Monthly Market Wrap

Equity index returns (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y	5Y Std Dev
S&P 500	+3.1%	+10.2%	+22.5%	+10.2%	+27.9%	+32.3%	+85.4%	18.4%
MSCI World	+3.0%	+8.5%	+20.5%	+8.5%	+23.2%	+22.3%	+63.1%	18.1%
MSCI World Small Cap	+3.6%	+4.0%	+16.6%	+4.0%	+13.9%	-0.9%	+35.5%	21.7%
MSCI Europe	+3.5%	+7.0%	+13.5%	+7.0%	+11.7%	+20.7%	+34.4%	15.9%
MSCI EM	+2.2%	+1.9%	+9.5%	+1.9%	+5.3%	-20.8%	-1.4%	19.0%
MSCI AC Asia	+2.3%	+4.4%	+12.4%	+4.4%	+9.1%	-13.1%	+10.7%	17.0%
SEMDEX	+4.2%	+5.6%	+0.4%	+5.6%	+9.8%	+34.5%	-0.6%	16.6%
DEMEX	-3.9%	-4.0%	-6.1%	-4.0%	-0.1%	+11.5%	+9.7%	11.6%

Fixed income index returns (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y	5Y Std Dev
Barclays Global Aggregate Bond	+0.6%	-2.1%	+5.8%	-2.1%	+0.5%	-13.5%	-5.7%	7.5%
Barclays US Aggregate Bond	+0.9%	-0.8%	+6.0%	-0.8%	+1.7%	-7.2%	+1.8%	6.1%
Barclays High Yield bond	+1.5%	+2.1%	+10.9%	+2.1%	+12.9%	+3.7%	+16.3%	10.8%
JP Morgan EMU IG Bond	+1.0%	-0.6%	+6.4%	-0.6%	+3.8%	-13.8%	-7.7%	6.5%
JP Morgan EM Bond	+2.1%	+1.8%	+11.7%	+1.8%	+10.7%	-4.8%	+3.1%	12.1%
FTSE Asian Broad Bond	+0.9%	+0.9%	+7.3%	+0.9%	+5.8%	-5.1%	+6.5%	6.6%

Comm	

Commodity	Current \$	1M
WTI Crude Oil / Bbl	83.17	+6.3%
Brent Crude Oil / Bbl	87.48	+4.6%
Natural Gas / mmBtu	1.76 <mark>+5.2%</mark>	
Copper / oz	400.70 +4.5%	
Silver / oz	24.96 +10.1	%
Gold / oz	2,229.87	+9.1 <mark>%</mark>

SEMDEX sector performance (%)

Index	Weight	1M
Financials	46.6%	+9.8%
Commerce	15.2%	-1.2%
Industry	6.0%	+1.3%
Investments	19.5%	+0.1%
Leisure & Hotels	8.6%	+1.2%
Property	3.5%	-3.9%
Sugar	0.6%	+5.0%
Foreign	0.1%	27.0%

Top 3 (

Exchange rates

EUR/USD

Stock	111
SBM Holdings Ltd	+16.9%
MCB Group Limited	+10.9%
P. O. L. I. C. Y Ltd	+8.5%

Top 3 Losers - SEMDEX

Stock	1M
Dale Capital Group Ltd	-27.0%
National Investment Trust Ltd	-13.3%
Caudan Development Ltd	-11.1%
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Secondary market yields - GoM

Tenor	91D	182D	364D	3Y	5Y	10Y	15Y	20Y
Current	3.23%	3.53%	3.85%	4.80%	5.13%	5.27%	5.37%	5.59%
-1M	3.27%	3.50%	3.70%	4.57%	4.79%	5.23%	5.41%	5.65%

USD/JPY 151.35 149.98 GBP/USD 1.26 1.26 USD/MUR 46 40 45 75 EUR/MUR 49 99 49 44 GBP/MUR 58 55 57 74

Current

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gs Ltd	+16.9%
Limited	+10.9%

-1M

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Stock	1M
Dale Capital Group Ltd	-27.0%
National Investment Trust Ltd	-13.3%
Caudan Development Ltd	-11.1%

I March 2024

Selected economic data³

Index	Manufacturing PMI		Service PMI		Consumer	confidence	CPI YoY	Policy rate	Unemployment
	Current	-1M	Current	-1M	Current	-1M	Current	Current	Current
US	51.9	52.2	51.7	52.3	104.7	104.8	3.5%	5.25% - 5.5%	3.8%
Germany	41.9	42.5	50.1	48.3	90.0	89.0	2.2%	4.5%	5.9%
France	46.2	47.1	48.3	48.4	91.0	89.0	2.3%	4.5%	7.5%
UK	50.3	47.5	53.1	53.8	-21.0	-21.0	3.2%	5.3%	4.2%
Japan	48.2	47.2	54.1	52.9	39.1	38.0	2.7%	0.1%	2.6%
China	51.1	50.9	52.7	52.5	NA	89.1	0.1%	4.4%	4.0%
India	59.1	56.9	61.2	60.6	NA	NA	4.9%	6.5%	7.7%

*based on latest available data

SBM Fund performance (% local currency)

Fund	Currency	Strategy	NAV	1M	3M	1Y	5Y Std Dev
SBM Perpetual Fund	MUR	Local fixed income	236.91	+0.2%	+0.9%	+4.1%	0.4%
SBM Yield Fund	MUR	Global fixed income	11.64	+1.2%	+1.7%	+4.0%	7.9%
SBM Universal Fund	MUR	Multi-asset	34.35	+3.2%	+6.6%	+12.5%	8.4%
SBM Growth Fund	MUR	Global equities	15.84	+5.1%	+10.8%	+18.6%	14.0%
SBM India Fund (Class B)	USD	Indian equities	174.15	-0.1%	+4.6%	+36.9%	26.4%

Commentary

Local indices posted diverging performances in March with the SEMDEX surging to 2,151.68 points, crossing the 2,100 thresholds for the first time since September 2023, while the DEMEX maintained its downtrend to close at 256.79 points, equivalent to respective returns of +4.2% and -3.9%. The main leaders, that is, companies which contributed to the positive performance of the SEMDEX were MCBG, SBMH and NMHL while the main laggards were IBLL, ASCE and CIM, The top gainers were SBMH (+16.9%), MCBG (+10.9%) and POLICY (+8.5%) while the main detractors were DCPL (-27.0%), NIT (-13.3%) and CAUDAN (-11.1%). The price-earnings ratio and dividend yield of the SEMDEX stood at 6.74x and 4.04%, respectively, as at 31 March against corresponding figures of 6.59x and 4.22%, as at February 2024. Foreign flows remained negative to the tune of MUR45.0M (against net outflows of MUR 135.8M in Feb-24), skewed by the significant outflow from CMDC notes. Excluding this transaction, the net foreign flows were positive to the amount of MUR 67.6M driven mainly by MCBG_EINCORP and PBI

International equities headed for a fifth consecutive month of gains mainly driven by the release of positive economic data in Europe and expectations of rate cuts by major central banks; the MSCI World index added 3.0% MoM.

The S&P 500 index gained 3.1% in March, backed by strong corporate earnings, a healthy US economy and optimism over the Fed rate path. All the major industry groups recorded positive returns led by Energy, Utilities and Materials. Value stocks outperformed their growth counterparts with the S&P Value index registering a gain of 4.4% against 2.1% for the S&P Growth index. Manufacturing activity gained momentum in March with the rate of expansion hitting a 22-month high, following a stronger rise in new orders following improved demand from domestic as well as external markets. The S&P Global US Purchasing Managers' Index (PMI) stood at 51.9 in March against a preceding reading of 52.2. The upturn in activity led to the strengthening of pricing power with selling prices charged by firms rising to the highest rate in 11 months.

European equities were the best performers among the broad market indices with the Eurostoxx 50 notching up by 4.2% MoM. Expectations that the ECB would start cutting rates supported the rally. The DAX 30 and CAC 40 indices recorded respective performances of 4.6% and 3.5% while the FTSE MIB index posted 6.7%. The Eurozone manufacturing sector remained in contraction territory, despite a softening rate of decline in both output and new orders. The slump in output extended for a twelfth successive month with the latest PMI clocking at 46.1 against 46.5 in February. UK equilies rebounded by 4.2% in March. Manufacturing activity edged up into expansion territory amid a turnaround in production volumes and rebound in new order inflows. PMI ticked up to a 20-month high of 50.3 in March versus 48.3 in February

In Japan. the Nikkei 225 index gained 3.1% MoM as the ven slid to its weakest level in 34 years against the US dollar. Operating conditions remained downbeat amidst softer contractions in both output and new order inflows. March's sub-50 PMI reading of 48.2 (versus 47.2 in February) indicated another month of decline, associated with weak demand in the domestic and overseas markets. Input cost pressures eased to a 37-month low, broadly in line with the long-run average.

Emerging markets' equities outperformed developed markets after the MSCI Emerging Markets index posted 2.2% in March. The CSI 300 index lagged its global peers, registering 0.6% Enclosing matching developed matching activity control to improve in March with output growth hitting a 10-month high, driven by an acceleration in both supply and demand. PMI increased from 50.9 in February to 51.1 in March after overseas demand accelerated and pushed the gauge for new export orders to its fastest since February 2023. In India, the BSE Sensex index posted 1.6% MoM. The manufacturing sector maintained its strong growth impetus, driven by favourable market conditions and robust global demand. PMI rose to its highest level since 2008, that is, a 16-year high of 59.1 in March against a previous reading of 56.9.

At fixed income level, the Barclays Global Aggregate Bond index registered 0.6% MoM. The 10-year US Treasury yield declined by 5bps to 4.20% in March. The US Federal Reserve (Fed) kept its Fed funds target range unchanged at 5.25%-5.50% at its March meeting. The Fed highlighted that the policy rate is likely at its peak for the current tightening cycle. The European Central Bank (ECB) kept the three key ECB interest rates on hold at its March meeting, noting a further decline in inflation. Accordingly, the interest rate on the main refinancing operations, the interest rates on the marginal lending facility and the deposit facility stood at 4.50%, 4.75% and 4.00%, respectively.

On the commodity side, the S&P GSCI index continued its winning streak, moving for a third straight positive month and adding 4.7% MoM, following a rise in crude oil prices. The corresponding price of Brent and WTI surged by 4.6% and 6.3%, driven by expectations of tighter supplies from OPEC+ cuts and reduced Russia production as well as upbeat Chinese economic dat supporting the demand outlook. The price of natural gas declined by 5.2% amid a supply glut and warmer weather conditions. Within industrial metals, silver soared by 10.1% MoM while the price of copper rose by 4.5% amidst tightening in global mine supplies. Gold edged higher to \$ 2,230 per ounce, equivalent to a gain of 9.1% MoM, mainly attributable to central bank demand, a weakening US dollar and growing expectations of interest rate cuts amidst slowing inflation data.

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