

Weekly Market Commentary (08.05.2026)

Local Highlights

The **SEMDEX** was up by 0.35% over the week, with a decrease of 5.66% w/w in the total market turnover (TMT). Overall, foreigners were **net purchaser** to the tune of Rs 10.5m. Accounting only for SEMDEX constituents, foreigners were net purchaser to the tune of Rs 12.3m, with **MCBG** being the main driver of foreign purchase, registering a net inflow of Rs 13.5m. Trading activity on the equity board was geared towards **MCBG**, which made up 26.6% of TMT, followed by **NMHL** (8.6%) and **CIEL** (5.9%).

On the banking front, **SBMH** gained 4.29%, closing the week at Rs 6.80. Alternatively, **MCBG** closed unchanged at Rs 428.00.

Within the conglomerate space, **ERL** fell by 1.57% to Rs 18.80. Likewise, **IBLL** fell by 0.38% to Rs 26.50. Contrastingly, **CIEL** gained 0.25% to Rs 7.92.

Amid sugar conglomerates, **ALTG** fell by 0.91%, closing at Rs 10.90. Likewise, **TERA** fell by 0.28% to Rs 17.95. **MTMD** also fell by 1.14% to Rs 17.30.

As for the property sector, **MSE** gained 4.72% to Rs 55.50. Likewise, **ASCE** gained 0.83% to Rs 18.15.

Among hotels, **NMHL** (+1.09%) and **SUN** (+0.24%) closed the week higher at Rs 13.95 and Rs 42.00, respectively.

On the ICT front, **EMTL** was up by 0.68% to close at Rs 22.15.

On the commodities side, **NewGold ETF-MUR** gained 3.97% to close at Rs 2,222.89.

Top Performers

Gamma	+ 6.67%
Medine	+ 4.72%
SBM Holdings	+ 4.29%
NewGold ETF- MUR	+ 3.97%
Harel Mallac	+ 3.70%

Main Detractors

Almarys Limited	- 8.93%
Lottotech	- 4.51%
UBP	- 3.30%
BMH	- 2.61%
Fincorp	- 1.67%

Most Traded Stocks % of TMT

MCB Group	26.6%
NMH	8.6%
CIEL	5.9%
Emtel Limited	5.2%
Medine	4.3%

Financial Results

Emtel Limited- QE Mar 2026

- Revenue increased by 6.82% YoY to Rs 1,052.0m in QE Mar 2026, driven by continued customer growth and increased engagement across the mobile, home, enterprise and Fintech services segments.
- Operating profit grew by 12.26% YoY to Rs 270.6m, which led to a slight improvement in its operating margin of 25.7% (vs 24.5% in QE Mar 2025).
- Finance costs fell slightly by 9.92% to Rs 52.8m, resulting in its interest cover improving to 5.1x (vs 4.1x).
- Total tax expense increased for the quarter under review, amounting to Rs 58.2m, with the Fair Share Contribution making up around Rs 12.1m.
- Profit for the period from continuing operations was up by 14.88% to Rs 147.1m, leading to a slight increase in its PAT margin from 13.0% in QE Mar 2025 to 13.98% in QE Mar 2026.
- Net debt stood at Rs 2,710m as at QE Mar 2026, resulting in a net debt to EBITDA of 1.3x.

Sun Limited- QE Mar 2026

- Revenue increased by 31.9% y/y to Rs 1,906.3m in QE March 2026, driven by a 13.6% improvement in RevPAR, despite a Rs 52m revenue loss in March arising from flight cancellations through the Middle East hub linked to US-Iran war.
- EBIT increased by 49.7% y/y to Rs 551.8m in QE March 2026, with EBIT margin rising to 28.9% from 25.5% in QE March 2025.
- Net finance costs increased by 61.1% y/y to Rs 32.5m in QE March 2026, resulting in an interest cover of 17.0x compared to 18.3x in QE March 2025.
- PAT increased by 32.5% y/y to Rs 391.4m in QE March 2026, achieved despite the Group being impacted by additional taxation of Rs 26m (Fair Share Contribution and Alternative Minimum Tax); PAT margin stood at 20.5% compared to 20.4% in QE March 2025.

Dividend Announcement

- On 07-May-26, the Board of **Emtel Limited** has declared an interim dividend of Rs 0.77 per share to all shareholders registered at close of business on 04-Jun-26, in respect of the financial year ending 31-Dec-26. The dividend will be paid on or about 15-Jun-26.

International News – US Market

On Monday, Wall Street closed lower, with the Dow (-1.13%) leading declines, while the S&P 500 (-0.41%) and Nasdaq (-0.19%) also retreated from record levels. Market sentiment weakened after renewed tensions in the Middle East, following reports of an explosion aboard a South Korean ship in the Strait of Hormuz and escalating confrontations involving Iranian forces, which reignited concerns over oil supply disruptions and geopolitical instability. Energy stocks outperformed amid higher oil prices, while industrial and materials sectors weighed on the broader market.

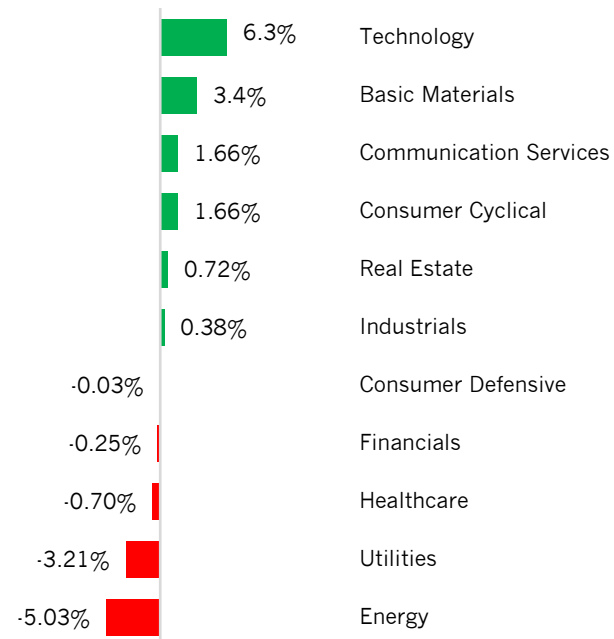
Markets rebounded strongly on Tuesday, with the S&P 500 (+0.81%), Nasdaq (+1.03%), and Dow (+0.73%) all advancing to fresh record closes, as easing geopolitical concerns boosted sentiment. Reports that the U.S.-Iran ceasefire remained intact helped ease fears surrounding the Strait of Hormuz. Data showed U.S. job openings dropped to 6.866 million in March, slightly above the 6.835 million estimates. That reinforced the view that labour market resilience could give the central bank room to keep interest rates higher for longer. The Institute for Supply Management's Non-Manufacturing Purchasing Managers' Index for April came in at 53.6, narrowly missing the estimate of 53.7.

On Wednesday, Wall Street extended gains sharply, with the S&P 500 (+1.46%), Nasdaq (+2.03%), and Dow (+1.24%) all closing notably higher, after Iran said it was reviewing a new U.S. proposal, while sources said Washington and Tehran were closing in on a one-page memorandum to end the war, while leaving tricky issues such as Iran's nuclear program for later. Brent crude futures fell about 8% to \$101 a barrel, helping ease concerns about inflationary pressures. Economic data also remained supportive, with U.S. private payrolls posting their strongest increase in 15 months, reinforcing confidence in the resilience of the U.S. economy.

On Thursday, equities paused following the strong rally earlier in the week, with the S&P 500 (-0.38%), Nasdaq (-0.13%), and Dow (-0.63%) ending lower as chipmakers gave back part of their recent gains and uncertainty surrounding U.S.-Iran negotiations persisted. Markets also continued to assess the Federal Reserve's outlook, with Cleveland Fed President Beth Hammack indicating that the central bank may hold interest rates steady well into the future as it navigates a climate of considerable uncertainty.

By Friday, Wall Street regained momentum, with the S&P 500 (+0.84%) and Nasdaq (+1.71%) closing at fresh record highs, while the Dow edged marginally higher (+0.02%). Data showed U.S. employment increased more than expected in April and the unemployment rate held steady at 4.3%, reinforcing expectations that the Federal Reserve would leave interest rates unchanged for some time. Traders expect the central bank will hold interest rates steady in the 3.50% to 3.75% range until the end of the year. Markets largely looked past renewed clashes between U.S. and Iranian forces, although elevated oil prices continued to keep inflation concerns in focus.

1 Week Performance



Valuation

	Forward P/E	PEG	P/FCF
Basic Materials	14.61	1.28	28.41
Communication Services	33.30	2.17	37.29
Consumer Cyclical	21.86	1.73	46.73
Consumer Defensive	20.86	2.92	24.32
Energy	12.75	1.36	18.25
Financial	13.56	1.38	10.18
Healthcare	16.43	1.99	22.26
Industrials	23.20	1.73	31.75
Real Estate	29.52	3.13	22.93
Technology	27.52	1.27	41.19
Utilities	16.15	1.78	107.43

Earnings Calendar

	Time (GMT+4)	Ticker	Company	Estimate EPS (USD)
13.05.2026	-	TCEHY	Tencent Holding Ltd.	1.06
13.05.2026	17.30	BABA	Alibaba Group Holding Limited	0.89
14.05.2026	00.05	CSCO	Cisco Systems, Inc.	1.04
15.05.2026	00.01	AMAT	Applied Materials, Inc.	2.68

The Week's Defining Stocks

FedEx Corp. (FDX)

FedEx shares declined sharply after Amazon announced the launch of "Amazon Supply Chain Services," a new offering that opens its logistics infrastructure to third-party businesses across sectors such as healthcare, automotive, manufacturing, and retail. The service includes freight, distribution, fulfillment, and parcel shipping capabilities supported by Amazon's extensive logistics network, including over 100 cargo planes, 80,000 trailers, 24,000 intermodal containers, and a broad warehouse and sorting hub infrastructure. Investors viewed the move as a direct competitive threat to traditional logistics providers such as FedEx and UPS, raising concerns over future pricing power, market share, and profit margins within the freight and delivery sector. Additional pressure came from concerns surrounding rising labour costs following a union victory by FedEx Express workers in Fort McMurray.

Advanced Micro Devices Inc. (AMD)

AMD shares surged after the chipmaker reported quarterly earnings and guidance that exceeded market expectations, supported by strong demand linked to artificial intelligence and data centre expansion. CEO Lisa Su highlighted that data centres had become AMD's primary revenue driver, with server revenue expected to grow by more than 70% y/y in the current quarter. Investor sentiment was further boosted by AMD's partnership with Meta, including a USD 60bn chip supply agreement to support additional AI processing capacity. The company also raised its outlook for the broader CPU market, now expecting annual growth of 35% through 2030. AMD reported adjusted earnings per share of USD 1.37 on revenue of USD 10.25bn for Q1 2026, ahead of analyst expectations, while Q2 revenue guidance also exceeded forecasts. Strong growth in AMD's data centre segment, driven by demand for EPYC processors and Instinct GPUs, further reinforced optimism surrounding the company's AI-related growth prospects.

Intel Corp. (INTC)

Intel shares surged after reports that Apple had held exploratory discussions with Intel and Samsung Electronics regarding the production of processors for Apple devices, raising investor optimism about Intel's foundry ambitions and long-term manufacturing prospects. The discussions, although still at an early stage, suggested that Apple may be considering alternatives beyond Taiwan Semiconductor Manufacturing Co. Investor sentiment was further supported by Intel's strong Q1 2026 earnings performance, with adjusted EPS of USD 0.29 significantly ahead of consensus expectations of USD 0.01, while revenue of USD 13.58bn also exceeded forecasts. The company's Q2 guidance similarly came in above market expectations. Additional support came from U.S. regulatory clearance of Intel's investment in AI chip startup SambaNova, as well as new leadership appointments aimed at strengthening Intel's positioning in client computing and physical AI systems. Markets also viewed Intel positively amid expectations of stronger data centre demand and increased cloud-related spending tied to the ongoing expansion of AI infrastructure.

FedEx Corp.

Closing Price (08.05.2026) **\$378.58**

Performance

5 Day **+ 5.81%**
1 Month **+ 1.80%**
YTD **+ 31.06%**

Analyst Estimates

Average Recommendation **Overweight**
Median Target Price **\$414.08**

Advanced Micro Devices Inc.

Closing Price (08.05.2026) **\$455.19**

Performance

5 Day **+ 33.28%**
1 Month **+ 84.41%**
YTD **+ 112.55%**

Analyst Estimates

Average Recommendation **Buy**
Median Target Price **\$442.49**

Intel Corp.

Closing Price (08.05.2026) **\$124.92**

Performance

5 Day **+ 30.42%**
1 Month **+ 91.65%**
YTD **+ 238.54%**

Analyst Estimates

Average Recommendation **Hold**
Median Target Price **\$90.20**

The Week's Defining Stocks

Walt Disney Co. (DIS)

Disney shares rose after the entertainment company reported quarterly earnings that exceeded market expectations and newly appointed CEO Josh D'Amaro outlined his long-term growth strategy focused on streaming, live sports, theme parks, and cruise operations. Disney reported adjusted EPS of USD 1.57 on revenue of USD 25.2bn for the January to March quarter, ahead of analyst forecasts. Management also projected adjusted EPS growth of around 12% for fiscal 2026 and reiterated expectations for double-digit growth in fiscal 2027. The experiences division, which includes theme parks and cruise lines, posted a 5% increase in operating income, supported by higher guest spending and increased cruise activity. Meanwhile, the entertainment segment benefited from stronger subscription and advertising revenue from streaming services such as Disney+, while management also highlighted artificial intelligence as a long-term opportunity to improve production efficiency.

Uber Technologies Inc. (UBER)

Uber shares rose after the company issued stronger-than-expected second-quarter bookings guidance, supported by resilient demand for ride-hailing and delivery services despite headwinds linked to the Middle East conflict and higher fuel costs. Uber forecast gross bookings of between USD 56.25bn and USD 57.75bn for the June quarter, ahead of analyst expectations, while adjusted EPS guidance also came in slightly above forecasts. Management indicated that strong international delivery demand, including in Australia, expansion into new markets such as Denmark, and growth in higher-margin business platform services continued to support performance. Uber also highlighted that the increasing use of AI tools was helping improve productivity and moderate hiring needs. Although first-quarter revenue missed estimates due to weather disruptions, geopolitical tensions, and rising fuel costs, profit exceeded expectations, with delivery and freight operations outperforming.

Super Micro Computer Inc. (SMCI)

Super Micro Computer shares surged after the company reported significantly stronger third-quarter fiscal 2026 results, driven by continued demand linked to AI and data centre infrastructure. Net income for the quarter ending March 2026 increased by 343% y/y to USD 483m, while net sales more than doubled to USD 10.2bn from USD 4.6bn in the prior-year period. Management stated that Super Micro's transformation into a full datacentre infrastructure provider was accelerating, supported by margin recovery and rapid growth in its DCBBS business. CEO Charles Liang also highlighted that the addition of new U.S. manufacturing facilities in Silicon Valley had strengthened the company's ability to meet rising demand from AI and enterprise customers. Looking ahead, the company forecast fourth-quarter net sales growth of between 90% and 118% y/y, while full-year fiscal 2026 revenue is expected to reach between USD 38.9bn and USD 40.4bn, representing growth of up to 83.6% y/y.

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

Walt Disney Co.

Closing Price (08.05.2026) **\$108.02**

Performance

5 Day **+ 6.62%**
1 Month **+ 6.76%**
YTD **- 5.05%**

Analyst Estimates

Average Recommendation **Buy**
Median Target Price **\$133.36**

Uber Technologies Inc.

Closing Price (08.05.2026) **\$75.45**

Performance

5 Day **+ 2.06%**
1 Month **+ 4.30%**
YTD **- 7.66%**

Analyst Estimates

Average Recommendation **Buy**
Median Target Price **\$106.22**

Super Micro Computer Inc.

Closing Price (08.05.2026) **\$35.37**

Performance

5 Day **+ 26.68%**
1 Month **+ 36.20%**
YTD **+ 20.84%**

Analyst Estimates

Average Recommendation **Hold**
Median Target Price **\$35.33**

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