SBM MAURITIUS ASSET MANAGERS LTD

MONTHLY MARKET BRIEF

30 Nov 2017

Local Review

SEM Top 5 Gainers

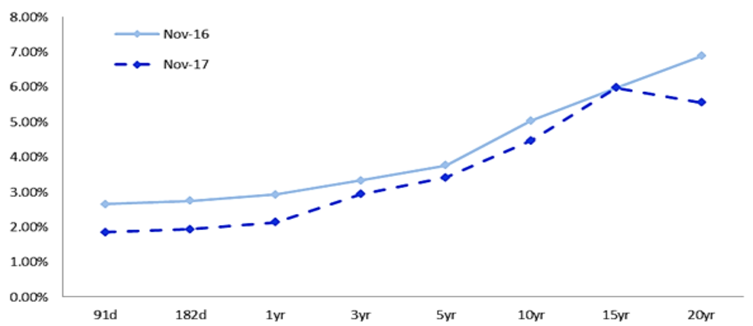
Company	30-Nov-17	31-Oct-17	% Δ
Harel Mallac	84.75	77.00	10.06%
SUN Limited	49.00	44.75	9.50%
CIM Finance	10.30	9.58	7.52%
NMH	25.00	23.45	6.61%
Vivo Energy Mauritius Ltd	140.00	133.00	5.26%

SEM Top 5 Losers

Company	30-Nov-17	31-Oct-17	% Δ
Lottotech Ltd	7.78	8.90	-12.58%
MCBG	257.50	275.00	-6.36%
Alteo	30.25	32.00	-5.47%
Plastic Industry (Mauritius) Ltd	61.75	65.00	-5.00%
Moroil	28.85	29.70	-2.86%

GOM Weighted Yield		Current	Previous
91d	↑	1.85%	1.70%
182d	↑	1.93%	1.77%
364d	↑	2.14%	2.03%
3yr	↑	2.94%	2.75%
5yr	↓	3.41%	3.52%
10yr	↓	4.47%	4.89%
15yr	↓	5.98%	6.29%
20yr	↓	5.55%	6.54%

Sovereign Yield Curve



SBM Funds

	30-Nov-17	31-Oct-17	MOM Δ	Q2Q Δ	YTD Δ
MUR Funds					
SBM Yield Fund	169.17	166.40	↑ 1.7%	2.7%	5.8%
SBM Universal Fund	399.45	399.01	↑ 0.1%	2.2%	9.7%
SBM Perpetual Fund	185.38	184.68	↑ 0.4%	1.0%	4.5%
SBM Growth Fund	115.57	115.15	↑ 0.4%	2.8%	12.5%
USD Funds					
SBM Africa Value Fund	103.84	101.32	↑ 2.5%	2.3%	21.8%
SBM India Fund	209.78	211.50	↓ -0.8%	3.9%	35.7%
SBM Maharaja Bond Fund	107.78	107.40	↑ 0.3%	0.6%	6.6%

Local Markets

Market Highlights

Headline inflation rate remained on an uptick in November 2017 and stood at 3.5%, relative to 3.4% for the previous month. Tourist arrivals reached 121,496 for the month as compared to 115,782 in November 2016 - a rise of 4.9%. Total tourist arrivals for the period January-November 2017 attained 1,186,245 versus 1,127,093 for the previous corresponding period. The Gross Official International Reserves of the country increased from Rs188.9 billion as at end-October 2017 to Rs191.9 billion as at end-November 2017.

Local indices fell for the month with the SEMDEX and SEMTRI closing the month at 2,179.89 and 7,813.51, thereby posting -0.82% and -0.02% MoM, respectively. The top three market leaders for the period were SBMH Ltd, Sun Ltd and NMHL while the top three laggers were MCBG Ltd, Lottotech Ltd and Alteo Ltd. The top three gainers for the month were Harel Mallac Ltd, Sun Ltd and CIM Finance Ltd with respective performances of 10.06%, 9.50% and 7.52%. The top three losers were Lottotech Ltd, MCBG Ltd and Alteo Ltd with a corresponding performance of -12.58%, -6.36% and -5.47%.

Corporate Announcements

NMH Ltd is transferring its Seychelles property Sainte Anne to BHI in exchange of shares and NMH holdings in BHI will remain at 55.0%. The property will be refurbished at an estimated cost of EUR 70m. This will be financed through a combination of cash equity from BHI's minority shareholder and long-term Euro-denominated debt.

Alteo Ltd proposed a restructuring through a Scheme of Arrangement under Sections 261 to 264 of the Companies Act 2001 pursuant to which the shares held by the shareholders of Alteo will be exchanged for shares in Alteo Group Ltd on the basis of a share exchange ratio of 1:1.

Go Life Ltd has entered into a term sheet to acquire 100% of the shares and claims in Brittan Healthcare.

Financials

SUN Group Ltd generated total revenue in excess of Rs 1.2bn for the latest quarter, representing a growth of 18.0% on prior year. The Group occupancy was 70.0%, 1.6% lower than last year, although La Pirogue was closed for most of the quarter.

Rogers Group Ltd revenue for the quarter ended September 2017 amounted to Rs 2,026m (2017 Q1: Rs 2,010m). The lower PAT of Rs 1m (2017 Q1: Rs12m) is mainly attributable to the hotel sector with the closure of three hotels for renovation. The PAT has been positively impacted by an exceptional profit of Rs 133m reported during the period.

UBP Group Ltd revenue for the quarter ended September 2017 increased by 5.9% while operating profit rose by 9.1% to Rs 90.4m. Profits increased to Rs 75.3m for the quarter under review (2017 Q1: Rs 70.5m). EPS increased from Rs 2.49 in 2017 Q1 to Rs 2.66 in 2018 Q1.

Dividend Announcements

Company	Market	Dividend Type	Per share	Ex- Date	Payment Date
IBL	Official	Interim	Rs 0.20	28-Nov-17	20-Dec-17
ENL Commercial Ltd	Official	Interim	Rs 0.20	28-Nov-17	18-Dec-17
Moroil	Official	Interim	Rs 0.95	29-Nov-17	15-Dec-17
ENL Land	Official	Interim	Rs 0.59	29-Nov-17	29-Dec-17
MUA	Official	Final	Rs 1.84	1-Dec-17	20-Dec-17
Terra	Official	Final	Rs 0.85	7-Dec-17	22-Dec-17
ENL Ltd (Pref)	DEM	Interim	Rs 0.35	30-Nov-17	19-Dec-17
Constance la Gaiete	DEM	Final	Rs 4.50	12-Dec-17	28-Dec-17
Compagnie Immobilière Ltée	DEM	Final	Rs 23.00	13-Dec-17	29-Dec-17
Margarine Industries Ltd	DEM	Final	Rs 50.00	15-Dec-17	27-Dec-17

SBM MAURITIUS ASSET MANAGERS LTD

Foreign Review

Equity

	30-Nov-17	31-Oct-17	MOM Δ	Q2Q Δ	YTD Δ
MSCI World	2,077.36	2,036.80	2.0%	6.0%	18.6%
MSCI EM	1,120.79	1,119.08	0.2%	3.0%	30.0%
S&P 500	2,647.58	2,575.26	2.8%	7.1%	18.3%
FTSE 100	7,326.67	7,493.08	-2.2%	-1.4%	2.6%
CAC 40	5,372.79	5,503.29	-2.4%	5.6%	10.5%
DAX	13,023.98	13,229.57	-1.6%	8.0%	13.4%
BSE 500	14,493.58	14,485.57	0.1%	5.3%	31.3%
CSI 300	4,006.10	4,006.72	0.0%	4.8%	21.0%
Dow Jones	24,272.35	23,377.24	3.8%	10.6%	22.8%
NIKKEI 225	22,724.96	22,011.61	3.2%	15.7%	18.9%

Bond

	30-Nov-17	31-Oct-17	MOM Δ	Q2Q Δ	YTD Δ
Barclays Global Aggregate Index	483.06	477.75	1.1%	-0.2%	7.0%
Barclays US Agg Total Return Value Unhedged	2,037.02	2,039.64	-0.1%	-0.5%	3.1%
Barclays Global High Yield Index	1,303.81	1,303.41	0.0%	1.1%	9.9%
JP Morgan Agg. Bond Index1	568.13	562.52	1.0%	-0.1%	6.7%

Commodity

	30-Nov-17	31-Oct-17	MOM Δ	Q2Q Δ	YTD Δ
Gold	1,275.01	1,271.45	0.3%	-3.5%	11.1%
Silver	16.44	16.72	-1.7%	-6.5%	3.2%
Brent Crude Oil	63.57	61.37	3.6%	21.4%	11.9%
WTI Crude	57.40	54.38	5.6%	21.5%	6.9%

Forex

Forex/MUR	30-Nov-17	31-Oct-17	MOM Δ	Q2Q Δ	YTD Δ
USD	33.62	34.28	-1.9%	2.8%	-6.5%
EUR	40.09	40.61	-1.3%	2.9%	5.9%
GBP	45.54	46.33	-1.7%	7.8%	2.5%
ZAR	2.46	2.47	-0.5%	1.0%	-6.4%
JPY	0.30	0.31	-2.5%	4.1%	-2.7%

Global Markets

Global Highlights

Global markets posted relatively good performances during the month with the MSCI ACWI gaining 1.78%. Developed markets performed better than emerging with the MSCI World adding 1.99% and the MSCI EM posting 0.15%.

US

The S&P500 posted a return of 2.81%. The US macroeconomic picture was mixed but the economic cycle appears solid. Unemployment rate fell to 4.1% and flash manufacturing PMI remained healthy at 53.8. Core inflation increased by 10 basis points to 1.8%, indicating that conditions are in place for inflation to gradually pick up. The last FOMC meeting increased expectations for a rate rise in December. The timetable for tax reform in the US still remains uncertain.

EU

The Eurostoxx lost 2.83% due to an increase in political uncertainty. In Germany the announcement of a new coalition still appears far away. In Italy the electoral campaign for next year's general election has revealed a fragmented picture and growing support for anti-establishment parties while, in Spain, the turmoil created by the referendum in Catalonia could also lead to new regional elections soon. Nevertheless, Eurozone economic momentum accelerated largely due to Germany's 2.8% growth as well as improving conditions in France and Italy.

UK

The FTSE100 posted a performance of -2.22% as large caps and overseas-focused parts of the market performed poorly amid sterling strength. The UK budget revealed a slower pace of fiscal tightening to support the economy through the Brexit negotiations. Q3 GDP growth was confirmed at 1.5% and inflation remained unchanged at 3.0%. The BoE announced the first rate rise in a decade. The market anticipates roughly two more rises over the next three years to control inflation.

Japan

The Topix ended the month at 1.48%. Exports and imports remained strong, while positive sentiment surveys and improving labour markets are increasing expectations for a rebound in consumption and inflation. Q3 GDP growth was slightly revised down to 1.4%.

Emerging markets

The Shanghai Composite Index posted -2.24%. The announcement of new credit tightening regulations has created some concern given initial signs of deceleration are already underway. Sectors such as infrastructure and housing could be hurt by credit restrictions, which may lead to softer GDP growth in the fourth quarter after the still solid 6.8% pace of the third quarter. The Nifty 50 index fell by 1.05% as a result of investors taking profit on solid gains earlier, following a Moody's credit rating upgrade for India. Also, growing concerns regarding fiscal deficit and intermittent weak global cues affected the Indian market. The month of November was also marked by the upgrade in India's foreign as well as the local currency long term rating by Moody.

Forex

During the month, the dollar fell by 1.59% versus major currencies due to concerns regarding the tax bill reform. Also, the dollar came under pressure following reports that former national security adviser M. Flynn is prepared to cooperate the special counsel probe into alleged links between the Trump campaign and Russia during last year's election. The euro gained 2.22% versus the dollar, backed by stronger-than-expected Eurozone data. The pound was up by 1.83% relative to the greenback, supported by signs of progress in the EU Brexit negotiations. The yen over performed the dollar by 0.97% as investors moved towards the safe haven currency due to uncertainty around the USD.

Commodities

The Bloomberg commodities index fell by 0.56% during the month, primarily due to weakness from industrial metals. Concerns over the outlook for demand from China weighed on zinc (-3.73%) and copper (-2.06%) in particular. The energy component generated a positive return as Opec and a number of non-member countries agreed to extend production cuts to the end of 2018. Brent crude increased 3.58% while natural gas was up 4.45%. Regarding precious metals, gold (+0.28%) was marginally higher while in contrast, silver (-1.88%) lost value.

Note: All index performances are in their respective local currencies

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