

Weekly Market Commentary (05.06.2026)

Local Highlights

The **SEMDEX** was down by 1.21% over the week. Considering only transactions on the normal board, adjusted total market turnover (TMT) fell by 15.35% w/w. Adjusted trading activity on the equity board was geared towards **MCBG**, which made up 54.71% of TMT, followed by **SUN** (5.87%) and **SHEL** (5.68%). Overall, foreigners were **net seller** to the tune of Rs 63.1m. Accounting only for SEMDEX constituents, foreigners were net buyers to the tune of Rs 13.4m, with **MCBG** being the main driver of foreign purchase, registering a net inflow of Rs 14.5m.

On the banking front, **MCBG** gained 0.78% to Rs 420.00. Contrastingly, **SBMH** fell by 11.94%, closing the week at Rs 5.90, as the stock traded ex-div on 03.06.2026.

Regarding insurance stocks, **MUAL** (-4.33%) closed lower at Rs 46.40.

Within the conglomerate space, **ERL** fell by 3.60% to Rs 18.75. Likewise, **CIEL** fell by 2.56%, closing at Rs 7.62. **IBLL** also fell by 0.38% to Rs 26.00.

Amid sugar conglomerates, **MTMD** fell by 1.43% to Rs 17.25. **TERA** also fell by 1.12% to Rs 17.60.

As for the property sector, **UTDL** fell by 5.26% to Rs 90.00. Similarly, **ASCE** fell by 1.93% to Rs 17.75.

Among hotels, **SUN** (+1.29%) and **NRL** (+0.56%) closed the week higher at Rs 47.00 and Rs 45.25, respectively. Contrastingly, **NMHL** (-0.72%) closed the week lower at Rs 13.80.

On the ICT front, **EMTL** was down by 4.57% to close at Rs 21.95.

On the commodities side, **NewGold ETF - MUR** fell by 6.48% to close at Rs 2,000.00.

Top Performers

Lottotech	+ 3.76%
Sun Resorts	+ 1.29%
MCB Group	+ 0.78%
Lux Island Resorts	+ 0.56%
PBL	+ 0.18%

Main Detractors

SBM Holdings	- 11.94%
Moroil	- 8.06%
Bluelife	- 7.14%
NewGold ETF - MUR	- 6.48%
United Docks	- 5.26%

Most Traded Stocks (Adj) % of TMT

MCB Group	54.71%
Sun Resorts	5.87%
Vivo Energy	5.68%
SBM Holdings	3.85%
Cim Financial Services	3.49%

Corporate Announcement

- Mauritius Chemical and Fertilizer Industry Limited

On 02-Jun-2026, the Board of The Mauritius Chemical and Fertilizer Industry announced that MCFI is considering the disposal of certain non-core specific assets. The completion of the proposed disposal is subject to the fulfilment of certain conditions precedent, relevant regulatory approvals and the approval of the shareholders of MCFI.

Dividend Announcement

- IBL Ltd

On 04-Jun-2026, the Board of IBL Ltd has declared a final dividend of Rs 0.63 per share, in respect of the financial year ended 30-Jun-26 and will be payable to all the shareholders of the Company registered at close of business on 23-Jun-26. The dividend will be paid on or around 30-Jun-26.

International News – US Market

On Monday, Wall Street started the week on a positive note, with the Dow Jones Industrial Average (+0.09%), S&P 500 (+0.26%) and Nasdaq Composite (+0.42%) advancing as technology shares continued to benefit from AI enthusiasm. Investor sentiment was supported by hopes of progress in U.S.-Iran peace negotiations and Nvidia's unveiling of a new AI-focused chip designed for personal computers. The announcement boosted Nvidia by 6.3%, while Microsoft gained 2.3% following the companies' collaboration on AI-enabled computing. Semiconductor stocks remained in focus, with Micron Technology surpassing the US\$1,000 share price mark for the first time.

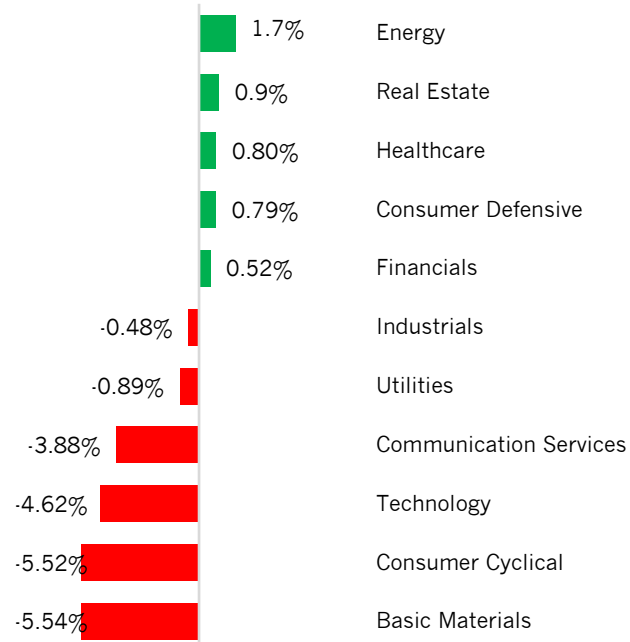
Market gains continued on Tuesday, albeit at a slower pace, as the Dow (+0.45%), S&P 500 (+0.13%) and Nasdaq (+0.03%) closed modestly higher. AI-related optimism remained a key driver, supported by strong earnings from Hewlett Packard Enterprise and Alphabet's plans to raise US\$80 billion to expand its AI infrastructure. Marvell Technology surged 32.5% after Nvidia CEO Jensen Huang described the company as a potential "trillion-dollar company." However, gains were tempered by ongoing uncertainty surrounding U.S.-Iran negotiations and concerns that elevated oil prices could contribute to persistent inflationary pressures.

Sentiment deteriorated on Wednesday as geopolitical tensions intensified. Renewed U.S. and Iranian air strikes heightened concerns over the duration of the conflict and the continued closure of the Strait of Hormuz, pushing oil prices higher and raising fears of sustained inflation. Against this backdrop, the Dow declined 1.21%, while the S&P 500 and Nasdaq fell 0.74% and 0.89%, respectively. Financial stocks came under pressure following withdrawal restrictions imposed by Switzerland's Partners Group on a private equity fund, which sparked concerns across the alternative asset management industry.

On Thursday, Wall Street rebounded strongly after signs of progress towards a ceasefire in the Middle East improved risk appetite. The Dow surged 1.73% to a record closing high, while the S&P 500 gained 0.41%. The Nasdaq, however, slipped 0.09% as semiconductor stocks came under pressure following disappointing results from Broadcom. Broadcom's shares plunged 12.6% after missing revenue expectations, triggering a broader selloff across the chip sector. Economic data released during the session also indicated a softening labour market, with weekly jobless claims rising more than expected and corporate layoffs increasing, particularly among firms implementing AI-driven workforce reductions.

The market's tone shifted sharply on Friday as a stronger-than-expected U.S. employment report reignited concerns that the Federal Reserve may need to maintain restrictive monetary policy for longer. The U.S. economy added 172,000 jobs in May, significantly above market expectations, while unemployment remained unchanged at 4.3%. Although the data underscored the resilience of the U.S. economy, investors interpreted it as reducing the likelihood of near-term rate cuts and increasing the possibility of future rate hikes. The Nasdaq tumbled 4.18%, marking its largest daily decline since April 2025, while the S&P 500 fell 2.64% and the Dow lost 1.35%.

1 Week Performance



Valuation

	Forward P/E	PEG	P/FCF
Basic Materials	13.79	1.21	25.84
Communication Services	30.90	2.13	35.78
Consumer Cyclical	20.25	1.51	42.81
Consumer Defensive	20.20	2.85	24.12
Energy	12.51	1.32	18.75
Financial	14.06	1.51	9.97
Healthcare	17.02	2.05	23.00
Industrials	23.09	1.70	31.87
Real Estate	29.53	3.24	22.98
Technology	27.27	1.15	40.82
Utilities	15.83	1.74	110.26

Earnings Calendar

	Time (GMT+4)	Ticker	Company	Estimate EPS (USD)
11.06.2026	00.05	ORCL	Oracle Corporation	1.96
12.06.2026	00.05	ADBE	Adobe Inc.	5.81

Economic Calendar

	Time (GMT+4)	Indicator	Forecast	Prior
10.06.2026	16.30	Inflation Rate MoM	0.5%	0.6%
11.06.2026	16.30	PPI MoM	0.8%	1.4%

The Week's Defining Stocks

NVIDIA Corp. (NVDA)

Nvidia shares rose on Monday, outperforming the broader market, after the company unveiled a new AI-focused processor for personal computers. The RTX Spark, described by Nvidia as "the most efficient PC chip ever built," is designed to run AI agents directly on personal devices and combines a CPU with Nvidia's Blackwell GPU. Developed with Microsoft, the N1X processor will power a new generation of Windows PCs from major manufacturers including Dell, HP, ASUS, Lenovo and MSI. The move marks Nvidia's direct challenge to Intel, AMD and Qualcomm in the PC processor market. Nvidia also announced that its Vera CPU for data centers has entered full production, with early customers including Anthropic, OpenAI, xAI, Dell, Oracle and CoreWeave.

Alphabet Inc. Cl A (GOOGL)

Alphabet shares slightly fell after the company announced plans to raise US\$80 billion in equity to fund a major expansion of its AI infrastructure. The financing package, which includes a US\$10 billion investment from Berkshire Hathaway, is the largest equity capital raise in U.S. corporate history. Investor concerns centered on the potential dilution of existing shareholders, particularly from the planned US\$40 billion at-the-market (ATM) offering, which could increase share supply over time and weigh on the stock price. While some market participants questioned the need for the raise given Alphabet's US\$126 billion cash position, supporters highlighted Berkshire Hathaway's investment as a strong endorsement of the company's AI strategy. The announcement comes as Alphabet accelerates AI-related spending, with 2026 capital expenditure guidance of US\$180–190 billion and Google Cloud reporting strong growth, including a 63% increase in first-quarter revenue and a contract backlog of US\$460 billion.

Broadcom Inc. (AVGO)

Broadcom shares fell after the company's quarterly results failed to meet investors' elevated expectations for its AI chip business, putting more than US\$300 billion of market value at risk. While Broadcom remains a key beneficiary of the AI boom through its custom AI chips used by major technology companies such as Alphabet and Meta, investors were disappointed that management maintained, rather than increased, its fiscal 2027 AI revenue target of US\$100 billion. The company also reported second-quarter revenue of US\$22.19 billion, below market expectations, while its forecast for current-quarter AI chip sales of US\$16 billion slightly missed Wall Street estimates. Despite the market reaction, Broadcom remains optimistic about long-term AI demand, expects to ship more than 10 gigawatts of AI chips by 2027, and several analysts raised their price targets following the results.

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

NVIDIA Corp.

Closing Price (05.06.2026) **\$205.10**

Performance

5 Day **- 8.58%**
1 Month **- 6.53%**
YTD **+ 9.97%**

Analyst Estimates

Average Recommendation **Buy**
Median Target Price **\$309.93**

Alphabet Inc. Cl A

Closing Price (05.06.2026) **\$368.53**

Performance

5 Day **- 2.08%**
1 Month **- 5.17%**
YTD **+ 17.74%**

Analyst Estimates

Average Recommendation **Buy**
Median Target Price **\$433.55**

Broadcom Inc.

Closing Price (05.06.2026) **\$385.73**

Performance

5 Day **- 16.14%**
1 Month **- 9.97%**
YTD **+ 11.45%**

Analyst Estimates

Average Recommendation **Buy**
Median Target Price **\$510.25**

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