

Weekly Market Commentary (23.10.2026)

Local Highlights

The **SEMDEX** was up by 0.37% over the week, with total market turnover (TMT) rising by 104.5% w/w. Trading activity on the equity board was geared towards **MCBG**, which made up 17.8% of TMT, followed by **AEIB** (2.4%) and **NMHL** (2.4%). Overall, foreigners were **net purchaser** to the tune of Rs 15.5m. Accounting only for SEMDEX constituents, foreigners were net purchaser to the tune of Rs 19.1m, with **MCBG** being the main driver of foreign purchase, registering a net inflow of Rs 25.2m.

On the banking front, **MCBG** gained 0.11% to close the week at Rs 468.25, while **SBMH** fell 0.33% to Rs 6.04.

Within the conglomerate space, **ERL** fell 2.89% to Rs 18.50. **IBLL** also fell 0.24% to Rs 20.70. Likewise, **CIEL** edge down by 0.53% to close the week at Rs 7.52.

Sugar conglomerates closed in the mix with **ALTG** (+3.77%) and **TERA** (-0.54%) ending the week at Rs 11.00, and Rs 18.40 respectively.

As for the property sector, **Medine** fell 2.73% to Rs 53.50, while **ASCE** fell by 0.29%, closing the week at Rs 17.45.

Among hotels, **RIVO** (+0.42%) and **SUN** (+0.10%) closed higher at Rs 23.65 and Rs 48.80, respectively.

Regarding industrial stocks, **PBL** gained 13.18% to Rs 49.80.

Investment trusts ended the week in the mixed with **POL** (-0.56%), and **MDIT** (+1.06%) closing at Rs 3.56 and Rs 1.90, respectively.

On the commodities side, **NewGold ETF - MUR** gained 0.63% to close at Rs 1,901.84.

Top Performers

PBL	+ 13.18%
Lottotech	+ 4.21%
Alteo	+ 3.77%
Fincorp	+ 2.77%
Almarys Limited	+ 2.21%

Main Detractors

Bluelife	- 5.88%
ER Group	- 2.89%
Medine	- 2.73%
CIM Financial Services	- 1.54%
POLICY	- 0.56%

Most Traded Stocks % of TMT

MCB Group	17.8%
Afreximbank - USD	2.4%
NMH	2.4%
CIEL	1.9%
CIM Financial Services	1.9%

Financial Results - Afreximbank 9M 2026.

- The Group generated gross income of US\$2.7 billion during 9M'2026, reflecting an 11% year-on-year increase. This performance was underpinned by a strong growth in interest income, which increased by 9.09% to US\$2.4 billion 9M'2026, from US\$2.2 billion in 9M'2025. This growth was primarily driven by an increase in average loan balances which rose from US\$28.9 billion during the 9M'2025 to US\$34.8 billion in 9M'2026.
- Interest expense closed the nine-month period at US\$981.3 million, representing a 2.26 percent increase from 9M'2025. Net interest income for the period amounted to US\$1.5 billion, representing a 15 percent increase from 9M'2025.
- Fees and commission income arising from unfunded activities, including guarantees, letters of credit and advisory services, totalled US\$136.9 million (9M'2025: US\$117.2 million).
- Net trading income and other income totalled US\$60.9 million for 9M'2026 (9M'2025: US\$57.8 million).
- The Group's Operating expenses increased by 9.42 percent to US\$335.6 million for the nine months ended 30 September 2026 (9M'2025: US\$306.7 million). The Group maintained strong cost efficiency, achieving a cost-to-income ratio of 20 percent (9M'2025: 21 percent), well below the strategic ceiling of 30 percent.
- Net income for the Group amounted to US\$813.5 million for 9M'2026, representing a 24% increase from US\$654.3 million reported for 9M'2025.
- The Group achieved a return on average shareholders' equity (ROAE) and return on average assets (ROAA) of 12 percent (9M'2025: 12 percent) and 2.48 percent (9M'2025: 2.35 percent), respectively.

Source: African Export-Import Bank 9M Financial Statement

International News – US Market

Wall Street started the week on a mixed note, as oil prices rose 2.2% following renewed attacks on Saudi energy facilities. The Dow Jones declined 0.07%, while the S&P 500 and Nasdaq gained 0.41% and 1.11%, respectively.

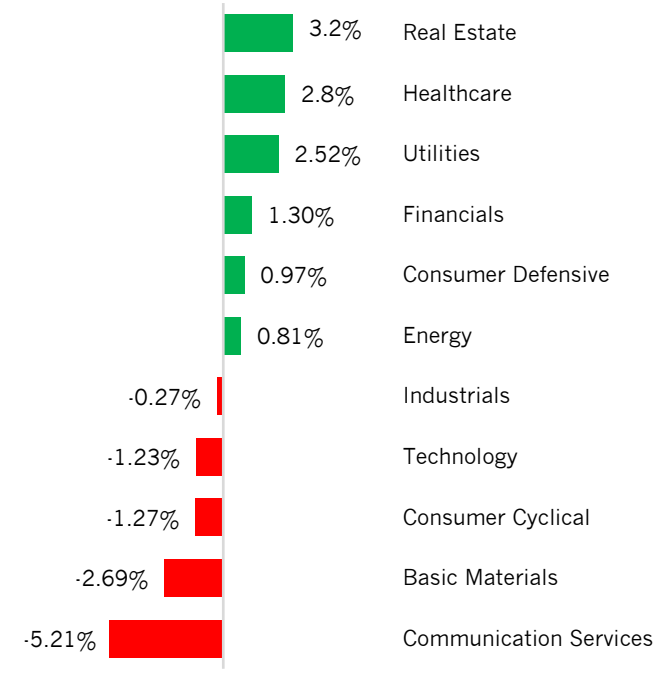
U.S. equities posted mixed performances on Tuesday as investors shifted away from technology stocks towards healthcare, defensive sectors and small-cap companies. On the earnings front, 3M gained 5.8% after raising its annual profit forecast and expanding its partnership with Amazon, while General Motors declined 6.8% amid rising cost pressures. The Dow Jones advanced 1.02%, while the S&P 500 gained 0.28% and the Nasdaq edged down 0.02%.

Wall Street advanced on Wednesday as stronger-than-expected corporate earnings helped ease concerns over the sustainability of AI-related investments. SpaceX shares surged 7.8% after reporting its first profit as a public company, while Super Micro Computer gained 9.6% following an upbeat revenue and profit margin forecast. The Philadelphia Semiconductor Index rose 2%, reflecting renewed investor confidence in AI demand. However, gains were partly offset by weakness in communication services, with AT&T falling 6.5% amid concerns over increasing competition, while Netflix declined 5.3% following a weaker-than-expected profit forecast. The Dow Jones, S&P 500 and Nasdaq gained 0.69%, 0.58% and 1.05%, respectively.

U.S. equities declined sharply on Thursday as renewed concerns over AI spending and financing costs triggered a broad selloff in technology stocks. Despite reporting better-than-expected earnings, Meta shares fell 7% as the company recorded its first cash outflow in more than a decade due to AI-related expenditures. Meanwhile, renewed Houthi attacks on Saudi infrastructure pushed crude oil prices to a five-month high, reinforcing inflation concerns and expectations of further interest rate hikes by the Federal Reserve. Nevertheless, several companies, including Procter & Gamble, Lockheed Martin and Spotify, recorded gains following their earnings announcements. The Dow Jones edged up 0.02%, while the S&P 500 and Nasdaq declined 1.21% and 2.60%, respectively.

Wall Street ended the week lower on Friday as rising oil prices and the outlook for interest rates weighed on investor sentiment. Telecommunications stocks declined following reports that SpaceX was exploring the establishment of a fourth wireless carrier. Meanwhile, U.S. consumer sentiment fell near a record low in October as rising prices weighed on households. Investors also turned their attention towards the upcoming Federal Reserve policy meeting and quarterly earnings from major technology companies, including Alphabet, Microsoft and Amazon. The Dow Jones declined 1.23%, while the S&P 500 and Nasdaq fell 0.52% and 0.21%, respectively.

1 Week Performance



Valuation

	Forward P/E	PEG	P/FCF
Basic Materials	13.87	1.07	21.60
Communication Services	18.37	0.90	35.88
Consumer Cyclical	20.04	1.24	40.86
Consumer Defensive	21.17	2.96	23.26
Energy	11.75	0.87	14.46
Financial	13.80	1.23	9.55
Healthcare	19.34	2.30	23.25
Industrials	27.05	1.82	34.53
Real Estate	28.27	3.08	21.69
Technology	19.86	0.76	34.71
Utilities	15.93	1.73	132.33

Earnings Calendar

	Time (GMT+4)	Ticker	Company	Estimate EPS (USD)
27.10.2026	14.55	KO	Coca-Cola Company	0.88
-	15.30	BA	Boeing Company	-0.25
29.10.2026	00.00	GOOGL	Alphabet Inc.	3.03
-	00.00	MSFT	Microsoft Corporation	4.71
-	14.45	LLY	Eli Lilly and Company	5.70
30.10.2026	00.01	AMZN	Amazon.com, Inc.	1.96
-	14.30	XOM	ExxonMobil Holdings Corporation	4.10
-	14.15	CVX	Chevron Corporation	4.86
-	00.00	INTC	Intel Corporation	0.40
	00.00	SNDK	Sandisk Corporation	46.31

The Week’s Defining Stocks

Space Exploration Technologies Corp. (SPCX)

SpaceX shares published strong third-quarter results, with revenue surging 161% year-on-year to USD 14.6bn, supported by the company's Super Intelligence division, which generated USD 7.6bn in revenue, compared with USD 813m in the corresponding period last year. Capital expenditures reached USD 19.6bn in Q3 2026, compared with USD 6.9bn a year earlier. The decline came despite Investor sentiment had also been supported by CEO Elon Musk's comments regarding a potential merger between SpaceX and Tesla, with both companies having established special committees to discuss the possibility. Meanwhile, SpaceX announced a nationwide low-band spectrum agreement with Grain Management, marking a significant step towards offering direct-to-device mobile coverage across the U.S. Investors are now closely monitoring developments surrounding Starship testing and spectrum regulations for wireless networks.

Netflix Inc. (NFLX)

Netflix shares declined approximately 4% on Wednesday, as the streaming giant's fourth-quarter revenue outlook and full-year advertising revenue forecast fell short of analysts' expectations. The company projected Q4 revenue of USD 13.44bn, below the consensus estimate of USD 13.51bn, while lowering its 2026 advertising revenue guidance from USD 3bn to USD 2.7bn due to a slower-than-expected rollout of certain advertising capabilities. For Q3 2026, Netflix reported revenue of USD 12.87bn, in line with expectations, while earnings per share of USD 0.87 exceeded estimates of USD 0.82. Despite these results, concerns over slowing viewer engagement, increasing competition and potential margin pressures prompted several analysts to lower their price targets. Meanwhile, Netflix announced plans to reduce its workforce by approximately 6%, or 1,000 employees, alongside the appointment of Peter Rice as its new Chief Content Officer. These measures come as the company seeks to strengthen its content offering and reinvigorate viewership growth amid increasing competition from short-form video platforms.

General Motors Co. (GM)

General Motors declined more than 5% on Tuesday despite reporting better-than-expected third-quarter results, as investors were disappointed by the company's revised full-year profit outlook. Q3 revenue increased 2.9% year-on-year to USD 50.0bn, exceeding estimates of USD 48.52bn, while adjusted earnings per share reached USD 3.70, above expectations of USD 3.57. Adjusted EBIT rose nearly 22% to USD 4.1bn. For FY2026, GM narrowed its adjusted EBIT guidance to USD 14.5bn–15.5bn from USD 14bn–16bn, while raising its adjusted automotive free cash flow forecast to USD 11.5bn–12.5bn. The company also announced a new USD 20bn multiyear share repurchase programme and maintained its quarterly dividend at USD 0.18 per share. However, rising cost pressures continued to weigh on the outlook, with commodity inflation expected to reach approximately USD 2bn. Meanwhile, GM's third-quarter U.S. vehicle sales declined 5.5% year-on-year to 670,974 units, primarily reflecting a 62% drop in electric vehicle sales. Nevertheless, light-duty pickup sales increased 9.3%, supported by stronger demand for Chevrolet Silverado and GMC Sierra models.

Space Exploration Technologies Corp.

Closing Price (23.10.2026) **\$147.49**

Performance

5 Day **- 0.32%**
1 Month **+ 1.39%**
3 Month **+ 29.95%**

Analyst Estimates

Average Recommendation **Overweight**
Median Target Price **\$254.23**

Netflix Inc.

Closing Price (23.10.2026) **\$65.85**

Performance

5 Day **- 5.73%**
1 Month **- 4.88%**
YTD **- 29.77%**

Analyst Estimates

Average Recommendation **Overweight**
Median Target Price **\$84.54**

General Motors Co.

Closing Price (23.10.2026) **\$75.92**

Performance

5 Day **- 8.25%**
1 Month **- 5.85%**
YTD **- 6.64%**

Analyst Estimates

Average Recommendation **Overweight**
Median Target Price **\$102.77**

The Week's Defining Stocks

Meta Platforms Inc. (META)

Meta published better-than-expected third-quarter results, with revenue reaching a record USD 64bn, exceeding analysts' estimates of USD 63.3bn. GAAP earnings per share stood at USD 3.83, above expectations of USD 3.56, but would have reached USD 7.40 excluding legal charges related to the company's teen mental health settlement. Meta raised the lower end of its capital expenditure guidance to USD 135bn–145bn, from USD 130bn–145bn previously, while reporting approximately USD 825bn in spending commitments related to cloud capacity, energy services and consumer hardware. Despite investor concerns, analysts remained largely optimistic about the company's AI prospects, particularly its Muse AI agent and models, which CEO Mark Zuckerberg expects to generate significant long-term profitability. Meanwhile, Meta announced plans to issue nonvoting Class C shares to existing Class A shareholders, effectively implementing a 2-for-1 stock split, aimed at preserving Zuckerberg's voting control amid potential changes to California's tax legislation.

Procter & Gamble Co. (PG)

Procter & Gamble published better-than-expected earnings and revenue for its first quarter of FY2027, supported by stronger demand for laundry detergent and home care products. Revenue increased 4% year-on-year to USD 23.3bn, exceeding analysts' estimates of USD 22.8bn, while adjusted earnings per share reached USD 2.00, above expectations of USD 1.88. Overall sales volumes increased 2.4%, reflecting a strong start to the fiscal year. Despite continued economic uncertainty and intense competition, P&G reiterated its FY2027 core earnings per share guidance of USD 6.89–7.11. The company also raised its full-year sales growth forecast to 2%–4%, from 1%–3% previously, reflecting its acquisition of supplements brand Thorne. Management highlighted continued differences in consumer spending patterns, with higher-income consumers favouring premium products while lower-income households remained price-conscious.

Lockheed Martin Corp. (LMT)

Lockheed Martin reported strong third-quarter results, supported by higher production volumes and a growing contract backlog. Revenue increased 11% year-on-year to USD 20.7bn, driven by higher production and sustainment volumes across several major platforms, including the F-35 fighter jet, Patriot interceptor missile and THAAD missile defense system. Net earnings rose 14% to USD 1.8bn, or USD 7.97 per share, exceeding analysts' expectations of USD 7.52 per share. The company also generated operating cash flow of USD 3.4bn and free cash flow of USD 3bn during the quarter, supporting its dividend payments. Meanwhile, Lockheed Martin's contract backlog reached USD 292bn at the end of Q3, reflecting continued demand for its defense technologies. Following the strong performance, management raised its FY2026 outlook, forecasting revenue of approximately USD 81bn and earnings per share of USD 30.35–30.75. The company also announced a 10-year agreement with the U.S. Department of Defense to expand production of the F-35 fleet.

Meta Platforms Inc.

Closing Price (23.10.2026)	\$642.62
<i>Performance</i>	
5 Day	- 8.91%
1 Month	- 10.20%
YTD	- 2.65%
<i>Analyst Estimates</i>	
Average Recommendation	Buy
Median Target Price	\$846.00

Procter & Gamble Co.

Closing Price (23.10.2026)	\$161.02
<i>Performance</i>	
5 Day	+ 2.11%
1 Month	+ 8.05%
YTD	+ 12.36%
<i>Analyst Estimates</i>	
Average Recommendation	Overweight
Median Target Price	\$172.52

Lockheed Martin Corp.

Closing Price (23.10.2026)	\$604.18
<i>Performance</i>	
5 Day	+ 10.21%
1 Month	+ 16.61%
YTD	+ 24.92%
<i>Analyst Estimates</i>	
Average Recommendation	Overweight
Median Target Price	\$635.68