

Weekly Market Commentary (24.07.2026)

Local Highlights

The **SEMDEX** was up by 0.56% over the week, with the total market turnover decreasing by 9.4% w/w. Trading activity on the equity board was geared towards **MCBG**, which made up 50.9% of TMT, followed by **SBMH** (8.6%) and **IBLL** (2.4%). Overall, foreigners were **net purchaser** to the tune of Rs 16.6m. Accounting only for SEMDEX constituents, foreigners were net buyers to the tune of Rs 17.6m, with **MCBG** being the main driver of foreign purchase, registering a net inflow of Rs 9.4m.

On the banking front, **MCBG** gained 0.81% to close at Rs 436.00. Similarly, **SBMH** gained 1.29%, closing the week at Rs 6.30.

Within the conglomerate space, **ERL** gained 0.51% to Rs 19.55. Likewise, **CIEL** gained 1.79%, closing at Rs 7.96. Contrastingly, **IBLL** fell by 2.95% to Rs 23.00.

Regarding sugar conglomerates, **MTMD** (-2.51%) and **ALTG** (-3.51%) closed lower at Rs 17.50 and Rs 11.00, respectively. In contrast, **TERA** gained 0.27% to Rs 18.50.

As for the property sector, **MSE** fell by 2.92% to Rs 58.25.

Among hotels, **SUN** (+3.78%), and **RIVO** (+0.22%) closed the week higher at Rs 48.00 and Rs 22.40, respectively. Contrastingly, **NMHL** fell by 4.59% to Rs 13.50.

On the consumer finance front, **CIM** was up by 0.67% to close at Rs 15.10. **FINC** was also up by 0.33% to close at Rs 15.10

Regarding industries, following the merger of Camp Investment Company Limited (CICL) and Phoenix Investment Company Limited (PICL) with and into Phoenix Beverages Limited (PBL), the reference price of **PBL** changed to Rs 56.00 on 22.07.2026. Since then, the stock gained 10.71% to close the week at Rs 62.00.

On the commodities side, **NewGold ETF - MUR** gained 6.32% to close at Rs 1,937.10.

Top Performers

PBL	+ 10.71%
NewGold ETF - MUR	+ 6.32%
Sun Resorts	+ 3.78%
PIM	+ 3.02%
Almarys Limited	+ 2.63%

Main Detractors

MCFI	- 9.09%
Lottotech	- 7.29%
NMH	- 4.59%
Alteo	- 3.51%
Moroil	- 3.03%

Most Traded Stocks	% of TMT
MCB Group	50.9%
SBM Holdings	8.6%
IBL Ltd	2.4%
PBL	1.9%
Almarys Limited	1.6%

Corporate Announcement

- **Phoenix Beverages Limited** – Completion of Merger with CICL and PICL.

On 22-Jul-26, further to the cautionary announcements dated 20-Jan-26 and 24-Mar-26, the communiqué dated 22-Apr-26 and the cautionary announcement dated 10-Jul-26, the Board of Phoenix Beverages Limited (PBL) announced that the scheme of arrangement by and among PBL, Camp Investment Company Limited (CICL) and Phoenix Investment Company Limited (PICL) that had been approved by the Supreme Court on 08-Jul-26, has been completed on 22-Jul-26. Following the completion of the Scheme, 206,105,369 ordinary shares of no par value of the Company are in issue.

Dividend Announcement

- On 20-Jul-26, a dividend of US\$0.336 per Depositary Receipt (DR) was approved by **African Export-Import Bank** (Afreximbank) for distribution to the Bank's DR holders, registered at the close of business on 17-Aug-26. DR holders will receive their dividends through the Depositary Bank, SBM Capital Markets Limited, from 28-Aug-26.

International News – US Market

Wall Street started the week on a weaker note as investors remained cautious amid ongoing geopolitical tensions in the Middle East and ahead of a busy week of second-quarter corporate earnings. Market sentiment was weighed by uncertainty surrounding developments in the region, although optimism over potential diplomatic efforts to de-escalate the conflict helped limit losses. The Dow Jones declined 0.59%, while the S&P 500 and Nasdaq edged lower by 0.19% and 0.05%, respectively.

Investor sentiment improved on Tuesday as a strong rebound in semiconductor stocks lifted Wall Street despite continued geopolitical tensions in the Middle East and the announcement of new U.S. tariffs on Canadian imports. The Dow gained 0.74%, while the S&P 500 and Nasdaq advanced 0.89% and 1.29%, respectively.

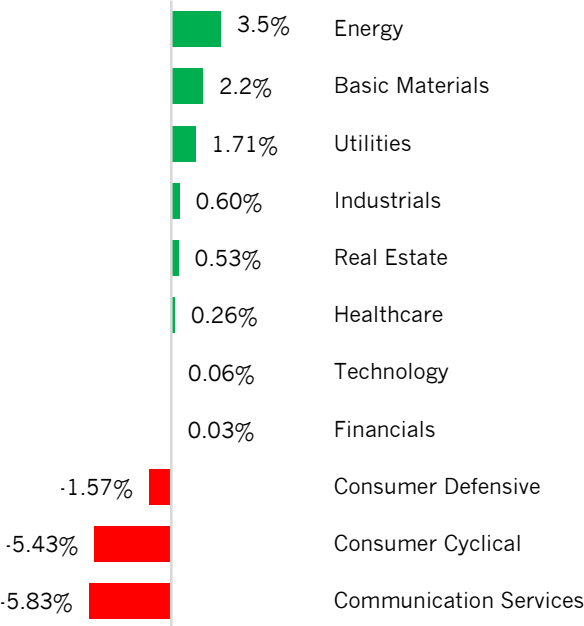
Markets traded lower on Wednesday as investors adopted a cautious stance, while rising oil prices and renewed Middle East tensions weighed on sentiment. Oil prices settled at a six-week high amid escalating threats to shipping in the Red Sea, reviving concerns over inflation and its implications for Federal Reserve policy. By the close, the Dow was virtually unchanged, slipping 0.01%, while the S&P 500 and Nasdaq declined 0.14% and 0.57%, respectively.

Wall Street recorded broad-based losses on Thursday after earnings from Alphabet and Tesla reignited concerns over the sustainability of heavy AI-related capital expenditure, while escalating geopolitical tensions pushed oil prices sharply higher and fuelled inflation worries. Alphabet came under pressure after announcing a significant increase in capital spending despite continued cash burn, while Tesla fell sharply after reporting negative free cash flow for the first time in more than two years. At the same time, Brent crude oil prices rose above US\$100 per barrel following intensified hostilities between the U.S. and Iran, driving bond yields higher and reinforcing expectations that the Federal Reserve would maintain a cautious policy stance. By the close, the Dow fell 0.97%, the S&P 500 lost 1.21%, and the Nasdaq dropped 2.15%.

Trading ended on a mixed note on Friday as continued concerns over rising AI investment costs weighed on technology shares, particularly semiconductor stocks, despite some relief from declining oil prices. Investor sentiment remained cautious ahead of next week's earnings from Microsoft, Apple, Amazon and Meta. Although oil prices fell around 3% after five consecutive days of gains amid renewed hopes for U.S.-Iran peace talks, ongoing Middle East hostilities and the implementation of new U.S. tariffs on imports from 60 trading partners remained key areas of focus. By the close, the Dow gained 0.46%, the S&P 500 edged up 0.05%, while the Nasdaq declined 0.64%.

For the week, the Dow Jones declined approximately 0.4%, while the S&P 500 and Nasdaq fell approximately 0.6% and 2.0%, respectively.

1 Week Performance



Valuation

	Forward P/E	PEG	P/FCF
Basic Materials	13.63	1.16	24.16
Communication Services	27.85	1.55	34.34
Consumer Cyclical	19.44	1.46	40.82
Consumer Defensive	20.34	2.93	23.98
Energy	12.99	1.34	18.39
Financial	14.70	1.48	10.77
Healthcare	18.11	2.09	23.95
Industrials	28.70	2.04	36.85
Real Estate	30.10	2.90	23.62
Technology	25.86	0.88	38.17
Utilities	16.38	1.77	114.13

Earnings Calendar

	Time (GMT+4)	Ticker	Company	Estimate EPS (USD)
27.07.2026	10.00	AZN	AstraZeneca PLC	2.48
28.07.2026	14.55	KO	Coca-Cola Company	0.93
-	15.30	BA	Boeing Company	-0.28
29.07.2026	15.00	PG	Procter & Gamble Company	1.41
30.07.2026	00.00	MSFT	Microsoft Corporation	4.24
-	00.00	META	Meta Platforms, Inc.	7.18
31.07.2026	00.30	AAPL	Apple Inc.	1.89
-	00.01	AMZN	Amazon.com, Inc.	1.81

The Week's Defining Stocks

Alphabet Inc. Cl A (GOOGL)

Alphabet reported stronger-than-expected second-quarter results, with revenue rising 24% year-on-year to US\$119.8 billion and earnings reaching US\$9.11 per share, well above market expectations. Growth was primarily driven by its Google Cloud division, where revenue surged 84% on the back of strong demand for AI infrastructure and AI solutions, while Google Search and YouTube Ads revenue increased 17% and 13%, respectively. Despite the strong financial performance, Alphabet's shares fell after management announced plans to increase its 2026 capital expenditure on AI to between US\$195 billion and US\$205 billion, exceeding previous guidance. The increased investment weighed on free cash flow, which turned to a US\$5.8 billion outflow in the second quarter, raising investor concerns over the substantial costs required to support the company's long-term AI strategy.

Super Micro Computer Inc. (SMCI)

Super Micro Computer's shares surged after the company released a preliminary fiscal fourth-quarter business update highlighting improving profitability and strong demand for its AI server solutions. The company expects gross margins of 15%–17%, nearly double its previous guidance of 8.2%–8.4%, while new orders exceeded US\$60 billion, resulting in a record order backlog. Although quarterly revenue is expected to be at the lower end of its previous guidance range of US\$11.0 billion to US\$12.5 billion, investors focused on the significant improvement in margins and the robust demand for the company's liquid-cooled AI server systems. Investors will now look to the company's full earnings release on 11 August for confirmation of the preliminary results, order conversion and any updates on its recently announced US\$7 billion financing plan to support future growth.

Lockheed Martin Corp. (LMT)

Lockheed Martin reported strong second-quarter results, with revenue increasing 10.5% year-on-year to US\$20.06 billion, while earnings per share rose to US\$7.94, exceeding analysts' expectations. The company's performance was supported by robust demand for its defence products, driving its total order backlog to a record US\$230.4 billion, up 38.4% from a year earlier. Lockheed Martin also generated US\$2.92 billion in free cash flow during the quarter. Reflecting the strong operating performance and sustained demand, management raised its full-year revenue and earnings guidance. The results reinforced investor confidence that heightened geopolitical tensions and increased global defence spending continue to support the company's long-term growth prospects, sending the stock more than 10% higher following the earnings release.

All the stocks mentioned in this report are available for trading through Swan Securities Ltd.

Alphabet Inc. Cl A

Closing Price (24.07.2026)	\$319.74
<i>Performance</i>	
5 Day	- 9.16%
1 Month	- 9.59%
YTD	+ 2.15%
<i>Analyst Estimates</i>	
Average Recommendation	Buy
Median Target Price	\$430.76

Super Micro Computer Inc.

Closing Price (24.07.2026)	\$30.10
<i>Performance</i>	
5 Day	+ 26.31%
1 Month	+ 6.93%
YTD	+2.84%
<i>Analyst Estimates</i>	
Average Recommendation	Hold
Median Target Price	\$37.13

Lockheed Martin Corp.

Closing Price (24.07.2026)	\$582.60
<i>Performance</i>	
5 Day	+ 14.34%
1 Month	+ 16.04%
YTD	+ 20.45%
<i>Analyst Estimates</i>	
Average Recommendation	Overweight
Median Target Price	\$623.53