SWAN CAPITAL SOLUTIONS

Weekly Market Commentary (18.09.2026)

Local Highlights

Given the holiday-shortened week, the **SEMDEX** was down by 0.31% over the week, with total market turnover (TMT) falling by 47.3% w/w. Trading activity on the equity board was geared towards **MCBG**, which made up 46.1% of TMT, followed by **SBMH** (8.9%) and **MUAL** (2.1%). Overall, foreigners were **net purchaser** to the tune of Rs 66.4m. Accounting only for SEMDEX constituents, foreigners were net purchaser to the tune of Rs 52.0m, with **MCBG** being the main driver of foreign purchase, registering a net inflow of Rs 49.1m.

On the banking front, **MCBG** gained 0.32% to close the week at Rs 467.00. Contrastingly, **SBMH** fell by 0.65% to end at Rs 6.14.

Within the conglomerate space, **ERL** fell 0.54% to Rs 18.40. Likewise, **IBLL** fell 3.18% to Rs 21.30. **CIEL** also fell by 2.07% to close the week at Rs 7.58.

Sugar conglomerates closed in the mix with **MTMD** (-2.37%) and **TERA** (-0.52%) ending the week lower at Rs 18.50, and Rs 19.00, respectively. In contrast, **ALTG** rose by 0.47% to Rs 10.70.

As for the property sector, **MSE** (-2.68%) and **ASCE** (-1.12%) closed lower at Rs 54.50, and Rs 17.60, respectively.

Among hotels, **SUN** (+0.52%) closed higher at Rs 48.25.

Regarding insurance companies, **MUAL** gained 5.08% to close the week at Rs 62.00.

Investment trusts ended the week in the mix with **POL** (+0.28%), **NITL** (-2.06%) and **MDIT** (-1.57%) closing at Rs 3.60, Rs 9.50 and Rs 1.88, respectively.

On the commodities side, **NewGold ETF - MUR** gained 0.72% to close at Rs 1,942.77.

Top Performers

MUA	+ 5.08%
Innodis	+ 1.16%
NewGold ETF - MUR	+ 0.72%
Almarys Limited	+ 0.54%
Sun Resorts	+ 0.52%

Main Detractors

IBL Ltd	- 3.18%
Medine	- 2.68%
UBP	- 2.53%
Omnicane	- 2.37%
PBL	- 2.17%

Most Traded Stocks	% of TMT
MCB Group	46.1%
SBM Holdings	8.9%
MUA	2.1%
Ciel	1.9%
Vivo Energy	1.3%

Financial Results - **SUN Limited YE 2026**.

- Revenue increased by 16.4% YoY to Rs 7.57bn, from Rs 6.50bn in FY25. Excluding Real Estate, revenue rose by 8.7% to Rs 6.44bn, supported by stronger room rates, with ADR increasing by 10.8% and RevPAR by 9.5%. Real Estate revenue nearly doubled to Rs 1.13bn, driven by the La Pirogue residence project, which is nearing full completion, with delivery to owners expected in November 2026.
- Operating profit increased by 23.0% YoY to Rs 2.13bn, from Rs 1.73bn in FY25, with operating margin improving to 28.1% from 26.6%.
- Net finance costs decreased slightly by 0.8% YoY to Rs 99.6m, from Rs 100.4m in FY25, with interest cover improving to 21.4x from 17.2x. Net debt declined by 17% to Rs 1.22bn and gearing fell from 16.8% to 12.8%. The Group also made an early redemption of Rs 500m of its MIC redeemable convertible bond in the last quarter
- The income tax charge increased by 51.2% YoY to Rs 514.7m, from Rs 340.5m in FY25, due to the Fair Share Contribution and Alternative Minimum Tax introduced in the National Budget with effect from 1 July 2025, resulting in an additional tax charge of Rs 108m.
- PAT increased by 14.8% YoY to Rs 1.52bn, from Rs 1.33bn in FY25. The PAT margin remained mostly flat at 20%.

Dividend Announcement

- On 18-Sep-2026, **Beachcomber Hospitality Investments Ltd** declared the following dividend to the Shareholders registered at the close of business on 8-Oct-2026, in respect of its financial year ending 30-Jun-2027: MUR 34.71 per Restricted-Voting Class A Preference Shares (MUR 12,643,152.21); EUR 34.71 per Restricted-Voting Class B Preference Shares (EUR 1,142,722.62); MUR 27.81 per Non-Voting Class C Preference Shares (MUR 3,957,363.00); EUR 27.81 per Non-Voting Class D Preference Shares (EUR 705,623.13); A total of EUR 3,938,371.52 for the Ordinary Shares. The above-mentioned dividend will be paid on or about 21-Oct-2026.

International News – US Market

Markets opened lower on Monday as semiconductor stocks came under heavy selling pressure after executives from leading U.S. artificial intelligence companies raised safety concerns and called for a slowdown in AI development. Investor sentiment was further dampened as the benchmark 10-year Treasury yield briefly climbed above 5% for the first time since 2023, amid persistent inflation, heavy government and corporate borrowing and concerns over the U.S. fiscal outlook. Meanwhile, Brent crude rose 1% to $105.68 per barrel following attacks on Saudi Arabian energy infrastructure and shipping in the Middle East. The Dow Jones declined 0.29%, while the S&P 500 and Nasdaq fell 0.48% and 0.56%, respectively.

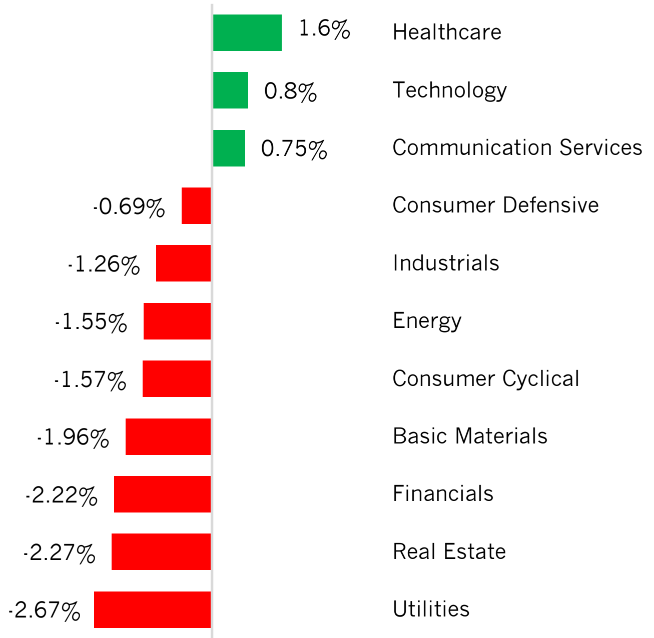
Wall Street extended its losses on Tuesday as rising Treasury yields, mounting debt concerns and another surge in crude oil prices reinforced a broad risk-off environment. The benchmark U.S. Treasury yield breached 5% and reached its highest level since 2007, while WTI and Brent crude advanced 4.4% and 2.9%, respectively, as escalating hostilities in the Middle East heightened concerns over energy supplies. The Dow Jones declined 0.63%, the S&P 500 fell 0.45% and the Nasdaq lost 0.78%.

Markets subsequently reacted to the Federal Reserve's decision to unanimously raise its key interest rate for the first time since July 2023, as policymakers sought to address persistent inflationary pressures stemming partly from the surge in energy prices. The Fed indicated that further tightening was likely as it sought a more timely return of inflation towards its 2% target. Fed Chair Kevin Warsh noted that the U.S. economy had strengthened since the previous meeting, while inflation had shown little improvement. Robust August retail sales also pointed to continued consumer spending despite higher prices. Although oil prices eased following reports that Saudi Arabia was offering additional crude cargoes through Oman, WTI and Brent remained more than 20% higher over the preceding two-and-a-half weeks. Following the Fed's decision, the Dow Jones fell 1.21%, the S&P 500 declined 0.44% and the Nasdaq edged 0.01% lower.

Equities rebounded strongly in the following session as easing oil prices, lower Treasury yields and resilient economic data helped investors move beyond the initial reaction to the Fed's rate increase. Crude touched a one-week low after reports of Saudi oil moving through Oman eased immediate concerns over supply disruptions, although tensions in the Middle East remained elevated. Initial jobless claims declined to near-1969 lows, while single-family housing starts and pending home sales increased, reinforcing the Fed's assessment of a resilient U.S. economy. The Dow Jones rose 0.62%, the S&P 500 gained 1.14% and the Nasdaq advanced 1.69%.

Wall Street ended the week on a relatively muted note on Friday, with Treasury yields remaining above 5% and crude oil prices above $100 per barrel keeping inflation concerns at the forefront. Oil prices reversed earlier gains after China, at Saudi Arabia's request, asked Iran to curb Houthi attacks on Saudi oil infrastructure, although elevated diesel prices continued to raise concerns over broader inflationary pressures through higher transportation, farming and shipping costs. The S&P 500 and Nasdaq gain 0.17% and 0.40%, respectively, while the Dow Jones slipped 0.18%. Elsewhere, Berkshire Hathaway announced that Warren Buffett would step down as chairman to become chairman emeritus, nine months after handing the CEO role to Greg Abel.

1 Week Performance



Valuation

	Forward P/E	PEG	P/FCF
Basic Materials	14.64	1.18	23.75
Communication Services	19.84	0.99	37.07
Consumer Cyclical	19.70	1.18	40.26
Consumer Defensive	19.54	2.64	21.80
Energy	12.67	0.91	13.96
Financial	13.82	1.21	9.97
Healthcare	18.30	2.18	22.27
Industrials	27.88	1.82	35.27
Real Estate	28.06	2.87	21.87
Technology	21.75	0.72	38.38
Utilities	15.38	1.70	139.41

The Week's Defining Stocks

Generac Holdings Inc. (GNRC)

Generac shares surged after the energy hardware manufacturer announced a major agreement to supply Amazon with generators for its expanding network of data centers. Under the deal, Amazon could purchase up to $8 billion worth of Generac generators, which will provide backup power for its data center infrastructure. Around $2.4 billion of generators are expected to be delivered over the next two years. The agreement also grants Amazon a warrant to purchase up to 1.69 million Generac shares at just over $200 per share, representing a roughly 15% premium to Generac's previous closing price of $175 and a total value of approximately $340 million. Around 308,000 shares under the warrant became exercisable upon signing, while the remainder will become available in stages over the next seven years, subject to payments for the generators.

Generac Holdings Inc.

Closing Price (18.09.2026)	$207.44
Performance	
5 Day	+ 17.21%
1 Month	+ 1.91%
YTD	+ 52.12%
Analyst Estimates	
Average Recommendation	Overweight
Median Target Price	$297.80

Berkshire Hathaway Inc. Cl B (BRK.B)

Warren Buffett has stepped down as chairman of Berkshire Hathaway, ending his leadership of the conglomerate after more than six decades. The 96-year-old investor, who has led Berkshire since 1965, will become chairman emeritus and remain a director on the board. His son, Howard Buffett, will succeed him as chairman, in line with Berkshire's long-standing succession plan, while Greg Abel will continue as CEO after taking over the role around nine months ago. Buffett said Greg Abel would continue to run the company while Howard Buffett would safeguard Berkshire's culture and values. Berkshire shares have, however, underperformed in 2026, rising around 1% compared with an increase of more than 11% for the S&P 500. Abel has also stepped up share repurchases, with Berkshire buying back $4.5 billion of its shares in the second quarter.

Berkshire Hathaway Inc. Cl B

Closing Price (18.09.2026)	$509.77
Performance	
5 Day	- 1.01%
1 Month	+ 1.08%
YTD	+ 1.42%
Analyst Estimates	
Average Recommendation	Hold
Median Target Price	$541.08

Xenon Pharmaceuticals Inc. (XENE)

Xenon Pharmaceuticals shares fell sharply after the biopharmaceutical company announced that it had paused new patient enrollment in clinical trials evaluating azetukalner, its lead drug candidate, for major depressive disorder. The decision followed emerging reports of adverse neuropsychiatric side effects identified during patient monitoring. The setback creates uncertainty around Xenon's plans to expand azetukalner beyond its application in focal onset seizures and into major depressive disorder. While the drug's epilepsy applications remain on track following recent filings, the pause in its depression trials could lead to regulatory uncertainty and potential delays. Safety concerns surrounding its use in psychiatric indications could also reduce the drug's potential market opportunity. The announcement triggered significant selling pressure, with Xenon shares falling around 31% on Friday.

Xenon Pharmaceuticals Inc.

Closing Price (18.09.2026)	$39.75
Performance	
5 Day	- 31.69%
1 Month	- 34.36%
YTD	- 11.31%
Analyst Estimates	
Average Recommendation	Buy
Median Target Price	$74.31

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