

Monthly Market Wrap

I June 2025

Equity index returns (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y	5Y Std Dev
S&P 500	+5.0%	+10.6%	+5.5%	+5.5%	+13.6%	+63.9%	+100.1%	16.3%
MSCI World	+4.2%	+11.0%	+8.6%	+8.6%	+14.7%	+58.1%	+82.9%	15.9%
MSCI World Small Cap	+4.6%	+11.0%	+6.4%	+6.4%	+12.6%	+34.2%	+55.8%	18.5%
MSCI Europe	-1.4%	+1.1%	+6.5%	+6.5%	+5.3%	+32.4%	+50.8%	13.6%
MSCI EM	+5.7%	+11.0%	+13.7%	+13.7%	+12.6%	+22.2%	+22.9%	16.2%
MSCI AC Asia	+4.1%	+11.7%	+12.0%	+12.0%	+12.7%	+28.7%	+28.8%	15.1%
SEMDEX	-4.4%	-7.1%	-3.9%	-3.9%	+9.5%	+8.5%	+38.9%	11.8%
DEMEX	-1.0%	-4.2%	-5.1%	-5.1%	-7.4%	-24.3%	+8.3%	10.3%

Fixed income index returns (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y	5Y Std Dev
Barclays Global Aggregate Bond	+1.9%	+4.5%	+7.3%	+7.3%	+8.9%	+8.5%	-5.7%	7.9%
Barclays US Aggregate Bond	+1.5%	+1.2%	+4.0%	+4.0%	+6.1%	+7.8%	-3.6%	6.4%
Barclays High Yield bond	+2.3%	+4.9%	+6.8%	+6.8%	+13.0%	+39.7%	+31.6%	8.3%
JP Morgan EMU IG Bond	-0.2%	+1.8%	+0.6%	+0.6%	+4.4%	+2.1%	-10.6%	6.3%
JP Morgan EM Bond	+2.5%	+3.5%	+5.6%	+5.6%	+9.8%	+28.1%	+7.9%	9.8%
FTSE Asian Broad Bond	+1.4%	+1.8%	+4.4%	+4.4%	+7.5%	+17.1%	+5.6%	5.9%

Commodity prices

Commodity	Current \$	1M
WTI Crude Oil / Bbl	65.11	<div></div> ↑7.1%
Brent Crude Oil / Bbl	67.61	<div></div> +5.8%
Natural Gas / mmBtu	3.46	<div></div> +0.3%
Copper / oz	503.00	<div></div> ↑7.5%
Silver / oz	36.11	<div></div> ↑9.5%
Gold / oz	3,303.14	<div></div> +0.4%

SEMDEX sector performance (%)

Index	Weight	1M
Financials	48.0%	<div></div> -6.2%
Commerce	11.1%	<div></div> -2.3%
Industry	5.6%	<div></div> -1.9%
Investments	20.0%	<div></div> -2.1%
Leisure & Hotels	8.7%	<div></div> -6.0%
Property	3.1%	<div></div> +0.3%
ICT	3.1%	<div></div> -2.6%
Sugar	0.4%	<div></div> -2.2%
Foreign	0.1%	<div></div> 0.0%

Secondary market yields - GoM

Tenor	91D	182D	364D	3Y	5Y	10Y	15Y	20Y
Current	4.38%	4.57%	4.92%	5.20%	5.34%	5.62%	5.99%	6.09%
-1M	4.60%	4.84%	5.06%	5.25%	5.40%	5.64%	5.95%	6.09%

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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	52.9	52.0	52.9	53.7	97.2	98.4	2.7%	4.25% - 4.5%	4.1%
Germany	49.0	48.3	49.7	47.1	94.0	92.0	2.0%	2.2%	6.3%
France	48.1	49.8	49.6	48.9	89.0	88.0	1.0%	2.2%	7.4%
UK	47.7	46.4	52.8	50.9	-19.0	-20.0	3.6%	4.3%	4.7%
Japan	50.1	49.4	51.7	51.0	33.5	32.6	3.3%	0.5%	2.5%
China	50.4	48.3	50.6	51.1	NA	NA	0.1%	4.4%	4.0%
India	58.4	57.6	60.4	58.8	NA	NA	2.1%	5.5%	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	247.96	+0.3%	+0.8%	+3.7%	0.3%
SBM Universal Fund	MUR	Multi-asset	36.73	+0.3%	+1.4%	+6.5%	6.4%
SBM Growth Fund	MUR	Global equities	17.44	+0.5%	+3.5%	+6.5%	10.6%
SBM India Opportunities Fund (Class B)	USD	Indian equities	100.77	+3.1%	+9.8%		

Commentary

Local indices retreated with the SEMDEX and DEMEX closing at 2,309.00 and 224.03 points, equivalent to respective returns of -4.4% and -1.0%. The main leaders, that is, companies which contributed to the positive performance of the SEMDEX were ROGERS, MSE and ABCBH while the main laggards were MCBG, SUN and IBLL. The top three price performers were ASL (+16.4%), ABCBH (+12.0%) and HWF (+6.4%), while the main detractors were MUAL (-17.4%), HMALLAC (-17.4%) and SUN (-16.2%). The price-earnings ratio and dividend yield of the SEMDEX stood at 6.37x and 4.80%, respectively as at 30 June against corresponding figures of 6.59x and 4.60%, as at 31 May. Foreign investors turned sellers to the tune of MUR 229.4M (vs. net buyer of MUR 9.5M in May-25), driven mainly by MCBG, SBMH and ENLG.

Global equity markets extended their rebound in June, supported by easing trade tensions, resilient corporate earnings expectations and improving risk appetite across major regions. The MSCI World Index advanced by 4.2% MoM, led by robust gains in US and Japan, alongside selective strength in emerging markets.

In the United States, the S&P 500 rose by 5.0% in June, marking a strong recovery, driven by receding Middle East tensions, a stable US economy amid subdued inflation and optimism surrounding potential trade agreements with major partners. The tech sector commanded the bulk of the gains, mirroring the rally at the beginning of the year. 9 out of the 11 major industry groups recorded positive returns, led by Information Technology, Communication Services and Energy. Growth stocks outperformed their value counterparts, registering 6.3% vs 3.5% MoM. Headline CPI came in at 2.4% YoY in May 2025, up from 2.3% in April, marking the first acceleration in annual inflation since January – the modest rise in inflation was primarily driven by housing costs with the shelter index rising by 0.3% in May. The S&P Global US Manufacturing Purchasing Managers' Index (PMI) increased from 52.0 in May to 52.9 in June, as sustained growth in the order book led to a solid upturn in output, marking the sixth consecutive month in which the index has posted above the 50-mark.

European equities retreated in June, weighed down by rising political uncertainty in France and mixed economic data; the EuroStoxx 50 registered -1.2% MoM, led by broad-based weakness across the region. France's CAC 40 fell by 1.1% primarily due to escalating political uncertainty and weakening economic indicators, while the DAX and FTSE MIB indices declined 0.4% and 0.7%, respectively. Nonetheless, Eurozone Manufacturing PMI rose to a 34-month high of 49.5, signalling tentative recovery. In the UK, the FTSE 100 posted -0.1% in June though PMI data showed the manufacturing sector contracting at a slower pace, hinting at early signs of stabilisation.

Japanese equities rallied strongly, with the Nikkei 225 gaining 6.6% MoM, led by strong tech sector gains and a tailwind from the weakening yen. The headline PMI rose to 50.1, up from 49.4 in May amid a fresh rise in output. Demand conditions, however, remained subdued in June with manufacturers recording a decline in overall new orders.

Emerging markets equities outperformed developed markets' equities with the MSCI Emerging Markets index recording 5.7% MoM. Indian equities trended higher, with the BSE Sensex advancing 2.6% amidst upbeat economic data and continued FPI inflows. The manufacturing PMI remained in expansionary territory, reaching a 14-month high of 58.4 in June (May-25: 57.6). The CSI 300 index registered 2.5% MoM in local currency and 3.0% in USD terms, supported by targeted policy support and stabilisation in housing activity. Manufacturing PMI came in at 50.4 in June, up from 48.3 in May, supported by higher new order inflows.

In fixed income, the Barclays Global Aggregate Bond Index returned 1.9% in June. The US 10-year Treasury yield declined by 17bps, reaching 4.23%, on the back of softer US economic data and more dovish rhetoric from certain U.S. Federal Reserve officials. In June, the European Central Bank (ECB) reduced its key interest rates by 25bps, bringing the deposit facility rate to 2.00%, the main refinancing operations rate to 2.15%, and the marginal lending facility rate to 2.40%, marking the eighth consecutive rate cut since June 2024, as it aims to support the eurozone economy amid easing inflation and ongoing trade uncertainties.

Commodities posted broad-based gains in June with the S&P GSCI index gaining 4.5% MoM, driven by industrial metals and energy. Oil prices were volatile amid geopolitical tensions and supply concerns – Brent and WTI registered corresponding monthly returns of 5.8% and 7.1%. The price of Natural Gas was relatively flat. Within industrial metals, the price of copper surged by 7.5%, extending its rally on expectations of restocking demand in China and constrained mine supply while silver gained 9.5%, driven by robust industrial demand and supply deficits. Gold advanced by 0.4% to USD 3,303.14 per ounce, supported by safe-haven flows during the Israel-Iran tensions, though gains were tempered post-ceasefire. The subsequent ceasefire however reduced risks, tempering further gains.

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