

Monthly Market Wrap

| April 2021

Equity index returns (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y	5Y Std Dev
S&P 500	+5.2%	+12.6%	+27.9%	+11.3%	+43.6%	+57.9%	+102.4%	15.0%
MSCI World	+4.5%	+10.4%	+28.2%	+9.2%	+43.2%	+40.8%	+75.9%	14.8%
MSCI World Small Cap	+3.8%	+11.0%	+40.0%	+13.2%	+64.1%	+36.6%	+78.5%	18.4%
MSCI Europe	+1.6%	+10.4%	+27.5%	+9.5%	+27.3%	+11.3%	+25.7%	14.2%
MSCI EM	+2.4%	+1.4%	+22.1%	+4.4%	+45.7%	+15.7%	+60.4%	16.4%
MSCI AC Asia	+1.4%	+1.2%	+20.2%	+3.2%	+39.5%	+18.5%	+57.3%	13.6%
SEMDEX	+3.4%	+1.0%	+12.6%	+0.3%	+5.2%	-27.7%	-7.2%	14.7%
DEMEX	+2.0%	+3.2%	+20.2%	+9.9%	+12.8%	-2.5%	+18.6%	8.1%

Fixed income index returns (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y	5Y Std Dev
Barclays Global Aggregate Bond	+1.3%	-2.4%	-0.2%	-3.3%	+3.9%	+11.8%	+13.9%	4.7%
Barclays US Aggregate Bond	+0.8%	-1.9%	-1.5%	-2.6%	-0.3%	+16.4%	+17.0%	3.3%
Barclays High Yield bond	+1.9%	+1.1%	+8.6%	+0.9%	+21.8%	+17.3%	+36.7%	8.7%
JP Morgan EMU IG Bond	-1.1%	-2.8%	-3.2%	-3.5%	+0.7%	+8.4%	+10.8%	4.0%
JP Morgan EM Bond	+2.4%	-1.7%	+2.9%	-3.0%	+16.0%	+17.2%	+28.1%	9.5%
FTSE Asian Broad Bond	+0.3%	-1.2%	+1.0%	-1.3%	+7.7%	+20.1%	+26.1%	4.5%

Commodity prices

Commodity	Current \$	1M
WTI Crude Oil / Bbl	63.58	+7.5%
Brent Crude Oil / Bbl	67.25	+5.8%
Natural Gas / mmBtu	2.93	+12.4%
Copper / oz	447.90	+12.1%
Silver / oz	25.92	+6.1%
Gold / oz	1,769.13	+3.6%

SEMDEX sector performance (%)

Index	Weight	1M
Financials	39.6%	+5.5%
Commerce	20.3%	+3.6%
Industry	9.4%	-0.0%
Investments	23.2%	+2.1%
Leisure & Hotels	6.1%	-0.4%
Property	0.3%	-1.1%
Sugar	0.5%	+9.7%
Transport	0.4%	0.0%
Foreign	0.3%	+3.2%

Secondary market yields - GoM

Tenor	91D	182D	364D	3Y	5Y	10Y	15Y	20Y
Current	0.45%	0.56%	0.74%	1.29%	1.82%	2.46%	3.02%	3.10%
-1M	0.20%	0.32%	0.44%	1.20%	1.62%	2.44%	2.89%	3.09%

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Selected economic data*

Index	Manufacturing PMI		Service PMI		Consumer confidence		GPI YoY	Policy rate	Unemployment
	Current	-1M	Current	-1M	Current	-1M	Current	Current	Current
US	60.50	59.10	64.70	60.40	121.70	109.00	4.2%	0.00%-0.25%	6.1%
Germany	66.40	66.60	49.90	51.50	NA	89.00	2.0%	0.00%	6.0%
France	59.20	59.30	50.30	48.20	NA	94.00	1.3%	0.00%	8.0%
UK	60.90	58.90	61.00	56.30	-15.00	-16.00	0.7%	0.10%	4.9%
Japan	53.60	52.70	49.50	48.30	34.80	36.20	-0.2%	-0.10%	2.6%
China	51.90	50.60	56.30	54.30	NA	122.20	0.9%	4.35%	4.2%
India	55.50	55.40	54.00	54.60	NA	NA	4.3%	4.00%	8.0%

*based on latest available data

SBM Fund performance (% local currency)

Fund	Currency	Strategy	NAV	1M	3M	YTD	5Y Std Dev
SBM Perpetual Fund	MUR	Local fixed income	211.39	+0.3%	+0.8%	+1.1%	0.4%
SBM Universal Fund	MUR	Multi-asset	29.03	+2.7%	+4.0%	+4.3%	7.4%
SBM Yield Fund	MUR	Global fixed income	12.47	-1.0%	-2.0%	-0.1%	6.9%
SBM Growth Fund	MUR	Global equities	12.20	+3.8%	+4.8%	+5.2%	11.7%
SBM India Fund	USD	Indian equities	119.58	-1.0%	+4.9%	+3.8%	28.5%

Commentary

Local equity indices registered positive performances in April with the SEMDEX and DEMEX closing the month at 1,654.18 and 234.98 points, equivalent to respective returns of +3.4% and +2.0%. The main leaders, that is, companies which contributed to the positive performance of the SEMDEX were MCBG, IBL and SBMH while on the downside the main laggards were SUN, HML and NMH. The top three gainers in terms of price returns were MUA (+14.2%), NRL (+11.3%) and MTMD (+9.7%) and the top three losers were HML (-33.3%), SUN (-15.0%) and NMH (-8.7%). The price-earnings ratio and dividend yield of the SEMDEX stood at 11.82x and 2.23%, respectively, as at 30 April against corresponding figures of 12.17x and 2.22% as at 31 March. Net foreign disinvestments of MUR 46.6Mn were driven by the sell-offs in PBL, IBL and SBMH.

International equities were mainly driven by the improved economic outlook, robust corporate earnings season and progress in the mass-vaccination campaigns in major markets – the MSCI World index advanced by 4.5% MoM.

The S&P 500 index posted a return of 5.2% in April with the index recording new record highs during the month. Investors reacted to upbeat first quarter earnings, the acceleration in vaccine deployment and prospects of a stronger economic recovery. The IHS Markit Purchasing Managers' Index (PMI) reached a record high of 60.5 in April compared to a previous reading of 59.1 as the reopening of markets resulted in higher output expectations.

Eurostoxx 50 registered a MoM return of 1.4% as investors assessed inflation risks amid improving economic activity. The CAC 40 and DAX indices posted respective returns of 3.3% and 0.8% while the FTSE MIB index registered -2.1%. The manufacturing sector hit a record high in April amid an expansion in new orders and stronger demand – the PMI rose from 62.5 in March to 62.9 in April. In UK, the FTSE100 index added 3.8% following the lifting of Covid-19 restrictions and upbeat corporate earnings. The growth momentum in the manufacturing sector signaled a faster economic recovery; PMI increased to 60.9 in April, up from 58.9 in March.

The Nikkei 225 posted a return of -1.3% in April as the rising number of Covid-19 cases and localised lockdowns in various regions in Japan weighed on investor sentiment. The manufacturing sector grew at its fastest pace in three years, backed by a strong rise in output and new orders. PMI rose to 53.6 in April against 52.7 in March.

Emerging equities continued to lag developed markets with the MSCI Emerging Markets index adding 2.4% MoM. In China, the CSI 300 posted 1.5% in local currency and 2.7% in USD terms as the lingering worries around policy tightening and escalating tensions between China and Taiwan capped gains. Renewed expansions in purchasing activity and rise in employment signaled the strongest improvement in the manufacturing sector with PMI strengthening to 51.9 in April against 50.6 in March. In India, the BSE Sensex registered a return of -1.5% MoM as the rise in the number of Covid-19 cases dampened investor sentiment. Despite the slower growth in new orders, manufacturing PMI marginally increased from 55.4 in March to 55.5 in April.

At fixed income level, the Barclays Global Aggregate Bond index gained 1.3% in April. The Fed kept its Fed Fund Target range unchanged at 0.00%-0.25% and announced no change in the pace of its asset purchases. Despite inflation concerns amid an improving labour market and stronger economic activity, Chairman Jerome Powell reiterated that the Fed will not consider raising rates until the complete recovery of the labour market and inflation moderately exceeds the 2% target. The ECB kept its monetary policy unchanged with the interest rate on the main refinancing operations, the interest rates on the marginal lending facility and the deposit facility at 0.00%, 0.25% and -0.50%, respectively. It expects government bond purchases under the PEPP envelope to continue at a significantly higher pace over the current quarter in view of addressing rising bond yields.

Regarding commodities, the S&P GSCI index rallied 8.2% MoM supported rising prices oil, copper and platinum. Brent and WTI oil prices advanced by 5.8% and 7.5% as the bullish demand forecasts outweighed the demand worries from the rising number of Covid-19 cases in India, Brazil and Japan. Precious metals registered positive performances with Gold and Silver posting 3.6% and 6.1%, respectively.

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