

Weekly Market Commentary (05.12.2025)

Local Highlights

The **SEMDEX** gained 0.93% over the week, following an increase of 43.3% w/w in the total market turnover (TMT). Overall, foreigners were net sellers to the tune of Rs 95.2m. Accounting only for SEMDEX constituents, foreigners were net sellers to the tune of Rs 91.8m, with **MCBG** being the main driver of foreign sales, registering a net outflow of Rs 92.2m. As usual, trading activity on the equity board remained geared towards **MCBG**, which made up 44.6% of TMT, followed by **CIEL** (13.9%) and **ERL** (6.9%)

On the banking front, **SBMH** gained 5.20% over the week to close at Rs 6.88. Likewise, **MCBG** gained 0.45%, closing the week at Rs 442.00.

On the sugar conglomerate side, **TERA** fell by 0.52%, closing the week at Rs 19.10. Contrastingly, **ALTG** gained 4.70% to Rs 12.25.

Among hotels, **LUX** closed higher by 10.44% at Rs 55.00. Likewise, **SUN** gained 0.83% over the week, closing at Rs 42.55. Contrastingly, **NMH** fell by 3.24% to Rs 13.45.

On the commodities side, **New Gold-MUR** fell by 3.05% to Rs 1,846.00.

On the property counter, **ENLG** fell by 1.86% to Rs 6.34. Likewise, **MSE** fell by 0.37% to Rs 67.50. Contrastingly, **ASCE** gained 0.26% to close at Rs 19.00.

Within the conglomerate space, **ERL** fell by 2.49% to Rs 21.50. **IBLL** also fell by 0.81% to close the week at Rs 30.65. Contrastingly, **CIEL** gained 1.83% to Rs 8.90.

Top Performers

Lux	10.44%
Cim	9.38%
SBM Holdings	5.20%
Alteo	4.70%
Bluelife	4.26%

Main Detractors

Grit- USD	-14.29%
Harel Mallac	-5.41%
NMH	-3.24%
New Gold-MUR	-3.05%
MUA	-2.99%

Most Traded Stocks

Most Traded Stocks	% of TMT
MCB Group	44.6%
Ciel	13.9%
ER Group	6.9%
UBP	3.9%
Afrexim Bank	3.2%

Financial Results

Swan General Ltd – Year Ended Dec 2024.

- Insurance revenue increased by 14.0% y/y from Rs 7.0Bn in year ended Dec 2023 to Rs 7.98Bn in year ended Dec 2024.
- Insurance service results increased significantly by 55.0% to Rs 872.3m in Dec 2024, compared to Rs 562.5m in Dec 2023, despite being pressured by inflationary effects, which resulted in the rising cost of claims across major classes of business.
- Profit for the year increased by 77.8% to Rs 1.08bn from Rs 606.5m, driven by significantly improved core insurance performance, resulting in an increase in PAT margin from 8.7% in Dec 2023 to 13.5% in Dec 2024.

Corporate Announcements

• **Emtel Limited** - Conclusion of 29-Year Litigation and Rs 800m Compensation.

On 01-Dec-25, Emtel announced that its 29-year litigation with Mauritius Telecom Ltd and Cellplus Mobile Communications Ltd and the Information and Communication Technologies Authority (ICTA) and its predecessors, has concluded following a negotiated settlement. Following these discussions, Emtel has agreed to a full and final compensation of Rs800m.

• **SBM Holdings Ltd** – Termination of the contract of employment of Mr Premchand Mungar.

On 04-Dec-25, the Board of Directors of SBM Holdings Ltd (SBMH), the ultimate holding entity of SBM Bank (Mauritius) Ltd (SBMBM), announced that at its meeting held on Wednesday 03rd December 2025, the Board of SBMBM has terminated the contract of employment of Mr Premchand Mungar, the Chief Executive of SBMBM, effective 02nd December 2025.

• **Automatic Systems Ltd** – Dividend Declaration.

On 05-Dec-25, Automatic Systems Ltd has declared a final dividend of Rs 2.00 per share. The dividend will be paid on or about 30-Jan-26, to shareholders registered at close of business on 15-Jan-26.

International News – US Market

U.S. equities delivered a steady but cautious performance this week, with markets gradually recovering from recent volatility as investors positioned ahead of next week’s pivotal Federal Reserve meeting. Trading kicked off with a largely directionless session on Monday, as major indexes hovered near the flatline while investors reassessed the near-term outlook after last week’s swings. Despite the muted tone, optimism around another potential Fed rate cut helped the Nasdaq and S&P 500 stabilize, even as traders digested an unexpectedly sharp drop in initial jobless claims to a three-year low—data that complicated expectations for more policy easing. Sector moves were uneven, with hardware stocks rebounding strongly while housing names lagged.

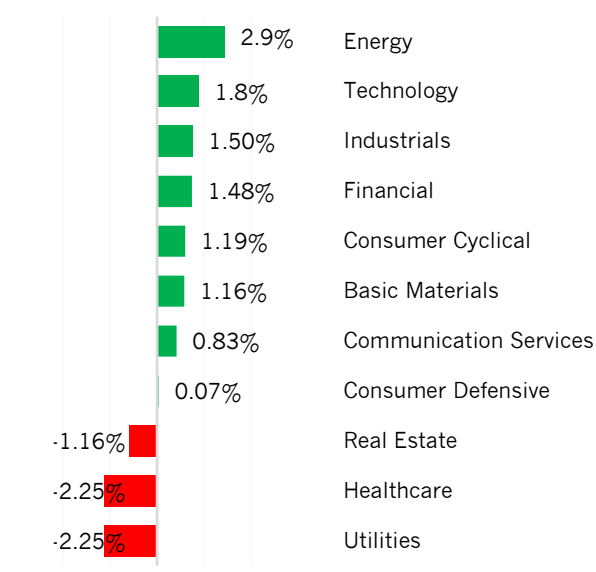
Momentum improved on Tuesday, when major indexes extended their recovery thanks to renewed risk appetite, driven in part by a sharp rebound in Bitcoin and strength in semiconductor shares. Nvidia’s advance boosted broader tech sentiment, and gains in airlines, computer hardware, and telecom stocks helped offset softness in gold and natural gas names. Still, conviction remained limited as traders awaited key labor-market and services-sector data, and rate-cut expectations continued to shift. By late Tuesday, the probability of a December quarter-point cut had climbed to nearly 90%, up sharply from a month earlier.

On Wednesday, U.S. markets moved higher again as softer-than-expected economic data bolstered hopes of imminent Fed easing. ADP reported a surprise decline in private-sector employment, reinforcing the narrative of a cooling labor market. At the same time, ISM data showed an unexpected improvement in services-sector activity, suggesting economic resilience despite softer hiring. The Dow outperformed, boosted by strong gains in UnitedHealth, Goldman Sachs, McDonald’s and Amgen, while Microsoft slid after reports that it had lowered internal AI-sales growth targets. Oil service, airline, and steel stocks rallied, reflecting improving sentiment across cyclical sectors, and Treasury yields drifted lower as traders grew increasingly confident that a rate cut is all but guaranteed next week.

Thursday brought another subdued session as markets paused after several days of steady gains. With traders reluctant to take major positions ahead of Friday’s inflation data and the upcoming Fed meeting, the major indexes ended the day narrowly mixed. Jobless claims dropped sharply again, but investors were hesitant to read too much into seasonal swings. Hardware stocks rebounded strongly, while brokerage names also outperformed. Overall, the week ended with a more constructive tone, underpinned by rising expectations of a December rate cut and a sharp easing in financial-market volatility relative to earlier in the month.

Friday now stands as the definitive catalyst that could set a clear direction for markets. investors are awaiting the first PCE inflation print since late September. The absence of updated inflation data, due to the government shutdown, has left markets navigating in a fog. As a result, Friday is shaping up to be a make-or-break session, with outsized moves expected across homebuilders, chipmakers, and other rate-sensitive sectors.

1 Week Performance



Valuation

	Forward P/E	PEG	P/FCF
Energy	13.81	1.86	13.57
Basic Materials	15.80	1.20	28.40
Financial	15.90	1.60	14.11
Utilities	17.03	2.07	106.35
Healthcare	19.15	1.57	23.69
Consumer Defensive	20.00	3.35	24.21
Industrials	23.27	2.29	30.34
Consumer Cyclical	23.57	1.84	42.59
Technology	26.41	1.61	40.85
Real Estate	30.77	2.49	22.26
Communication Services	35.08	2.29	31.82

Earnings Calendar

	Time (GMT+4)	Company	Ticker	Estimate EPS (USD)
11/12/2025	01.00	Oracle Corporation	ORCL	1.64
-	01.05	Adobe Inc.	ADBE	5.40
12/12/2025	01.05	Lululemon athletica inc.	LULU	2.21
-	01.15	Broadcom Inc.	AVGO	1.87
-	-	Costco Wholesale Corporation	COST	4.28

The Week’s Defining Stocks

Warner Bros Discovery Inc (WBD) — A Seismic Deal That Could Reshape Hollywood

Warner Bros. Discovery has entered exclusive negotiations to sell its film and TV studios and HBO Max streaming service to Netflix, marking what could become one of the most transformative deals in entertainment history. Netflix is reportedly offering a \$5 billion breakup fee if regulators block the transaction, an unusually large commitment that signals its determination to outbid Paramount Skydance and Comcast. The acquisition would give Netflix ownership of HBO, a vast film and series library including Harry Potter, Friends and The Sopranos, and Warner’s historic Burbank studios. Warner plans to complete a spinoff of CNN, TBS and TNT before closing. While Netflix argues the merger could lower consumer prices through bundling, the deal faces significant antitrust concerns, with lawmakers already raising objections.

Amazon.com Inc (AMZN) — Amazon Unveils Trainium 3 to Challenge Nvidia and Google

Amazon announced that its newest AI chip, Trainium 3, is now available and integrated into large-scale “UltraServers,” offering more than four times the compute performance and efficiency of the prior generation. The chips, manufactured by TSMC, are designed to help Amazon reduce dependence on Nvidia hardware while expanding AWS’s role in enterprise AI. Each UltraServer includes up to 144 Trainium 3 chips, and thousands can be linked to form clusters with up to one million chips. Amazon has invested up to \$8 billion in Anthropic, which it still calls its “primary training partner.” Investors are watching to see how Trainium 3 stacks up against Nvidia’s Blackwell and Google’s Ironwood chips. Amazon shares were modestly higher following the announcement, trading near \$235, with investors encouraged by AWS’s push to “democratize access” to high-performance AI compute.

MongoDB Inc (MDB) — MongoDB Surges as Strong Earnings Boost FY Outlook

MongoDB shares soared 23% earlier this week to a 52-week high after the company delivered stronger-than-expected third-quarter earnings and raised its full-year earnings forecast by more than \$1 per share. Revenue rose 19% to \$628.3 million, well above consensus estimates. Despite the AI boom, analysts highlighted that MongoDB’s performance is still almost entirely driven by its core database business, with its AI-related tools (vector search, re-ranking, embedding models) not yet materially contributing to sales. This has increased optimism that further upside may emerge once AI demand accelerates.

Micron Technology Inc. (MU) — Micron Exits Consumer Business to Focus Fully on AI Memory

Micron Technology has announced it will exit its Crucial-branded consumer memory products by February 2026 to redirect resources to high-bandwidth memory (HBM) and other AI-related components. The shift comes as demand for AI hardware accelerates, with HBM chips essential for Nvidia’s latest processors. Micron is competing closely with SK Hynix and Samsung to supply the AI industry, and management said the decision will “improve supply and support for larger, strategic customers.”

Warner Bros Discovery Inc.

Closing Price (04.12.25)	\$24.54
<i>Performance</i>	
5 Day	+2.25%
1 Month	+8.25%
YTD	+132.17%
<i>Analyst Estimates</i>	
Average Recommendation	Overweight
Median Target Price	\$25.00

Amazon.com Inc.

Closing Price (04.12.25)	\$229.11
<i>Performance</i>	
5 Day	-1.76%
1 Month	-6.26%
YTD	+4.43%
<i>Analyst Estimates</i>	
Average Recommendation	Buy
Median Target Price	\$300.00

MongoDB Inc.

Closing Price (04.12.25)	\$396.73
<i>Performance</i>	
5 Day	+19.36%
1 Month	+9.89%
YTD	+70.41%
<i>Analyst Estimates</i>	
Average Recommendation	Overweight
Median Target Price	\$450.00

Micron technology Inc.

Closing Price (04.12.25)	\$226.65
<i>Performance</i>	
5 Day	-4.16%
1 Month	-4.74%
YTD	+169.31%
<i>Analyst Estimates</i>	
Average Recommendation	Buy
Average Target Price	\$233.00