

Monthly Market Wrap

I March 2025

Equity index returns (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y	5Y Std Dev
S&P 500	-5.8%	-4.6%	-2.6%	-4.6%	+6.8%	+23.9%	+117.1%	16.9%
MSCI World	-4.6%	-2.1%	-2.5%	-2.1%	+5.6%	+18.9%	+95.9%	16.3%
MSCI World Small Cap	-4.0%	-4.1%	-6.9%	-4.1%	-1.9%	-0.4%	+74.3%	19.3%
MSCI Europe	-4.4%	+5.3%	+2.1%	+5.3%	+4.1%	+17.6%	+66.6%	13.7%
MSCI EM	+0.4%	+2.4%	-5.9%	+2.4%	+5.6%	-3.5%	+29.8%	16.6%
MSCI AC Asia	-0.7%	+0.2%	-6.7%	+0.2%	+2.9%	+0.9%	+33.1%	15.4%
SEMDEX	-1.7%	+3.5%	+6.2%	+3.5%	+15.6%	+13.1%	+70.9%	11.4%
DEMEX	-1.3%	-0.9%	+0.4%	-0.9%	-8.9%	-25.3%	+9.0%	10.8%

Fixed income index returns (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y	5Y Std Dev
Barclays Global Aggregate Bond	+0.6%	+2.6%	-2.6%	+2.6%	+3.0%	-4.8%	-6.7%	7.8%
Barclays US Aggregate Bond	+0.0%	+2.8%	-0.4%	+2.8%	+4.9%	+1.6%	-2.0%	6.4%
Barclays High Yield bond	-0.3%	+1.8%	+1.5%	+1.8%	+8.9%	+17.4%	+40.8%	8.7%
JP Morgan EMU IG Bond	-1.7%	-1.2%	-1.3%	-1.2%	+1.2%	-6.9%	-10.6%	6.3%
JP Morgan EM Bond	-0.8%	+2.1%	-0.3%	+2.1%	+6.5%	+8.9%	+17.7%	10.3%
FTSE Asian Broad Bond	-0.1%	+2.6%	+0.7%	+2.6%	+6.5%	+9.0%	+10.7%	6.1%

Commodity prices

Commodity	Current \$	1M
WTI Crude Oil / Bbl	71.48	+2.5%
Brent Crude Oil / Bbl	74.74	+2.1%
Natural Gas / mmBtu	4.12	+7.4%
Copper / oz	503.40	+11.5%
Silver / oz	34.09	+9.4%
Gold / oz	3,123.57	+9.3%

SEMDEX sector performance (%)

Index	Weight	1M
Financials	48.8%	+0.6%
Commerce	11.1%	-4.4%
Industry	5.5%	+3.7%
Investments	20.1%	-5.1%
Leisure & Hotels	8.2%	-5.0%
Property	2.9%	-7.0%
ICT	3.0%	0.0%
Sugar	0.4%	+12.7%
Foreign	0.1%	0.0%

Secondary market yields - GoM

Tenor	91D	182D	364D	3Y	5Y	10Y	15Y	20Y
Current	4.67%	4.95%	5.16%	5.41%	5.61%	5.73%	6.00%	6.07%
-1M	4.43%	4.66%	4.87%	5.31%	5.40%	5.75%	5.88%	5.99%

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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	50.2	52.7	54.4	51.0	92.9	100.1	2.4%	4.25% - 4.50%	4.2%
Germany	48.3	46.5	50.9	51.1	92.0	90.0	2.2%	2.4%	6.2%
France	48.5	45.8	47.9	45.3	92.0	93.0	0.8%	2.4%	7.3%
UK	44.9	46.9	52.5	51.0	-19.0	-20.0	2.6%	4.5%	4.4%
Japan	48.4	49.0	50.0	53.7	34.0	34.1	3.6%	0.5%	2.4%
China	51.2	50.8	51.9	51.4	NA	88.4	-0.1%	4.4%	4.0%
India	58.1	56.3	58.5	59.0	NA	NA	3.3%	6.0%	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	246.01	+0.3%	+0.9%	+3.8%	0.3%
SBM Yield Fund	MUR	Global fixed income	11.46	-0.2%	-0.3%	+0.2%	8.0%
SBM Universal Fund	MUR	Multi-asset	36.24	-2.5%	-1.2%	+7.4%	6.4%
SBM Growth Fund	MUR	Global equities	16.86	-4.2%	-3.2%	+6.4%	10.7%
SBM India Opportunities Fund (Class B)	USD	Indian equities	91.78	+8.4%	-8.4%		

Commentary

Local indices witnessed a pullback for the month ended Mar-25 with the SEMDEX closing at 2,486.62 points while the DEMEX ended at 233.84 points; equivalent to respective returns of -1.7% and -1.3%. The main leaders, that is, companies which contributed to the positive performance of the SEMDEX were SBMH, SHELL and PBL, while the main laggards were IBLL, ENLG and MSE. The top three price performers were MCFI (+11.7%), FINCORP (+11.1%) and SHELL (+6.7%) while the main detractors were MTMD (-12.7%), SUN (-11.3%) and MSE (-11.1%). The price-earnings ratio and dividend yield of the SEMDEX stood at 6.86x and 4.26%, respectively as at 31 March against corresponding figures of 7.09x and 4.05% as at 28 February. Foreigners remained net sellers to the tune of MUR 182.1M (vs. MUR 209.5M in Feb-25), led mainly by MCBG, SBMH and ABCB.

International stock markets extended declines in March as mounting uncertainty surrounding the US tariff policy and prospects of trading partners imposing retaliatory measures dented sentiment and economic outlook; the MSCI World index posted -4.6% MoM.

The S&P 500 index registered -5.8% MoM after concerns of a broader economic slowdown and weakening consumer sentiment weighed on stocks. The index fell into correction mode from its February record high through mid-March before staging a mild recovery by month end. 9 out of the 11 major industry groups recorded negative returns, led by Consumer Discretionary, Information Technology and Communication Services. Value stocks outperformed their growth counterparts, registering -3.1% vs -8.3% MoM. The S&P Global US Purchasing Managers' Index (PMI) declined to 50.2 in March versus a previous reading of 52.7 against a backdrop of falling output and slower order book growth. Cost pressures remained elevated, primarily driven by the impact of tariffs, with input cost inflation surging to its highest level since August 2022. The sharp increase in input prices contributed to higher manufacturing selling prices, with output price inflation accelerating for the fourth consecutive month, reaching a 25-month high.

The Eurostoxx 50 index posted -3.9% MoM on lingering jitters about US tariffs. The DAX 30 and FTSE MIB indices recorded respective performances of -1.7% and -1.6%, while the CAC 40 index registered -4.0%. Eurozone manufacturing PMI rose for the third consecutive month in March to 48.6 (February 2025: 47.6) amid a renewed increase in production volumes across the euro area. Despite a sharp decline in oil and gas prices, input costs intensified in March, maintaining the positive inflationary trend observed since the beginning of the year. In the UK, the FTSE 100 index posted -2.6%. The deterioration in manufacturing activity deepened with output contracting at the quickest pace since October 2023 - PMI fell to a 17-month low of 44.9 in March, down from 46.9 in February. Worries about the government policy, rising costs and potential trade tariffs impacted on business confidence, with the gauge falling to its weakest level since November 2022.

The Nikkei 225 index posted -4.1% MoM as Japanese automakers and other exporters came under pressure following the Trump administration's announcement of a 25% tariff on auto imports into the US, set to take effect from April 3. The Japanese manufacturing sector slipped deeper into contraction zone as subdued domestic and international demand led to output and new orders falling sharply. The headline PMI hit a 1-year low of 48.4 in March against a previous month's reading of 49.0, falling further below the 50-mark. Cost pressures remained elevated due to higher cost of labour, materials, energy and transport costs.

Emerging outperformed developed markets' equities after the MSCI Emerging Markets index recorded 0.4% in March. The CSI 300 index registered -0.1% MoM in local currency and 0.2% in USD. Chinese manufacturing activity accelerated for a third straight month, supported by a sustained rise in new orders. The headline index improved to a 4-month high of 51.2 in March, up from 50.8 in February. In India, the BSE Sensex reversed most of its 2025 losses with the index rallying by 5.8% MoM, driven by a return of foreign inflows and improving economic indicators. The manufacturing sector remained robust, driven by a stronger increase in total sales, which supported a sharper rise in output – PMI climbed to an 8-month high of 58.1 in March versus 56.3 in February.

At the fixed income level, the Barclays Aggregate Bond index gained 0.6% in March amidst rising concerns over economic activity but partially offset by higher inflation expectations. 10-year US Treasury yield remained unchanged at 4.21% in March as downside risks to growth were offset by higher inflation expectations. The Fed unanimously voted to hold the target Fed Funds rate unchanged at 4.50%-4.75% range at its March Federal Open Market Committee (FOMC) meeting. The ECB decided to lower the three key ECB interest rates by 25bps at its March meeting. Accordingly, the interest rates on the deposit facility, the main refinancing operations and the marginal lending facility were lowered to 2.50%, 2.65% and 2.90%, respectively.

On the commodity side, the S&P GSCI index added 2.9% in March primarily driven by strong gains within the precious metals segment, with gold and silver recording notable price jumps. The corresponding price of the Brent and WTI increased by 2.1% and 2.5% whereas the price of natural gas edged up by 7.4%. Within industrial metals, copper rallied by 11.5% while silver surged by 9.4%. Gold hit a new all-time high of \$3123.57 an ounce, registering a gain of 9.3% MoM - central bank buying and investor demand for safe haven assets amidst rising geopolitical and

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