SWAN CAPITAL SOLUTIONS

Weekly Market Commentary (31.07.2026)

Local Highlights

The **SEMDEX** was up by 0.31% over the week, with the total market turnover decreasing by 4.2% w/w. Trading activity on the equity board was geared towards **MCBG**, which made up 45.4% of TMT, followed by **PBL** (5.3%) and **MSE** (4.2%). Overall, foreigners were **net purchaser** to the tune of Rs 10.9m. Accounting only for SEMDEX constituents, foreigners were net buyers to the tune of Rs 9.3m, with **MCBG** being the main driver of foreign purchase, registering a net inflow of Rs 7.9m.

On the banking front, **MCBG** gained 1.09% to close at Rs 440.75. Likewise, **ABCH** gained 5.59% to Rs 17.95. Contrastingly, **SBMH** fell by 1.90%, closing the week at Rs 6.18.

Within the conglomerate space, **ERL** fell by 0.51% to Rs 19.45. Likewise, **CIEL** fell by 0.25%, closing at Rs 7.94.

Sugar conglomerates closed in the green with **MTMD** (+2.86%), **ALTG** (+4.09%) and **TERA** (+1.35%) closing at Rs 18.00, Rs 11.45, and Rs 18.75 respectively.

As for the property sector, **MSE** gained 0.43% to Rs 58.50. Contrastingly, **ASCE** fell by 0.79% to Rs 18.95.

Among hotels, **LUX** (-0.61%) closed the week lower at Rs 48.70, while **NMHL** gained 3.70% to Rs 14.00.

On the consumer finance front, **CIM** was down by 0.33% to close at Rs 15.05. In contrast, **FINC** was up by 5.96% to close at Rs 16.00

Regarding industries, **PBL** fell by 4.84% to close the week at Rs 59.00. Contrastingly, **MOR** gained 2.81% to Rs 16.45.

On the commodities side, **NewGold ETF - MUR** fell by 1.14% to close at Rs 1,915.00.

Top Performers	
Afreximbank - USD	+ 8.36%
Fincorp	+ 5.96%
Lottotech	+ 5.39%
Alteo	+ 4.09%
NMH	+ 3.70%

Main Detractors	
Bluelife	- 7.04%
PBL	- 4.84%
MDIT	- 4.39%
SBM Holdings	- 1.90%
MCB Group - Pref Shares	- 1.88%

Most Traded Stocks	% of TMT
MCB Group	45.4%
PBL	5.3%
Medine	4.2%
Almarys Limited	3.3%
NMH	3.1%

<u>Corporate Announcement</u>

- Harel Mallac & Co. ltd – Migration to DEM.

On <u>27.07.2026</u>, further to the cautionary announcement dated 2 March 2026, the Board of Directors of Harel Mallac & Co. Ltd announced that the Listing Executive Committee of the Stock Exchange of Mauritius has approved the proposed migration of the listing of the Company's shares from the Official Market to the Development & Enterprise Market of the SEM, subject to the approval of the shareholders of the Company. A special meeting of shareholders will be convened to seek approval for the Proposed Migration and further details in relation to the Proposed Migration will be communicated to shareholders in due course, including through an admission document.

- SBM Holdings Ltd– Suspension of Group Chief Executive Officer of SBMH, Mr Raoul Gufflet.

On <u>28.07.2026</u>, the Board of Directors of SBM Holdings Ltd announced that, following an internal investigation, it has decided to initiate disciplinary proceedings against the Group Chief Executive Officer of SBMH, Mr Raoul Claude Nicolas Gufflet, and to suspend him from his duties with immediate effect pending the determination of the disciplinary proceedings. The Board of SBMH has designated the Deputy Group Chief Executive Officer of SBMH, Mr Mooneesing Janna Naikeny, as Acting Group Chief Executive Officer of SBMH, subject to regulatory approval, until further notice.

International News – US Market

Trading began on a mixed note on Monday as investors remained focused on a busy week of earnings from AI heavyweights, while awaiting the Federal Reserve's policy decision later in the week. Concerns persisted that elevated oil prices and inflationary pressures could prompt the Fed to raise interest rates. The Dow Jones gained 0.51%, supported by strength in defensive sectors, while the S&P 500 edged up 0.02%. The Nasdaq slipped 0.18% as semiconductor stocks extended their recent sell-off amid increasing competition from Chinese chipmakers and growing concerns over AI-related valuations.

Investor sentiment remained cautious on Tuesday as gains in defensive sectors such as healthcare and consumer staples, together with strong earnings from Boeing and Coca-Cola, helped offset another sharp decline in semiconductor stocks. The S&P 500 rose 0.21% while the Dow Jones advanced 1.03%, whereas the Nasdaq declined 0.22% as the PHLX Semiconductor Index fell a further 4.5%.

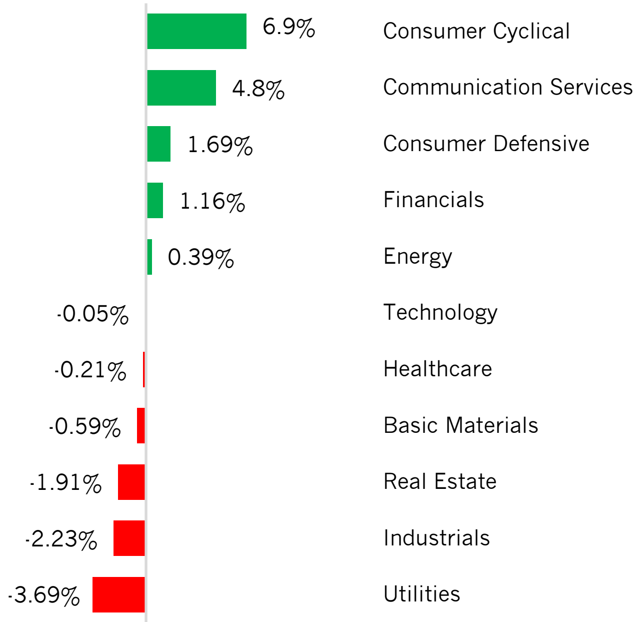
Markets weakened sharply on Wednesday after the Federal Reserve left its benchmark interest rate unchanged at 3.50%-3.75%, although three policymakers dissented in favour of an immediate rate hike, reinforcing concerns that tighter monetary policy may still be required later this year. Investor caution was further exacerbated by continued selling in AI-related semiconductor stocks ahead of earnings from Microsoft and Meta. The Dow Jones fell 2.19%, while the S&P 500 and Nasdaq declined 1.52% and 1.74%, respectively.

Wall Street rebounded strongly on Thursday after Microsoft delivered better-than-expected results and an upbeat outlook for cloud growth, easing investor concerns that heavy AI investment would fail to generate adequate returns. Microsoft surged more than 15%, recording the largest single-day market value increase in Wall Street history, while chipmakers also staged a broad recovery. The PHLX Semiconductor Index climbed 8.2%, helping the Nasdaq rally 2.78%, while the S&P 500 and Dow Jones gained 1.66% and 1.19%, respectively. Although Meta's results highlighted the financial strain of AI spending, investors took comfort from Microsoft's strong execution. Softer U.S. inflation data and slower-than-expected economic growth also reduced expectations of a September rate hike.

Wall Street extended its gains on Friday as Amazon's strong quarterly results further reassured investors that large-scale AI investments are beginning to generate meaningful returns. Amazon surged more than 15% after reporting its strongest quarterly revenue growth in over four years, reinforcing confidence in the AI investment theme following Microsoft's results. However, Apple declined 7.4% after warning that supply constraints would weigh on future growth. Despite Apple's weakness, the S&P 500 rose 0.70%, the Nasdaq gained 1.00% and the Dow Jones advanced 0.53%.

For the week, the S&P 500 gained approximately 1.1%, the Nasdaq advanced approximately 1.6%, while the Dow Jones rose 0.4%.

1 Week Performance



Valuation

	Forward P/E	PEG	P/FCF
Basic Materials	13.52	1.14	23.83
Communication Services	30.02	1.68	37.44
Consumer Cyclical	20.83	1.32	44.24
Consumer Defensive	20.51	2.89	23.46
Energy	12.98	1.29	17.75
Financial	14.85	1.48	10.56
Healthcare	17.85	2.07	23.57
Industrials	27.84	1.96	35.12
Real Estate	30.33	3.03	23.28
Technology	24.94	0.88	38.12
Utilities	15.86	1.71	107.16

Earnings Calendar

	Time (GMT+4)	Ticker	Company	Estimate EPS (USD)
03.08.2026	-	BRK.B	Berkshire Hathaway Inc.	5.04
04.08.2026	00.05	PLTR	Palantir Technologies Inc.	0.34
-	17.30	MCD	McDonald's Corporation	3.32
-	14.45	PFE	Pfizer, Inc.	0.68
05.08.2026	00.00	SPCX	Space Exploration Technologies Corp	-0.23
-	14.45	LLY	Eli Lilly and Company	6.01
-	00.15	AMD	Advanced Micro Devices, Inc.	1.62

The Week's Defining Stocks

Coca-Cola Co. (KO)

Coca-Cola's shares reached an all-time high after the company reported strong second-quarter 2026 results that exceeded market expectations. Net revenue increased 7% year-on-year to USD 13.4 billion, while operating income rose 9% to USD 4.7 billion, with the operating margin improving to 34.9% from 34.1% a year earlier. Adjusted earnings per share increased 11% to USD 0.97, surpassing analysts' expectations of USD 0.93. The company attributed its strong performance to its global World Cup marketing campaign, which boosted sales of its flagship Coca-Cola brand and Powerade, with volumes rising 5% and 8%, respectively. Coca-Cola Zero Sugar also delivered strong growth, with volumes increasing 16%. Reflecting the solid performance, management raised its full-year 2026 guidance, now expecting organic revenue growth of around 5% and adjusted EPS growth of 9% to 10%, while noting that consumers continue to view its products as affordable luxuries despite ongoing inflationary pressures.

Coca-Cola Co.

Closing Price (31.07.2026)	$87.59
Performance	
5 Day	+ 4.19%
1 Month	+ 5.58%
YTD	+ 25.29%
Analyst Estimates	
Average Recommendation	Overweight
Median Target Price	$96.24

Meta Platforms Inc. (META)

Meta Platforms' shares fell after the company reported second-quarter 2026 results that disappointed investors despite slightly beating revenue expectations. Revenue increased to USD 60.8 billion, marginally above analysts' forecasts, while net income declined 13% year-on-year to USD 15.85 billion. Diluted earnings per share came in at USD 6.18, below market expectations of USD 7.22, reflecting the impact of USD 2.4 billion in legal charges and USD 1.18 billion in severance costs. The company's aggressive investment in artificial intelligence infrastructure also weighed on cash generation, with free cash flow falling sharply to USD 784 million from USD 8.55 billion a year earlier. Meta also narrowed its 2026 capital expenditure guidance to USD 130-145 billion, raising the lower end of the range, while forecasting third-quarter revenue of USD 61-64 billion, below analysts' expectations. Despite the near-term pressure on profitability, management reaffirmed its commitment to investing heavily in AI infrastructure to strengthen the company's long-term competitive position.

Meta Platforms Inc.

Closing Price (31.07.2026)	$556.71
Performance	
5 Day	- 6.26%
1 Month	- 7.26%
YTD	- 15.66%
Analyst Estimates	
Average Recommendation	Buy
Median Target Price	$764.21

Microsoft Corp. (MSFT)

Microsoft's shares surged 15.5%, marking the largest single-day gain in the company's history, after reporting stronger-than-expected fourth-quarter 2026 results that eased investor concerns over its heavy AI investments. Revenue increased to USD 90 billion, while earnings per share rose to USD 4.74, exceeding analysts' expectations of USD 87.7 billion and USD 4.25, respectively. Growth was driven by continued strength across all business segments, with Azure revenue surpassing USD 100 billion for the first time and Azure growth accelerating to 43%, with management expecting growth to reach 45% in the current quarter. Microsoft also reported that Microsoft 365 Copilot subscriptions exceeded 30 million seats. Capital expenditure totalled USD 41 billion, slightly below expectations, helping reassure investors about spending discipline. Remaining performance obligations increased to USD 678 billion, highlighting a strong future revenue pipeline and reinforcing confidence that Microsoft's AI investments are translating into robust commercial growth.

Microsoft Corp.

Closing Price (31.07.2026)	$464.72
Performance	
5 Day	+ 19.43%
1 Month	+ 20.16%
YTD	- 3.91%
Analyst Estimates	
Average Recommendation	Buy
Median Target Price	$560.36

The Week's Defining Stocks

Apple Inc. (AAPL)

Apple reported stronger-than-expected third-quarter 2026 results, as investors reacted negatively to weaker forward guidance and ongoing supply chain challenges. Revenue increased 16% year-on-year to USD 109.4 billion, while earnings per share rose to USD 2.02, exceeding analysts' expectations of USD 1.89. Strong iPhone and Mac sales supported overall performance, with iPhone revenue rising 22% to USD 54.3 billion and Mac revenue increasing 29% to USD 10.4 billion. However, sales in Greater China of USD 18.8 billion fell short of expectations, while services revenue also missed forecasts. Looking ahead, management guided for fourth-quarter revenue growth of 9% to 11%, below market expectations, citing persistent supply constraints across its hardware products and significantly higher memory chip costs driven by strong AI-related demand. The company also continued to increase investment in artificial intelligence, with research and development expenditure rising 32% y/y.

Apple Inc.

Closing Price (31.07.2026)	$308.91
Performance	
5 Day	- 8.31%
1 Month	- 1.20%
YTD	+ 13.63%
Analyst Estimates	
Average Recommendation	Overweight
Median Target Price	$327.82

Amazon.com Inc. (AMZN)

Amazon reported stronger-than-expected second-quarter 2026 results, driven by robust growth in its cloud computing business. Revenue increased 20% year-on-year to USD 201 billion, while earnings per share surged to USD 5.75, significantly exceeding analysts' expectations of USD 1.82. Amazon Web Services (AWS) revenue grew 37% to USD 42.2 billion, outperforming market forecasts and reinforcing confidence in continued cloud demand. Reflecting this strength, the company increased its 2026 capital expenditure guidance by USD 20 billion to USD 220 billion to expand data centre capacity, despite higher memory component costs. Management stated that demand for AWS continues to exceed available capacity and expects this trend to persist through 2027 and beyond. For the third quarter, Amazon forecast revenue of USD 197-202 billion, representing annual growth of 9% to 12%, highlighting continued confidence in its long-term growth prospects driven by cloud computing and artificial intelligence investments.

Amazon.com Inc.

Closing Price (31.07.2026)	$271.58
Performance	
5 Day	+ 17.37%
1 Month	+ 11.23%
YTD	+ 17.66%
Analyst Estimates	
Average Recommendation	Buy
Median Target Price	$323.80

Qualcomm Inc. (QCOM)

Qualcomm reported Q3 2026 results that met earnings expectations and exceeded revenue forecasts, as investors remained concerned about weakness in the global smartphone market. The company reported earnings per share of USD 2.21 on revenue of USD 9.9 billion, above analysts' revenue estimate of USD 9.6 billion. Growth was supported by strong performance across its CDMA Technologies segment, with revenue reaching USD 8.5 billion, including handset revenue of USD 5.1 billion and automotive revenue of USD 1.5 billion, both ahead of expectations. However, management acknowledged a challenging memory and supply environment as rising memory chip prices and weaker smartphone demand continued to pressure the industry. Looking ahead, Qualcomm reiterated its strategy of diversifying beyond handsets, expecting non-handset revenue, including its data centre business, to accelerate significantly in fiscal 2027 as it expands its presence in artificial intelligence infrastructure.

Qualcomm Inc.

Closing Price (31.07.2026)	$147.61
Performance	
5 Day	- 13.19%
1 Month	- 20.84%
YTD	- 13.70%
Analyst Estimates	
Average Recommendation	Hold
Median Target Price	$204.60

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