

## Weekly Market Commentary (16.10.2026)

### Local Highlights

The **SEMDEX** was down by 1.08% over the week, with total market turnover (TMT) falling by 62.1% w/w. Trading activity on the equity board was geared towards **MCBG**, which made up 39.7% of TMT, followed by **PBL** (9.7%) and **NMHL** (6.9%). Overall, foreigners were **net purchaser** to the tune of Rs 27.5m. Accounting only for SEMDEX constituents, foreigners were net purchaser to the tune of Rs 30.8m, with **MCBG** being the main driver of foreign purchase, registering a net inflow of Rs 44.4m.

On the banking front, **MCBG** fell 0.21% to close the week at Rs 467.75, while **SBMH** fell 0.98% to Rs 6.06.

Within the conglomerate space, **ERL** fell 0.26% to Rs 19.05. **IBLL** also fell 0.95% to Rs 20.75. Likewise, **CIEL** edge down by 0.26% to close the week at Rs 7.56.

Sugar conglomerates closed in the red with **ALTG** (-6.19%) and **TERA** (-1.33%) ending the week at Rs 10.60, and Rs 18.50 respectively.

As for the property sector, **UTDL** rose 1.64% to Rs 93.00, while **ASCE** fell by 0.57%, closing the week at Rs 17.50.

Among hotels, **LUX** (-0.91%) and **SUN** (-1.02%) closed lower at Rs 48.95 and Rs 48.75, respectively. In contrast, **NMHL** rose 2.19% to Rs 14.00.

Regarding industrial stocks, **PBL** fell 18.52% to Rs 44.00. Similarly, **MOR** fell 4.48% to Rs 16.00.

Investment trusts ended the week in the mixed with **POL** (+2.29%), **NITL** (+2.59%) and **MDIT** (-0.53%) closing at Rs 3.58, Rs 9.50 and Rs 1.88, respectively.

On the commodities side, **NewGold ETF - MUR** fell by 2.78% to close at Rs 1,890.00.

### Top Performers

|                          |         |
|--------------------------|---------|
| <b>NIT</b>               | + 2.59% |
| <b>POLICY</b>            | + 2.29% |
| <b>NMH</b>               | + 2.19% |
| <b>Afreximbank - USD</b> | + 2.05% |
| <b>ASL</b>               | + 2.04% |

### Main Detractors

|                          |          |
|--------------------------|----------|
| <b>PBL</b>               | - 18.52% |
| <b>Alteo</b>             | - 6.19%  |
| <b>Moroil</b>            | - 4.48%  |
| <b>NewGold ETF - MUR</b> | - 2.78%  |
| <b>MUA</b>               | - 2.33%  |

### Most Traded Stocks % of TMT

|                     |       |
|---------------------|-------|
| <b>MCB Group</b>    | 39.7% |
| <b>PBL</b>          | 9.7%  |
| <b>NMH</b>          | 6.9%  |
| <b>SBM Holdings</b> | 3.3%  |
| <b>Terra</b>        | 3.2%  |

### Communiqués

- Stock Exchange of Mauritius** - Appointment of a Chief Executive Officer

On 12.10.2026, the Stock Exchange of Mauritius Ltd (SEM) has announced that the SEM Board has appointed Mr. Tim Hogben as Chief Executive Officer of the SEM, effective 2 December 2026, subject to regulatory approval.

- CIM Financial Services Ltd** - Listing of MUR 1 Billion Notes on the SEM

On 12.10.2026, CIM Financial Services Ltd announced that the Listing Executive Committee of the Stock Exchange of Mauritius approved the listing of a new series of notes on the Official Market of the SEM. The notes, amounting to MUR 1 billion, are senior secured, carry an interest rate of 5.15% and mature on 07 October 2027. The notes are rated AA+ with a stable outlook by CARE Ratings (Africa) Private Limited and were listed on 13 October 2026. The subscribers are financial institutions, and it is not anticipated that the notes will be traded.

International News – US Market

Wall Street started the week on a mixed note, as rising oil prices and caution ahead of third-quarter corporate earnings and key economic data weighed on investor sentiment. Oil prices jumped following attacks on Riyadh’s international airport, renewing inflation concerns amid elevated Treasury yields. The Dow Jones gained 0.38%, while the S&P 500 and Nasdaq declined 0.06% and 0.44%, respectively.

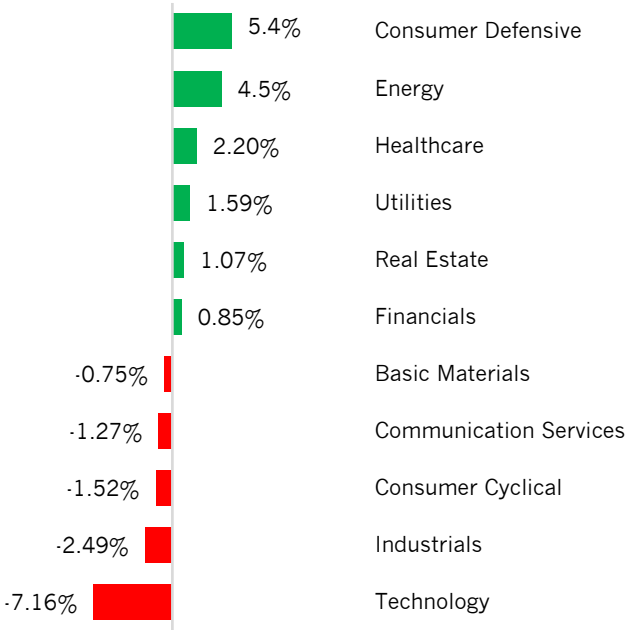
U.S. equities declined on Tuesday as semiconductor stocks extended their losses amid concerns over increasing Chinese competition and elevated valuations in the AI sector. Investors also assessed mixed earnings results from major U.S. banks, with Citigroup and Goldman Sachs declining despite exceeding profit estimates, while JPMorgan Chase reported a rare profit miss. The Dow Jones fell 0.35%, while the S&P 500 and Nasdaq slipped 0.02% and 0.15%, respectively.

Wall Street suffered a sharp selloff on Wednesday after hotter-than-expected September consumer inflation data reinforced expectations of further interest rate hikes by the Federal Reserve. Rising gasoline costs and broader price pressures pushed the probability of an October rate hike to 37%, up from 22% the previous day. AI-related stocks were particularly affected by concerns over higher borrowing costs, with Oracle falling 8.8%, while CoreWeave and Nebius declined 15% and 10%, respectively. The Dow Jones edged down 0.09%, while the S&P 500 and Nasdaq declined 1.11% and 1.88%, respectively.

U.S. equities rebounded on Thursday as investors shifted away from AI-related technology stocks towards defensive sectors, particularly healthcare and consumer staples, amid persistent inflation and interest rate concerns. However, semiconductor stocks remained under pressure, with Nvidia declining 1.8% after TSMC issued a cautious outlook for 2027 despite reporting record quarterly profits. Meanwhile, September producer prices rose by the most in four-and-a-half years, reinforcing concerns that inflationary pressures were extending beyond energy. The Dow Jones rose 1.08%, while the S&P 500 and Nasdaq gained 0.33% and 0.08%, respectively.

Wall Street ended the week sharply lower on Friday as renewed concerns over AI-related investments, rising borrowing costs and higher oil prices weighed on investor sentiment. Oil prices jumped more than 3% amid Middle East supply concerns, while debt-laden AI infrastructure companies faced increasing scrutiny over their ability to generate sufficient profits to meet financing obligations. Meanwhile, stronger-than-expected consumer and producer inflation data during the week reinforced expectations of further monetary tightening, although markets increasingly anticipated that the Federal Reserve would leave interest rates unchanged in October. The Dow Jones declined 0.55%, while the S&P 500 and Nasdaq fell 1.22% and 2.19%, respectively.

1 Week Performance



Valuation

|                        | Forward P/E | PEG  | P/FCF  |
|------------------------|-------------|------|--------|
| Basic Materials        | 14.27       | 1.11 | 22.58  |
| Communication Services | 19.50       | 0.96 | 36.66  |
| Consumer Cyclical      | 19.83       | 1.19 | 40.46  |
| Consumer Defensive     | 21.05       | 2.93 | 23.25  |
| Energy                 | 12.07       | 0.93 | 14.95  |
| Financial              | 13.75       | 1.25 | 9.56   |
| Healthcare             | 18.85       | 2.24 | 22.83  |
| Industrials            | 27.28       | 1.83 | 34.01  |
| Real Estate            | 27.97       | 2.80 | 21.59  |
| Technology             | 19.97       | 0.76 | 34.85  |
| Utilities              | 15.85       | 1.75 | 143.55 |

Earnings Calendar

|            | Time (GMT+4) | Ticker | Company                                     | Estimate EPS (USD) |
|------------|--------------|--------|---------------------------------------------|--------------------|
| 20.10.2026 | 17.30        | GE     | GE Aerospace                                | 2.01               |
| 21.10.2026 | 00.00        | SPCX   | Space Exploration Technologies Corp         | 0.14               |
| -          | 00.01        | NFLX   | Netflix, Inc.                               | 0.82               |
| 22.10.2026 | 00.01        | META   | Meta Platforms, Inc.                        | 6.58               |
| -          | 00.00        | TSLA   | Tesla, Inc.                                 | 0.45               |
| -          | 15.00        | PG     | Procter & Gamble Company                    | 1.88               |
| -          | 00.08        | IBM    | International Business Machines Corporation | 2.86               |

# The Week's Defining Stocks

## Citigroup Inc. (C)

Citigroup reported third-quarter net income of \$5.2 billion, or \$2.85 per share, on revenue of \$23.85 billion, exceeding the consensus earnings estimate of \$2.65 per share. However, compared with the second quarter, revenue declined 4%, while net income fell 10%. Return on tangible common equity also decreased to 11.5% from 13.0%. Investment banking revenue declined 13% quarter-on-quarter to \$1.35 billion, with equity underwriting fees falling 19% and debt underwriting fees decreasing 18%. Markets revenue also dropped 13% to \$6.11 billion. Looking ahead, Chief Financial Officer Gonzalo Luchetti indicated that fourth-quarter Markets revenue could decline by approximately 20% or slightly more, broadly in line with or exceeding the decline recorded in the previous year. Meanwhile, the bank recorded a provision for credit losses of \$2.6 billion, including a \$369 million net reserve build related to the macroeconomic outlook and portfolio growth.

## Goldman Sachs Group Inc. (GS)

Goldman Sachs reported net revenue of \$18.68 billion, representing a 23% year-on-year increase, while net earnings reached \$5.29 billion. Diluted earnings per share stood at \$17.01, exceeding analysts' expectations of \$13.09, while revenue surpassed the consensus estimate of \$16.75 billion. The bank also recorded an annualised return on equity of 18.7%. Revenue growth was primarily driven by a 32% increase in Global Banking & Markets revenues, supported by a 72% surge in equities revenues. This performance was underpinned by strong activity in prime and portfolio financing, alongside increased demand for equity derivatives. Meanwhile, investment banking fees rose 21%, reflecting higher advisory revenues following an increase in completed mergers and acquisitions. The strong performance in equities financing and derivatives also pointed to improved trading activity across Wall Street. However, following the initial rally, Goldman Sachs shares pared their gains to close at \$893.47, up 0.1% from the previous close.

## JPMorgan Chase & Co. (JPM)

JPMorgan reported net income of \$15.3 billion, or \$5.57 per share, below analysts' expectations of \$5.90 per share. Net revenue increased 8% year-on-year to \$50.2 billion, compared with \$46.4 billion a year earlier. The bank also recorded \$658 million in securities losses amid a worsening bond market selloff. Excluding these losses, earnings stood at \$5.75 per share. Trading revenue rose 15% year-on-year to \$10.3 billion, while dealmaking fees increased 14%, although both declined compared with the previous quarter. Meanwhile, net interest income rose 13% to \$27 billion, prompting the bank to raise its full-year guidance by \$1 billion to \$97.5 billion, excluding its markets business. Consumer spending remained resilient despite rising interest rates, with average credit card loans increasing 7% and card charge-offs declining to 2.91% from 3.15%. However, CEO Jamie Dimon cautioned that large fiscal deficits, persistent inflation, elevated asset prices, rising interest rates and geopolitical conditions continued to pose risks to the economic outlook.

### Citigroup Inc.

Closing Price (16.10.2026) **\$124.26**

#### Performance

|         |         |
|---------|---------|
| 5 Day   | - 5.81% |
| 1 Month | - 7.99% |
| YTD     | + 6.49% |

### Goldman Sachs Group Inc.

Closing Price (16.10.2026) **\$881.26**

#### Performance

|         |         |
|---------|---------|
| 5 Day   | - 1.42% |
| 1 Month | - 8.14% |
| YTD     | + 0.26% |

#### Analyst Estimates

|                        |                   |
|------------------------|-------------------|
| Average Recommendation | <b>Overweight</b> |
| Median Target Price    | <b>\$1,070.29</b> |

### JPMorgan Chase & Co.

Closing Price (16.10.2026) **\$339.72**

#### Performance

|         |         |
|---------|---------|
| 5 Day   | + 1.62% |
| 1 Month | - 3.50% |
| YTD     | + 5.43% |

#### Analyst Estimates

|                        |                   |
|------------------------|-------------------|
| Average Recommendation | <b>Overweight</b> |
| Median Target Price    | <b>\$374.20</b>   |

# The Week's Defining Stocks

## Wells Fargo & Co. (WFC)

Wells Fargo reported third-quarter 2026 revenue of \$21.87 billion, below analysts' expectations of \$22.33 billion, representing a 2.1% miss. However, GAAP earnings per share reached \$1.87, marginally exceeding the consensus estimate of \$1.86. Net interest income increased 4.7% year-on-year to \$12.52 billion, although it fell short of analysts' expectations of \$12.64 billion. Meanwhile, the bank's net interest margin stood at 2.4%, in line with estimates. The efficiency ratio reached 63%, compared with the expected 62%, while tangible book value per share remained flat year-on-year at \$44.46, below the consensus estimate of \$46.68. Wells Fargo's revenue growth has remained relatively modest in recent years, averaging 2.7% annually over the past five years and 2.8% over the past two years. Net interest income accounted for approximately 55.5% of total revenue over the last five years, reflecting the bank's reliance on both lending and non-lending activities.

## CoreWeave Inc. Cl A (CRWV)

CoreWeave shares came under pressure amid growing investor concerns over the company's substantial debt burden and the sustainability of AI infrastructure spending, triggering a broader selloff in AI-related stocks. The Nvidia-backed cloud computing company has approximately \$50 billion in debt, raising concerns over its ability to finance expansion and generate sufficient returns. The yield on CoreWeave's bonds reached around 15%, while the cost of insuring its debt against default climbed to approximately 1,000 basis points, implying a nearly 63% probability of default over five years, compared with around 30% a year earlier. Despite an agreement under which Nvidia will purchase CoreWeave's unsold computing capacity through April 2032, investors remained cautious. CoreWeave had previously raised its annual capital expenditure forecast by \$4 billion to as much as \$39 billion, while analysts expect revenue of nearly \$13 billion and a net loss of \$2.13 billion this year. Meanwhile, research firm Gartner warned that approximately 80% of newer cloud providers could shut down by 2030 amid concerns over excessive AI infrastructure investment. However, CoreWeave CEO Mike Intrator maintained that the company's deal backlog more than covers its debt obligations.

## Tesla Inc. (TSLA)

Tesla CEO Elon Musk unveiled the redesigned Roadster on October 15 at SpaceX's facility in Waco, Texas. The vehicle features compressed-air thruster technology developed in collaboration with SpaceX engineers, enabling it to briefly lift off the ground, drive upside down using a suction-fan system and accelerate from 0 to 60 mph in under one second. Production is targeted for 2028, with pre-orders requiring a \$5,000 deposit. Meanwhile, Barclays analysts suggested that a potential Tesla-SpaceX merger could be announced before Tesla's annual shareholder meeting, expected by December 6, 2026. The proposed combination would primarily focus on integrating AI technologies across both companies. Separately, institutional asset manager Assenagon acquired more than 870,000 Tesla shares ahead of the company's third-quarter earnings announcement scheduled for October 21.

### Wells Fargo & Co.

Closing Price (16.10.2026) **\$83.87**

#### Performance

5 Day **+ 0.66%**  
1 Month **- 3.09%**  
YTD **- 10.01%**

#### Analyst Estimates

Average Recommendation **Overweight**  
Median Target Price **\$97.10**

### CoreWeave Inc. Cl A

Closing Price (16.10.2026) **\$61.39**

#### Performance

5 Day **- 23.51%**  
1 Month **- 28.14%**  
YTD **- 14.27%**

#### Analyst Estimates

Average Recommendation **Overweight**  
Median Target Price **\$140.84**

### Tesla Inc.

Closing Price (16.10.2026) **\$354.72**

#### Performance

5 Day **- 6.17%**  
1 Month **- 5.48%**  
YTD **- 21.12%**

#### Analyst Estimates

Average Recommendation **Overweight**  
Median Target Price **\$382.70**