500 index added 2.0% MoM, outperforming broader emerging markets, as resilient corporate earnings and continued domestic inflows supported investor sentiment. India's manufacturing sector maintained a solid pace of expansion in July, with the HSBC India Manufacturing PMI recording 53.5 against 54.2 in June. The slight moderation in the headline index reflected slower growth in output and new orders, although domestic demand remained resilient and export demand strengthened.

Within fixed income, the Barclays Global Aggregate Bond index returned -0.5% MoM. US 10-year treasury yields closed July at 4.73%, gaining 27bps MoM, as persistent inflation concerns and expectations of a cautious Federal Reserve dented bond prices. At its July FOMC meeting, the Fed kept the federal funds target range unchanged at 3.50%–3.75%. The Committee reiterated that economic activity continued to expand at a solid pace and that labour market conditions were resilient, while emphasising that inflation remained elevated relative to its 2% target. The European Central Bank left its key interest rates unchanged, maintaining the deposit facility rate at 2.25%, the main refinancing operations rate at 2.40% and the marginal lending facility rate at 2.65%.

Commodity markets strengthened in July, with the S&P GSCI index rising 12.6%, led by a sharp rally in energy prices amid escalating geopolitical tensions in the Middle East. Brent and WTI advanced 23.6% and 21.8%, respectively, while natural gas prices declined 16.1%. Within industrial metals, copper increased 4.4% on stronger demand expectations while silver fell 1.7%. Gold gained 1.0% as persistent geopolitical risks and macroeconomic uncertainty continued to underpin safe-haven demand.

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