

Weekly Market Commentary (22.05.2026)

Local Highlights

The **SEMDEX** was down by 1.84% over the week, with a decrease of 8.34% w/w in the total market turnover (TMT). Overall, foreigners were **net purchaser** to the tune of Rs 3.4m. Accounting only for SEMDEX constituents, foreigners were net purchaser to the tune of Rs 7.4m, with **IBLL** being the main driver of foreign purchase, registering a net inflow of Rs 3.5m. Trading activity on the equity board was geared towards **MCBG**, which made up 26.2% of TMT, followed by **AEIB** (12.2%) and **SBMH** (4.4%).

On the banking front, **MCBG** fell by 4.43% to Rs 410.00. Likewise, **SBMH** fell by 0.29%, closing the week at Rs 6.82.

Regarding insurance stocks, **MUAL** (-1.96%) and **SWAN** (-2.13%) closed lower at Rs 50.00 and Rs 390.00, respectively.

Within the conglomerate space, **ERL** fell by 1.01% to Rs 19.70. Alternatively, both **IBLL** and **CIEL** closed the week unchanged at Rs 26.00, and Rs 7.90, respectively.

Amid sugar conglomerates, **ALTG** gained 0.92%, closing at Rs 10.95. Likewise, **MTMD** gained 1.72% to Rs 17.70. Contrastingly, **TERA** fell by 0.28% to Rs 17.85.

As for the property sector, **MSE** fell by 3.51% to Rs 55.00. Likewise, **ASCE** fell by 0.82% to Rs 18.25.

Among hotels, **SUN** (+0.23%) closed the week higher at Rs 43.10. Contrastingly, **LUX** fell by 0.11%, closing the week at Rs 45.80.

On the ICT front, **EMTL** was up by 1.58% to close at Rs 22.55.

Concerning construction companies, **UBP** (-6.36%) and **GCL** (-0.16%) closed lower at Rs 41.20 and Rs 31.90, respectively.

On the commodities side, **NewGold ETF - MUR** fell by 2.74% to close at Rs 2,138.65.

Top Performers

ASL	+ 7.55%
Moroil	+ 5.46%
Omnican	+ 1.72%
Emtel Limited	+ 1.58%
MDIT	+ 1.53%

Main Detractors

UBP	- 6.36%
MCB Group - Pref Shares	- 4.76%
Almarys Limited	- 4.53%
MCB Group - Ordinary Shares	- 4.43%
Medine	- 3.51%

Most Traded Stocks	% of TMT
MCB Group - Ordinary Shares	26.2%
Afreximbank - USD	12.2%
SBM Holdings	4.4%
Almarys Limited	4.4%
MCB Group - Pref Shares	4.2%

Corporate Announcement

- Africa Eats Ltd

On 20-May-2026, the Board announced that the Listing Executive Committee of the SEM has, on 18 May 2026, approved the listing of up to 300,000 new ordinary shares of Africa Eats on the Official Market of the SEM to be issued in connection with the Directors' Share Remuneration Scheme. The SEM approval is subject to receipt of requisite shareholders' approval at the forthcoming Annual Meeting to be held on 17 June 2026.

International News – US Market

On Monday 18 May 2026, U.S. equities traded mixed, with the Dow Jones Industrial Average advancing by 0.32%, while the S&P 500 (-0.07%) and Nasdaq (-0.51%) closed lower, as rising Treasury yields and elevated oil prices pressured sentiment. Concerns mounted that persistent inflationary pressures linked to disruptions in oil shipments through the Strait of Hormuz could keep borrowing costs elevated. The benchmark 10-year Treasury yield climbed to its highest level since February 2025, while U.S. crude prices settled over 3% higher before paring gains after U.S. President Donald Trump stated that he had paused a planned military strike against Iran to allow further negotiations.

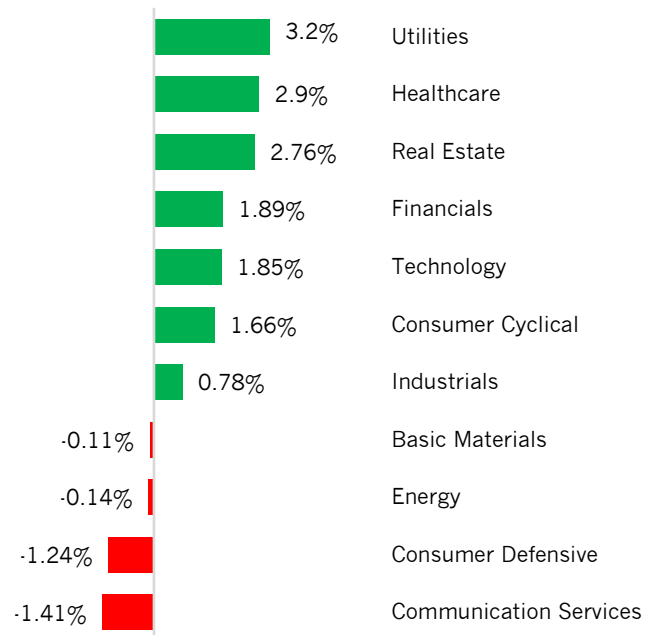
On Tuesday 19 May 2026, Wall Street extended losses, with the Dow Jones Industrial Average declining by 0.65%, the S&P 500 falling 0.67%, and the Nasdaq retreating 0.84%, as surging Treasury yields and persistent inflation concerns continued to weigh on investor sentiment. Investors remained concerned over the absence of a concrete peace agreement between the U.S. and Iran, despite mixed comments from U.S. officials regarding diplomatic progress.

Markets rebounded strongly on Wednesday 20 May 2026, with the Dow Jones Industrial Average rising 1.31%, the S&P 500 gaining 1.08%, and the Nasdaq advancing 1.55%. Semiconductor stocks rallied sharply, with the Philadelphia Semiconductor Index surging 4.5%, reflecting renewed confidence in continued AI spending and earnings growth. Nvidia rose 1.3% during the regular trading session before experiencing volatile after-hours trading after forecasting stronger-than-expected second-quarter revenue and announcing an \$80bn share buyback programme. Investor sentiment was also supported by a pullback in Treasury yields after several days of sharp increases, while easing oil prices helped reduce concerns surrounding inflationary pressures.

On Thursday 21 May 2026, Wall Street closed modestly higher, with the Dow advanced 0.55%, the S&P 500 rose 0.17% and the Nasdaq added 0.09%. Walmart fell sharply by 7.3% after forecasting second-quarter profit below estimates and warning that persistently high fuel prices could increase retail inflation during the second half of the year. In economic data, jobless claims fell, pointing to continued labour market resilience, giving the U.S. Federal Reserve room to keep its focus on inflation risks. U.S. manufacturing activity rose to a four-year high in May as businesses built inventories to guard against potential shortages and rising prices tied to the Iran war.

By Friday 22 May 2026, U.S. equities extended gains, with the Dow rising 0.58%, the S&P 500 advancing 0.37% and the Nasdaq gaining 0.19%, amid optimism surrounding the Middle East peace negotiations. Secretary of State Marco Rubio stated that progress had been made towards a potential agreement with Iran, although negotiations remained ongoing. Investors were additionally encouraged by easing Treasury yields, with the benchmark 10-year yield declining from recent highs, alleviating pressure on growth-oriented sectors.

1 Week Performance



Valuation

	Forward P/E	PEG	P/FCF
Basic Materials	14.06	1.24	26.69
Communication Services	32.16	2.22	37.04
Consumer Cyclical	21.05	1.56	44.68
Consumer Defensive	20.75	2.94	24.62
Energy	13.14	1.39	19.42
Financial	14.06	1.46	10.20
Healthcare	16.90	2.02	22.81
Industrials	22.86	1.68	31.59
Real Estate	29.47	3.33	22.86
Technology	27.88	1.20	41.47
Utilities	16.20	1.79	111.90

Earnings Calendar

	Time (GMT+4)	Ticker	Company	Estimate EPS (USD)
28.05.2026	00.05	MRVL	Marvell Technology, Inc.	0.80
-	00.01	CRM	Salesforce, Inc.	3.13
-	00.00	SNPS	Synopsys, Inc.	3.15
-	00.05	SNOW	Snowflake Inc.	0.32
29.05.2026	00.00	DELL	Dell Technologies Inc.	2.91

The Week's Defining Stocks

NVIDIA Corp. (NVDA)

Nvidia reported stronger-than-expected fiscal first-quarter results, easing concerns about slowing AI demand and rising competition. Revenue reached a record \$81.6bn, up 85% year-on-year and 20% quarter-on-quarter, while adjusted EPS rose 140% to \$1.87, both ahead of analyst expectations. Growth was mainly driven by its data centre segment, where revenue surged 92% year-on-year to \$75.2bn, despite no product shipments to China. Nvidia also reorganised its reporting structure, renaming gaming as "Edge Computing", which generated \$6.4bn in revenue, up 29% year-on-year. CEO Jensen Huang said the build-out of AI factories is accelerating rapidly, while management guided for second-quarter revenue of \$91bn. Nvidia also raised its dividend to \$0.25 per share, up from \$0.01, and announced an additional \$80bn share buyback.

Walmart Inc. (WMT)

Walmart reported fiscal first-quarter results that were broadly in line with expectations, although the stock fell 7% after management maintained a cautious outlook due to pressure from elevated fuel prices on consumers' budgets. U.S. same-store sales grew 4.1%, supported by higher foot traffic, larger basket sizes and a 26% increase in e-commerce sales. Revenue rose 7.3% year-on-year to \$177.8bn, above expectations, while adjusted EPS of \$0.66 met forecasts. CFO John David Rainey noted that higher fuel prices were putting pressure on household spending, with lower-income consumers remaining more budget conscious. Walmart also highlighted continued growth in higher-margin businesses, including Walmart Connect and Walmart+, while global e-commerce sales increased 26%. However, management guided for second-quarter earnings slightly below market expectations and maintained conservative full-year guidance, citing "hundreds of millions of dollars" of pressure from elevated fuel prices.

International Business Machines Corp. (IBM)

IBM shares rose after the U.S. Commerce Department announced that the company would receive US\$1bn in government funding to accelerate the development of quantum computing technology. The grant forms part of a broader US\$2bn programme allocated to nine quantum computing companies, with the agreements reportedly including equity stakes for the U.S. government as part of the Trump administration's efforts to strengthen the emerging quantum computing sector. IBM is viewed as one of the leading players in the global race to develop quantum computers capable of solving highly complex problems significantly faster than traditional supercomputers. Combined with artificial intelligence, quantum computing is increasingly seen as a key driver of future scientific and technological innovation, as well as a strategic national security priority. The funding programme also aims to strengthen domestic semiconductor technologies and U.S. technology supply chains, while growing investor interest reflects increasing confidence in the commercial viability of quantum computing applications.

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

NVIDIA Corp.

Closing Price (22.05.2026) **\$215.33**

Performance

5 Day **- 3.14%**
1 Month **- 0.59%**
YTD **+ 15.46%**

Analyst Estimates

Average Recommendation **Buy**
Median Target Price **\$295.97**

Walmart Inc.

Closing Price (22.05.2026) **\$120.27**

Performance

5 Day **- 9.80%**
1 Month **- 5.74%**
YTD **+ 7.95%**

Analyst Estimates

Average Recommendation **Overweight**
Median Target Price **\$140.29**

International Business Machines Corp.

Closing Price (22.05.2026) **\$253.84**

Performance

5 Day **+ 13.96%**
1 Month **+ 11.31%**
YTD **- 14.30%**

Analyst Estimates

Average Recommendation **Overweight**
Median Target Price **\$280.78**

Swan Securities Ltd

Swan Centre
10 Intendance Street
Port Louis, Mauritius

T (230) 208 7010
F (230) 212 9867
W swanforlife.com

BRN C06007932

This document may not be reproduced, copied, distributed for any purpose without the prior consent of Swan Securities Ltd. The information and opinions contained in this document have been completed or arrived at by Swan Securities Ltd from sources believed to be reliable and in good faith, but no representation or warranty express or implied is made as to their accuracy completeness or correctness. The information contained in this document is published for the assistance of recipients but is not to be relied upon as being authoritative or taken as substitution for the exercise of judgments by any recipient. Swan Securities Ltd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document and its contents.