

Weekly Market Commentary (19.06.2026)

Local Highlights

The **SEMDEX** was up by 0.05% over the week, with the total market turnover lower by 28.3% w/w. Trading activity on the equity board was geared towards **MCBG**, which made up 66.4% of TMT, followed by **SBMH** (3.8%) and **NMHL** (1.9%). Overall, foreigners were **net purchaser** to the tune of Rs 184.6m. Accounting only for SEMDEX constituents, foreigners were net buyers to the tune of Rs 189.4m, with **MCBG** being the main driver of foreign purchase, registering a net inflow of Rs 190.0m.

On the banking front, **MCBG** gained 1.23% to close at Rs 411.50. Similarly, **SBMH** gained 0.69%, closing the week at Rs 5.80.

Within the conglomerate space, **ERL** fell by 1.64% to Rs 18.00. **IBLL** also fell by 3.81% to Rs 24.00. Contrastingly, **CIEL** gained 0.53%, closing at Rs 7.64.

Regarding sugar conglomerates, **ALTG** (-3.93%) closed the week lower at Rs 11.00, while **MTMD** (+2.73%) closed higher at Rs 16.95.

As for the property sector, **ASCE** fell by 1.41% to Rs 17.50.

Among hotels, **SUN** (-0.46%) and **NRL** (-0.11%) closed the week lower at Rs 43.25 and Rs 44.00, respectively. Contrastingly, **NMHL** (+0.37%) closed the week higher at Rs 13.55.

On the insurance front, **MUAL** was down by 0.22% to close at Rs 46.30. **SWAN** also fell by 0.33%, closing at Rs 373.75.

On the commodities side, **NewGold ETF - MUR** gained 4.66% to close at Rs 1,999.00.

Top Performers

NewGold ETF - MUR	+ 4.66%
Omicane	+ 2.73%
Fincorp	+ 1.69%
MCB Group	+ 1.23%
SBM Holdings	+ 0.69%

Main Detractors

Almays Limited	- 7.63%
Alteo	- 3.93%
IBL Ltd	- 3.81%
PAD	- 3.80%
Policy	- 2.91%

Most Traded Stocks

Most Traded Stocks	% of TMT
MCB Group	66.4%
SBM Holdings	3.8%
NMH	1.9%
Terra	1.8%
Policy	1.6%

International News – US Market

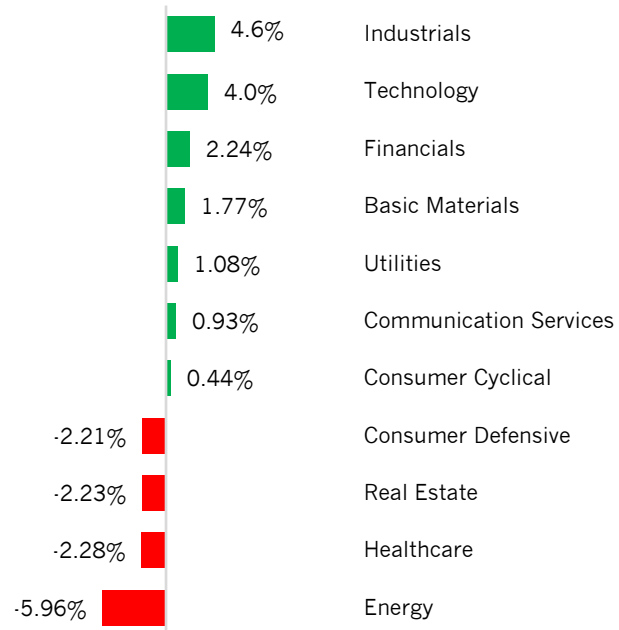
Wall Street started the week on a strong footing as investors welcomed news that the United States and Iran had reached a preliminary agreement aimed at ending the Middle East conflict and reopening the Strait of Hormuz. The development triggered a sharp decline in oil prices, with U.S. crude futures falling 4.9% to their lowest level since March, easing concerns over inflation and encouraging investors to rotate back into risk assets. Technology stocks led the rally, benefiting from expectations that lower energy prices could reduce inflationary pressures and lessen the need for tighter monetary policy. The Nasdaq surged 3.07%, while the S&P 500 advanced 1.65% and the Dow Jones rose 0.92% to a record closing high.

On Tuesday, markets delivered a mixed performance as investors consolidated gains from the previous session and awaited the outcome of the Federal Reserve's policy meeting. While the Dow Jones gained 0.64% to record another all-time closing high, the S&P 500 fell 0.57% and the Nasdaq declined 1.15%. Oil prices continued their downward trend, falling 5.8% as additional details emerged regarding the U.S.-Iran agreement. The continued decline in crude prices helped sustain optimism that inflationary pressures could moderate in the coming months.

Midweek, Wall Street experienced its sharpest decline of the week after the Federal Reserve delivered a more hawkish message than investors had anticipated. While policymakers left the benchmark interest rate unchanged at 3.50%-3.75%, updated projections indicated that several Fed officials expected at least one additional rate hike before the end of 2026. In his first policy meeting as Federal Reserve Chair, Kevin Warsh emphasised the central bank's commitment to restoring price stability and removed prior indications that rate cuts could be expected later this year. Markets interpreted the statement as signalling a higher probability of future rate increases. The Dow Jones fell 0.98%, while the S&P 500 and Nasdaq declined 1.21% and 1.34%, respectively. All eleven S&P 500 sectors ended the session in negative territory. The CBOE Volatility Index (VIX) rose sharply, reflecting increased investor uncertainty regarding the future path of monetary policy.

On Thursday, U.S. markets rebounded strongly in the final trading session of the week, as markets were closed on Friday for the Juneteenth public holiday. Investor sentiment improved as easing geopolitical tensions and renewed strength in semiconductor stocks outweighed concerns surrounding the Federal Reserve's hawkish stance. The United States and Iran formally signed an interim peace agreement, extending the ceasefire and reopening the Strait of Hormuz. The resumption of shipping activity through the critical trade route contributed to a further decline in oil prices, helping to alleviate inflation concerns. Technology stocks led the market recovery, with the Nasdaq surging 1.91%, while the S&P 500 and Dow Jones gained 1.08% and 0.14%, respectively. On the economic front, weekly jobless claims declined, suggesting that labour market conditions remained resilient despite concerns over higher interest rates.

1 Week Performance



Valuation

	Forward P/E	PEG	P/FCF
Basic Materials	14.05	1.23	26.63
Communication Services	30.68	2.16	35.54
Consumer Cyclical	20.58	1.54	43.46
Consumer Defensive	20.24	2.87	24.03
Energy	11.68	1.23	17.55
Financial	14.54	1.53	10.30
Healthcare	16.82	2.03	22.65
Industrials	31.76	2.26	43.00
Real Estate	29.20	3.08	22.67
Technology	28.06	1.10	42.70
Utilities	16.02	1.70	111.00

Earnings Calendar

	Time (GMT+4)	Ticker	Company	Estimate EPS (USD)
24.06.2026	00.00	FDX	FedEx Corporation	5.96
25.06.2026	00.00	MU	Micron Technology, Inc.	20.57

The Week's Defining Stocks

Yum! Brands Inc. (YUM)

Yum Brands announced the sale of Pizza Hut for a total consideration of approximately USD 2.7 billion, marking the end of the pizza chain's decades-long association with the group. Under the transaction, private equity firm LongRange Capital will acquire Pizza Hut's operations outside mainland China for around USD 1.5 billion, while Yum China will purchase the mainland China business for approximately USD 1.2 billion. The divestment follows years of operational challenges for Pizza Hut, which has struggled to keep pace with competitors such as Domino's and the rise of third-party delivery platforms. Yum stated that the sale represents the best path to maximize shareholder value and provide Pizza Hut with an ownership structure better suited to its markets and long-term priorities. The company expects net proceeds of about USD 2.3 billion after taxes and fees, with the transactions expected to close in the third quarter of 2026, subject to regulatory approvals. At the end of 2025, Pizza Hut operated nearly 20,000 outlets across 108 countries and territories and generated USD 12.8 billion in annual system sales.

Intel Corp. (INTC)

Intel shares surged on Thursday after U.S. President Donald Trump announced that Apple had agreed to partner with the company to design and manufacture chips in the United States. The announcement reinforced growing investor confidence in Intel's turnaround strategy under CEO Lip-Bu Tan, who has sought to revive the company's competitiveness by expanding its foundry business and securing major strategic partnerships. Intel has also benefited from support from the Trump administration and investments linked to the growing AI ecosystem, including collaborations with Nvidia and the proposed TerraFab project. The development comes amid strong investor interest in semiconductor companies, with the broader chip sector continuing to benefit from robust demand for AI-related infrastructure and computing technologies.

Accenture PLC Cl A (ACN)

Accenture shares came under pressure following the release of its third-quarter fiscal 2026 results, despite reporting earnings and revenue ahead of market expectations. Revenue increased 6% year-on-year to USD 18.7 billion, while diluted earnings per share rose 9% to USD 3.80. The company also raised its full-year earnings guidance and announced the acquisition of cybersecurity firms Dragos, runZero and NetRise in transactions valued at approximately USD 4.2 billion. However, investor sentiment remained cautious amid concerns over client budget constraints, increasing competition from AI-focused firms, and the potential impact of AI on traditional consulting services. Recent analyst downgrades by Truist Securities and Morgan Stanley further weighed on sentiment.

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

Yum! Brands Inc.

Closing Price (18.06.2026) **\$151.99**

Performance

5 Day **- 1.50%**
1 Month **- 2.04%**
YTD **+ 0.47%**

Analyst Estimates

Average Recommendation **Overweight**
Median Target Price **\$174.58**

Intel Corp.

Closing Price (18.06.2026) **\$133.99**

Performance

5 Day **+ 7.56%**
1 Month **+ 11.81%**
YTD **+ 263.12%**

Analyst Estimates

Average Recommendation **Hold**
Median Target Price **\$100.98**

Accenture PLC Cl A

Closing Price (18.06.2026) **\$127.98**

Performance

5 Day **- 24.84%**
1 Month **- 28.60%**
YTD **- 52.30%**

Analyst Estimates

Average Recommendation **Overweight**
Median Target Price **\$197.30**

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