

MONTHLY MARKET BRIEF

31 Oct 2017

Local Review

SEM Top 5 Gainers

Company	31-Oct-17	29-Sep-17	% Δ
Lottotech Ltd	8.90	7.60	17.11%
Blue Life Ltd	2.32	2.06	12.62%
Automatic Systems Ltd	67.00	59.50	12.61%
Phoenix Beverages Ltd	535.00	485.25	10.25%
Gamma Group Ltd	34.20	32.00	6.88%

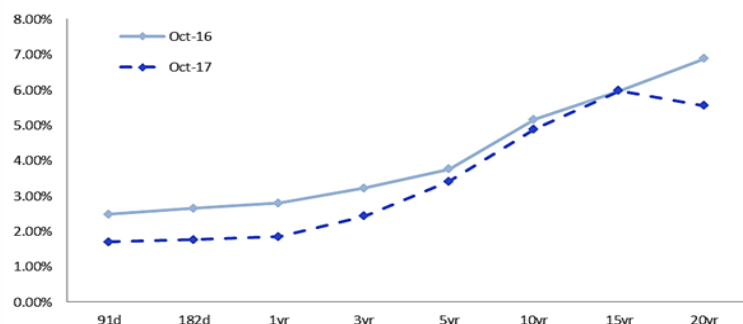
SEM Top 5 Losers

Company	31-Oct-17	29-Sep-17	% Δ
SBMH Ltd	7.40	7.90	-6.33%
Atlantic Leaf Properties Ltd	1.05	1.10	-4.55%
MCB Group Ltd	275.00	287.00	-4.18%
Rogers Group Ltd	30.20	31.50	-4.13%
ENL Land Ltd	43.15	45.00	-4.11%

GOM Weighted Yield

	Current	Previous
91d	1.70%	1.76%
182d	1.77%	1.84%
364d	1.85%	1.88%
3yr	2.43%	2.51%
5yr	3.41%	3.52%
10yr	4.89%	4.95%
15yr	5.98%	6.29%
20yr	5.55%	6.54%

Sovereign Yield Curve



SBM Funds

	31-Oct-17	29-Sep-17	MOM Δ	Q2Q Δ	YTD Δ
MUR Funds					
SBM Yield Fund	10.27	10.26	↑ 0.1%	1.1%	4.1%
SBM Universal Fund	27.06	27.13	↓ -0.2%	1.9%	9.5%
SBM Global Fund	113.45	110.52	↑ 2.6%	3.9%	6.1%
SBM Perpetual Fund	184.68	183.99	↑ 0.4%	1.0%	4.1%
SBM Growth Fund	11.52	11.58	↓ -0.6%	1.7%	12.1%
USD Funds					
SBM Africa Value Fund	101.32	100.97	↑ 0.3%	-0.9%	18.8%
SBM India Fund	211.50	198.60	↑ 6.5%	3.3%	36.8%
SBM Maharaja Growth Fund (as at 27.10.2017)	137.24	128.30	↑ 7.0%	3.9%	34.8%
SBM Maharaja Bond Fund	107.40	105.44	↑ 1.9%	0.7%	6.2%

Local markets

Market Highlights

Headline inflation rate for the 12-months ending October 2017 reached 3.4%, compared to 0.8% for the 12-months ending October 2016. Tourist arrivals in October 2017 reached 130,070 - a slight fall of 0.27% relative to October 2016. According to latest release from Statistics Mauritius, balance of visible trade showed a deficit of Rs7,953 million in August 2017, higher by 17.4% when compared to the corresponding month of 2016. As compared to September 2016, the PPI-Manufacturing for September 2017 was higher by 2.1%. According to latest figures, Statistics Mauritius forecasts a 3.9% GDP growth in 2017, compared to 3.8% growth in 2016.

Local indices maintained a downtrend for the month with the SEMDEX and SEMTRI closing the month at 2,197.96 and 7,815.36, thereby posting -1.43% and -1.26% MoM respectively. The top three gainers for the month were Lottotech, BlueLife and Automatic Systems with a performance of 17.11%, 12.62% and 12.61% respectively. The top three losers were SBMH, Atlantic Leaf Ltd and MCBG with a corresponding performance of -6.33%, -4.55% and -4.18%. The top three leaders for the period included CIM, PBL and Lottotech while the top three laggards were MCBG, SBMH and ENL Land.

Corporate Announcements

SBMH - The Group mentioned that the Central Bank of Kenya and the Kenya Deposit Insurance Corporation have accepted the terms of a non-binding offer from SBMH whereby the latter, through its subsidiary, SBM Bank (Kenya) Limited, will acquire the carved out assets and liabilities of Chase Bank (Kenya) Limited (In Receivership), a commercial bank headquartered in Nairobi, Kenya with a network of 62 branches across the country.

Bluelife - Further to the rights issue of Bluelife which is raising Rs 450M, IBL will underwrite the issue up to a maximum of Rs 400M subject to authorizations being obtained. Mr. Arnaud Lagesse being the Group CEO of IBL Ltd, has decided to step down as Chairman of Bluelife pending completion of the rights issue and has been replaced by Mr. Sunil Banyamandhub.

Afrexim - The Private Placement has closed, with Afreximbank obtaining subscriptions of USD 165,872,577.40.

SEM-10 - GRIT and Sun were included in the Sem-10 replacing Terra and Rogers.

MCBG Notes - The Board of Directors informed that it has approved the issuance of unsecured notes for a maximum aggregate nominal amount of up to MUR 2,000,000,000. The proceeds of the Notes issue will be used by MCBG for financing the expansion of its non-banking activities.

The Board of MCBG also informed its shareholders and the public in general that MCB Real Assets Ltd. (MCBRA), a wholly-owned subsidiary of MCBG, has completed the acquisition of the 84.4% stake in COVIFRA held by Club MED S.A.S. The transaction will trigger a mandatory offer and accordingly, MCBRA will make an offer at Rs22.50 per share to acquire all the 8,811,613 share of COVIFRA not already held by it.

Dividend Announcements

Company	Market	Event	Type	Per share	Ex- Date	Payment Date
CIM	Official	Dividend	Final	Rs 0.60	18-Oct-17	6-Nov-17
NMH Preference Shares	Official	Dividend	Final	Rs 0.33	25-Oct-17	8-Jan-18
ABC Motors	DEM	Dividend	Final	Rs 1.00	9-Nov-17	15-Dec-17
COVIFRA	DEM	Dividend	Special	Rs 4.70	14-Nov-17	17-Nov-17
New Frontier Invest. Ltd	Official	Dividend	Final	GBP 0.0036	22-Nov-17	27-Nov-17

Foreign Review

Equity

	31-Oct-17	29-Sep-17	MOM Δ	Q2Q Δ	YTD Δ
MSCI World	2,036.80	2,000.55	↑ 1.8%	3.9%	16.2%
MSCI EM	1,119.08	1,081.72	↑ 3.5%	5.0%	29.8%
S&P 500	2,575.26	2,519.36	↑ 2.2%	4.2%	14.1%
FTSE 100	7,493.08	7,372.76	↑ 1.6%	1.6%	4.4%
CAC 40	5,503.29	5,329.81	↑ 3.3%	8.0%	12.7%
DAX	13,229.57	12,828.86	↑ 3.1%	9.2%	14.1%
BSE 500	14,485.57	13,610.70	↑ 6.4%	4.2%	30.8%
CSI 300	4,006.72	3,836.50	↑ 4.4%	7.2%	19.9%
Dow Jones	23,377.24	22,405.09	↑ 4.3%	6.8%	17.6%
NIKKEI 225	22,011.61	20,356.28	↑ 8.1%	10.5%	12.3%

Bond

	31-Oct-17	29-Sep-17	MOM Δ	Q2Q Δ	YTD Δ
Barclays Global Aggregate Index	477.75	479..57	↓ -0.4%	-0.3%	6.7%
Barclays US Agg Total Return Value Unhedged	2,039.64	2,038.46	↑ 0.1%	0.5%	3.2%
Barclays Global High Yield Index	1,303.41	1,298.59	↑ 0.4%	1.7%	9.9%
JP Morgan Agg. Bond Index1	562.52	564.16	↓ -0.3%	-0.1%	5.6%

Commodity

	31-Oct-17	29-Sep-17	MOM Δ	Q2Q Δ	YTD Δ
Gold	1,271.45	1,279.75	↓ -0.6%	0.2%	9.7%
Silver	16.72	16.66	↑ 0.4%	-0.7%	2.6%
Brent Crude Oil	61.37	57.54	↑ 6.7%	16.6%	8.0%
WTI Crude	54.38	51.67	↑ 5.2%	8.4%	3.9%

Forex

Forex/MUR	31-Oct-17	29-Sep-17	MOM Δ	Q2Q Δ	YTD Δ
USD	34.28	33.92	↑ 1.1%	2.9%	-4.8%
EUR	40.61	40.00	↑ 1.5%	2.8%	7.9%
GBP	46.33	45.36	↑ 2.1%	5.1%	4.8%
ZAR	2.47	2.50	↓ -1.2%	-2.5%	-5.7%
JPY	0.31	0.30	↑ 2.0%	1.5%	0.2%

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Global Markets

Global Highlights

Global markets posted healthy performances during the month with the MSCI ACWI gaining 2.00%. Emerging markets hit record highs with the MSCI EM gaining 3.54% while developed markets showed a relatively good performance with the MSCI World adding 1.81%.

US

The S&P500 posted a return of 2.22%. US equities were supported by positive economic data despite the disruption caused by hurricanes Harvey and Irma. Corporate earnings were robust particularly from the technology sector. Sentiment towards US equities remained buoyant despite lackluster inflation remaining a concern. US yields edged higher on growing expectations of progress toward fiscal reform. The consumer confidence index hit 125.9, the highest level since December 2000.

EU

The Eurostoxx gained 2.20%. Data showed that the Eurozone's economic recovery is continuing and the central bank announced that quantitative easing will be extended to September 2018 but the pace of purchases would be reduced from €60 billion per month currently to €30 billion. The Euro area's GDP grew by 0.6% in the third quarter (0.7% in Q2) and inflation slowed to 1.1% YoY in October (1.3% in Sep 2017). Also, the aftermath of Catalonia's unofficial independence referendum led to some short-lived volatility.

UK

The FTSE100 posted a performance of 1.63%. Resources sectors led the market higher as industrial commodity prices continued their recent strong run backed by stable global growth and supply-side drivers. Mixed UK economic data and the prospect of higher base rates brought domestic political and economic uncertainties back into focus. CPI YoY for September ticked up to 3.0% - the highest reading in over five years - while core inflation remained at 2.7%.

Japan

The Topix ended the month at 5.45%. In Japan, the elections were a focus for markets. Voters handed a majority to Prime Minister S. Abe's Liberal Democratic Party in the snap election. The result implies continuity for the Japanese economic and political landscape. October's manufacturing PMI fell slightly to 52.8 from 52.9 the previous month. Third-quarter Tankan business conditions for manufacturing rose from 11 to 15, non-manufacturing also rose from 13 to 14. Core CPI remained at 0.7% but other data points towards further pick up in coming months.

Asia (ex Japan) & EM

The Shanghai Composite Index posted 1.33% as investors took comfort from stronger economic data and a cut in the reserve ratio requirement for banks. The Nifty 50 gained 5.59% as investors continued to buy into the market and were further encouraged by plans for a major recapitalization for state-controlled banks.

The MSCI EM posted a return of 3.45%, supported by ongoing strength in global growth. South Korea and Taiwan were among the best-performing markets with technology stocks registering strong gains.

Forex

During the month, the dollar rose by 1.59% versus major currencies, supported by solid macroeconomic data as well as expectation of December rate hike. The EUR lost 1.42% versus the dollar as the ECB opted to extend its asset purchase program by at least another 12 months. The pound lost 0.86% versus the dollar on account of mixed economic data. The JPY lost 0.98% relative to the dollar as the BoJ reaffirmed its commitment to QE and mixed sector performance also weakened the currency.

Commodities

The Bloomberg commodities index rose by 2.05% for the month, led by the industrial metals component. Copper rallied 4.94% and zinc gained 3.26%. Brent crude was up by 6.66% amid ongoing signs of market tightening. Sugar was up 4.54% as output decreased due to a rise in the amount of sugar cane used in ethanol production. Precious metals posted a mixed performance with gold losing 0.65% and silver gaining 0.38%.

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