

Weekly Market Commentary (20.03.2026)

Local Highlights

The **SEMDEX** was down by 1.09% over the week, with a slight increase of 4.40% w/w in the total market turnover (TMT). Overall, foreigners were **net seller** to the tune of Rs 31.6m. Accounting only for SEMDEX constituents, foreigners were net seller to the tune of Rs 23.0m, with **MCBG** being the main driver of foreign sale, registering a net outflow of Rs 27.1m. Trading activity on the equity board was geared towards **MCBG**, which made up 39.7% of TMT, followed by **SBMH** (8.3%) and **CIEL** (3.4%).

On the banking front, **MCBG** fell by 1.95% to close the week at Rs 402.00. Contrastingly, **SBMH** gained 1.88% to Rs 6.50.

Within the conglomerate space, **IBLL** gained 0.19% to Rs 26.55. Contrastingly, **CIEL** fell by 1.70% to Rs 8.10. Alternatively, **ERL** closed the week unchanged at Rs 20.00.

Amid sugar conglomerates, **MTMD** fell by 2.17% to Rs 18.00. Contrastingly, **TERA** gained 0.28%, closing at Rs 18.00. **ALTG** also increased by 0.90% to Rs 11.20.

As for the property sector, **ASCE** gained 4.49% to Rs 18.60. Contrastingly, **MSE** fell by 5.17% to Rs 55.00.

Hotels closed in the mixed with **LUX** (-6.38%), **SUN** (-0.24%), and **RIVO** (+0.45%) closing the week at Rs 44.00, Rs 41.60 and Rs 22.20, respectively.

On the commodities side, **NewGold-MUR** fell by 4.08% to close at Rs 2,235.00.

Top Performers

GRIT- USD	+ 12.50%
Ascencia	+ 4.49%
Innodis	+ 2.68%
SBM Holdings	+ 1.88%
Alteo	+ 0.90%

Main Detractors

Lux Island Resorts	- 6.38%
Harel Mallac	- 5.88%
Moroil	- 5.88%
Medine	- 5.17%
PAD	- 5.00%

Most Traded Stocks

Most Traded Stocks	% of TMT
MCB Group	39.7%
SBM Holdings	8.3%
Ciel	3.4%
Afreximbank- USD	3.1%
ER Group	2.2%

Financial Results- Emtel YE 2025

- Revenue increased by 8.75% YoY to Rs 4,092.3m, driven by continued customer growth and increased usage across mobile, home, enterprise and Fintech services.
- Operating profit grew by 19.25% YoY to Rs 1,042.0m, which led to a slight improvement in its operating margin of 25.5% (vs 23.2% in FY24).
- Finance costs fell slightly to Rs 246.2m, resulting in its interest cover improving to 4.2x (vs 3.5x).
- Profit for the period from continuing operations surged to Rs 1,138.4m, leading to an increase in its PAT margin from 10.29% in YE 2024 to 27.82% in YE 2025.
- Net debt fell from Rs 3,638m in YE 2024 to Rs 2,584m in YE 2025, following the reduction in capex over the year, closure of the sale in MCVision and the recent settlement agreement reached on a case. As such, net debt to EBITDA stood at 1.3x as at year end 2025.

International News – US Market

U.S. equity markets experienced a highly volatile and predominantly weaker week, as investors reacted to escalating geopolitical tensions in the Middle East, sharp fluctuations in oil prices, and growing concerns over inflation and the Fed's policy outlook. On Monday, equities rebounded strongly from the previous week's losses, with the S&P 500 rising 1.0%, the Nasdaq Composite gaining 1.2%, and the DJIA advancing 0.8%, as crude oil futures retreated 5.4% to USD 93.35 per barrel amid optimism that shipping through the Strait of Hormuz could improve.

Tuesday saw cautious and choppy trading, with the S&P 500 up 0.3%, the Nasdaq Composite up 0.5%, and the DJIA also finishing slightly higher. Crude oil futures rebounded 2.9% to USD 96.05 per barrel after reports that Iran had struck a natural gas field in the UAE and targeted another tanker in the Strait of Hormuz.

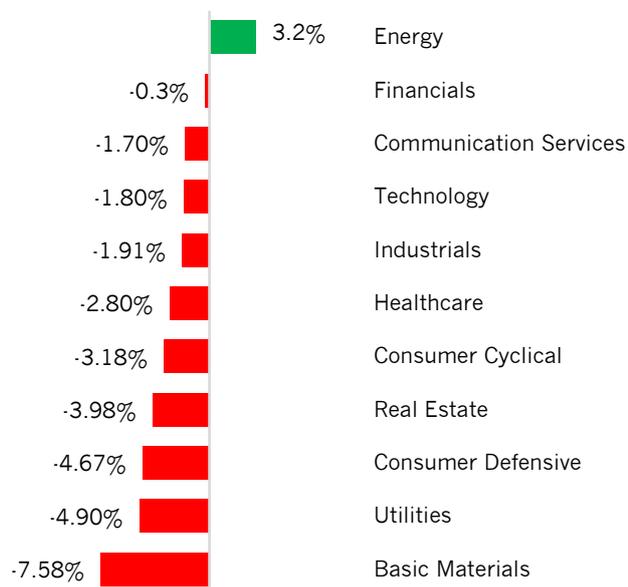
Midweek, the stock market came under broad pressure as stronger-than-expected producer price data, volatile oil prices and the FOMC meeting weighed on sentiment. The S&P 500 fell 1.4%, the Nasdaq Composite declined 1.5%, and the DJIA dropped 1.6%. February PPI rose 0.7%, above expectations of 0.3%, reinforcing inflation concerns, especially as the data did not yet reflect the recent jump in oil prices. Although the Fed left rates unchanged at 3.50%-3.75%, its updated projections raised expected 2026 GDP growth to 2.4% from 2.3% and PCE inflation to 2.7% from 2.4%. Mr. Powell also warned, "The possibility that our next move might be an increase did come up at the meeting, as it did the last meeting. The vast majority of participants don't see that as their base case."

Selling pressure persisted on Thursday as markets digested the Fed's message alongside continued energy supply concerns. Wall Street ended lower, with the S&P 500 down 0.27%, the Nasdaq down 0.28%, and the Dow down 0.44%, as concerns over inflation stemming from elevated oil prices continued to weigh on expectations for future rate cuts. Although WTI oil pulled back from recent highs as Israel indicated support for U.S. efforts to reopen the Strait of Hormuz, the market remained on edge over the broader inflation implications of the conflict. At the same time, initial jobless claims fell to 205,000, below the 215,000 consensus, suggesting labour market conditions remained relatively stable despite rising uncertainty.

Markets ended the week sharply lower on Friday, with the DJIA falling 0.96%, the Nasdaq declining 2.01%, and the S&P 500 dropping 1.51%. Oil prices edged higher amid continued uncertainty over the duration of the conflict following reports that the U.S. was increasing military support in the Middle East. Energy and financials were the only S&P 500 sectors to finish higher, while rate-sensitive sectors such as utilities and real estate, together with growth-oriented technology stocks, lagged. The U.S. dollar also strengthened further during the month, reflecting safe-haven demand.

For the week, the S&P 500 lost 1.9%, while the Nasdaq and Dow lost just over 2%. Since the war in Iran began on February 28, the S&P 500 has lost 5.4%, the Nasdaq has declined 4.5% and the Dow is down nearly 7%. All three major indexes are below their 200-day moving averages, underscoring the recent deterioration of sentiment on Wall Street.

1 Week Performance



Valuation

	Forward P/E	PEG	P/FCF
Basic Materials	12.99	1.35	26.63
Communication Services	28.44	2.43	30.45
Consumer Cyclical	19.30	1.65	38.71
Consumer Defensive	19.47	2.76	24.72
Energy	15.51	1.84	17.52
Financial	12.91	1.39	10.78
Healthcare	16.43	2.06	22.56
Industrials	21.22	1.83	30.30
Real Estate	27.36	2.96	21.14
Technology	23.34	1.22	33.40
Utilities	15.24	1.78	108.30

The Week's Defining Stocks

NVIDIA Corp. (NVDA)

NVIDIA (+1.63%) garnered a fair share of attention on Monday as Nvidia's CEO Jensen Huang announced at Nvidia GTC 2026 that the company expects up to \$1 trillion in orders for its Blackwell and Vera Rubin systems through 2027. The outlook reflects strong demand from both startups and large enterprises, driven by the rapid expansion of agentic AI, which is increasing computing needs and token generation. The chipmaker said in February that year-over-year revenue this quarter will surge about 77% to roughly \$78 billion. Nvidia is scheduled to roll out Vera Rubin later this year. The system, which is made up of 1.3 million components, will deliver 10 times more performance per watt than its predecessor, Grace Blackwell, which is a significant development when energy consumption is one of the most critical issues facing the AI build-out. Nvidia also unveiled new chips, and partnerships, including developments in autonomous vehicles and AI software, reinforcing its leadership in the evolving AI ecosystem.

Meta Platforms Inc. (META)

Meta Platforms shares rose nearly 3% on Monday following a Reuters report that the company is considering laying off 20% or more of its workforce to offset heavy AI-related spending and bet on productivity gains from the technology. It expects a capital outlay of up to \$135 billion in 2026, roughly double of last year's spending. The expenditure is meant to secure the cloud capacity needed to train and run AI models, and Meta will spend up to \$27 billion for such services from Nebius. While these investments have enhanced ad tools and supported revenue growth, Meta continues to lag leading AI players such as OpenAI, Anthropic and Google, with its Avocado model underperforming expectations. According to analysts estimates, the potential layoffs could generate around \$6 billion in cost savings, or a 5% boost to adjusted core earnings.

Amazon.com Inc. (AMZN)

Amazon rose by 1.96% on Monday, as CEO Andy Jassy indicated that AI could drive Amazon Web Services (AWS) to reach \$600 billion in annual revenue by next decade, doubling his prior projection of \$300 billion. The outlook reflects strong demand signals for AI-driven cloud services, with AWS already reporting \$128.7 billion in revenue in 2025, up 19% YoY. Jassy's projection suggests an average growth rate of nearly 17% every year for the next decade. To support this growth, Amazon plans significant capital expenditure of around \$200 billion, primarily focused on AI development and infrastructure.

Eli Lilly & Co. (LLY)

Eli Lilly shares fell around 5.9% on Tuesday following a downgrade by HSBC, reflecting growing investor concerns over the outlook for obesity drugs. HSBC revised its rating to "reduce," effectively signalling a sell, citing more conservative expectations for the GLP-1 weight-loss drug market. While industry estimates suggest the market could exceed \$150 billion, HSBC projects a lower range of \$80–120 billion annually by 2032, driven by declining drug prices and concerns over patient retention. Although Eli Lilly is pursuing volume growth to offset pricing pressure, scepticism remains around the sustainability of this strategy. With a high valuation—trading at a price-to-earnings ratio of 43— the stock appears heavily reliant on optimistic growth assumptions, raising concerns that it may be overvalued under more conservative market projections.

NVIDIA Corp.

Closing Price (20.03.2026) **\$172.70**

Performance

5 Day **- 5.74%**
1 Month **- 9.84%**
YTD **- 7.40%**

Analyst Estimates

Average Recommendation **Buy**
Median Target Price **\$269.16**

Meta Platforms Inc.

Closing Price (20.03.2026) **\$593.66**

Performance

5 Day **- 5.39%**
1 Month **- 6.84%**
YTD **- 10.06%**

Analyst Estimates

Average Recommendation **Buy**
Median Target Price **\$861.50**

Amazon.com Inc.

Closing Price (20.03.2026) **\$205.37**

Performance

5 Day **- 3.01%**
1 Month **+ 0.05%**
YTD **- 11.03%**

Analyst Estimates

Average Recommendation **Buy**
Median Target Price **\$280.56**

Eli Lilly & Co.

Closing Price (20.03.2026) **\$906.70**

Performance

5 Day **- 8.33%**
1 Month **- 14.35%**
YTD **- 15.63%**

Analyst Estimates

Average Recommendation **Overweight**
Median Target Price **\$1,240.21**

The Week's Defining Stocks

Delta Air Lines Inc. (DAL)

Delta Air Lines shares grew by 6.54% on Tuesday as the company raised its first-quarter revenue guidance, supported by strong travel demand despite rising jet fuel costs linked to geopolitical tensions. CEO Ed Bastian indicated that robust demand is offsetting cost pressures, even after a \$400 million hit so far for the fourth quarter. The airline now expects high-single-digit revenue growth for its first quarter, with bookings up 25% YoY. The company expects to remain within its original earnings guidance of \$0.50 to \$0.90 per share.

Uber Technologies Inc. (UBER)

Uber Technologies and NVIDIA announced plans to deploy robotaxis powered by Nvidia's DRIVE Hyperion platform, starting in Los Angeles and San Francisco in 2027 and expanding to 28 cities globally by 2028 across North America, Europe, Australia and Asia. The rollout will begin with data-collection vehicles, followed by supervised operations before transitioning to fully driverless Level 4 services. The partnership forms part of Uber's strategy to build a multi-partner autonomous ecosystem rather than developing in-house technology. It also comes amid intensifying competition in the robotaxi space, where Alphabet's Waymo currently leads, and Tesla is scaling its ambitions. The collaboration leverages Nvidia's AI capabilities, including its reasoning-based model, to enhance navigation in complex driving environments and accelerate commercialisation of autonomous ride-hailing.

Micron Technology Inc. (MU)

Micron Technology shares fell on Thursday, as investor sentiment was weighed down by a significant increase in capital expenditure. The company announced plans to raise its fiscal 2026 capex by \$5 billion to meet booming demand, taking the total investment for the year to more than \$25 billion and said spending would rise further in 2027. The increased expenditure reflects higher spending on controlled manufacturing spaces and increased outlays for new production equipment as the company prepares for high-volume manufacturing and dynamic random-access memory investments. Most of the spending increase comes from expansion work at its site in Tongluo, Taiwan, with additional cost pressure arising from higher construction spending at its U.S. fabrication projects. Construction-related spending is set to rise by more than \$10 billion from a year earlier. While robust demand has driven record margins and supported a strong revenue outlook—forecasting third-quarter revenue of approximately \$33.5 billion—investors remain cautious that rising capacity could eventually ease current supply constraints and return the memory market to a more commoditised structure.

Tesla Inc. (TSLA)

Tesla slid 3.2% on Thursday as it faces increased regulatory scrutiny after the National Highway Traffic Safety Administration upgraded its investigation into 3.2 million vehicles equipped with its Full Self-Driving (FSD) system. The probe has moved to an engineering analysis stage, bringing it closer to a potential recall, amid concerns that the camera-based system may fail to detect hazards or warn drivers under poor visibility conditions. The investigation follows reports of nine crashes potentially linked to the system, including one fatal incident and two involving injuries. The outcome is significant given Tesla's strategic reliance on FSD technology to support its future robotaxi ambitions, while ongoing regulatory reviews continue to raise questions around the system's safety and reliability.

Delta Air Lines Inc.

Closing Price (20.03.2026) **\$63.44**

Performance

5 Day **+ 4.27%**
1 Month **- 5.14%**
YTD **- 8.59%**

Analyst Estimates

Average Recommendation **Buy**
Median Target Price **\$80.91**

Uber Technologies Inc.

Closing Price (20.03.2026) **\$73.89**

Performance

5 Day **- 1.03%**
1 Month **+ 4.48%**
YTD **- 9.57%**

Analyst Estimates

Average Recommendation **Buy**
Median Target Price **\$104.86**

Micron Technology Inc.

Closing Price (20.03.2026) **\$422.90**

Performance

5 Day **- 4.28%**
1 Month **+ 0.46%**
YTD **+ 48.17%**

Analyst Estimates

Average Recommendation **Buy**
Median Target Price **\$532.28**

Tesla Inc.

Closing Price (20.03.2026) **\$367.96**

Performance

5 Day **- 6.98%**
1 Month **- 7.97%**
YTD **- 18.18%**

Analyst Estimates

Average Recommendation **Hold**
Median Target Price **\$426.26**

The Week's Defining Stocks

Cheniere Energy Inc. (LNG)

Cheniere Energy shares surged on Thursday, after QatarEnergy said attacks by Iran may shut nearly a fifth of its LNG output for up to five years. QatarEnergy CEO Saad al-Kaabi, told Reuters that Iranian strikes had knocked out 17% of the Gulf nation's LNG export capacity, and repairs will sideline 12.8 million metric tons per year of LNG for three to five years. The disruption, alongside the effective closure of the Strait of Hormuz, has heightened concerns over global energy security and driven gas prices sharply higher across Europe and Asia. As the world's largest LNG exporter, Qatar's prolonged outage is expected to benefit U.S. producers such as Cheniere, which can export more than 51 million metric tons of LNG per year according to the company's recent earnings calls. Cheniere also sells 94% of its output under long-term contract. Analysts warn that sustained supply constraints could keep LNG prices elevated, potentially leading to demand adjustments and fuel switching, while increasing the importance of supply diversification in global energy markets.

Super Micro Computer Inc. (SMCI)

Super Micro Computer shares plunged around 33% after U.S. prosecutors charged three individuals linked to the company, including co-founder Yih-Shyan Liaw, in connection with a scheme to smuggle AI technology to China. While the company itself was not named as a defendant and stated it is cooperating with authorities, the case has raised significant concerns among investors. According to the U.S. Department of Justice, the group allegedly routed U.S.-made servers through Taiwan to Southeast Asia before smuggling them into China, involving at least \$2.5 billion worth of AI technology. The development has heightened risks around regulatory scrutiny, reputational damage and potential customer loss, with analysts warning of material revenue impact. The news comes amid already declining sentiment following margin pressures and prior allegations, further weighing on the stock.

FedEx Corp. (FDX)

FedEx shares pared gains after rising about 7% early on Friday, as concerns about the Iran war and its quarterly outlook undermined some confidence in its prospects. Although the company raised its full-year profit forecast and reported stronger-than-expected third-quarter results, its fourth-quarter guidance came in slightly below expectations, dampening confidence. Rising fuel costs and geopolitical tensions are increasing operational pressures, with higher air freight rates and shipment rerouting impacting costs. Analysts also highlighted risks of softer demand, as elevated fuel prices could reduce consumer spending and prompt customers to shift from premium to lower-margin delivery options. Despite these near-term headwinds, FedEx continues to benefit from steady demand trends and ongoing restructuring initiatives aimed at improving efficiency and profitability.

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

Cheniere Energy Inc.

Closing Price (20.03.2026)	\$280.89
<i>Performance</i>	
5 Day	+ 11.78%
1 Month	+ 25.76%
YTD	+ 44.50%
<i>Analyst Estimates</i>	
Average Recommendation	Buy
Median Target Price	\$276.36

Super Micro Computer Inc.

Closing Price (20.03.2026)	\$20.53
<i>Performance</i>	
5 Day	- 35.56%
1 Month	- 33.15%
YTD	- 29.86%
<i>Analyst Estimates</i>	
Average Recommendation	Overweight
Median Target Price	\$40.20

FedEx Corp.

Closing Price (20.03.2026)	\$358.85
<i>Performance</i>	
5 Day	+ 1.84%
1 Month	- 6.48%
YTD	+ 24.23%
<i>Analyst Estimates</i>	
Average Recommendation	Overweight
Median Target Price	\$411.80