

Weekly Market Commentary (02.10.2026)

Local Highlights

The **SEMDEX** was down by 0.81% over the week, with total market turnover (TMT) decreasing by 48.7% w/w. Trading activity on the equity board was geared towards **MCBG**, which made up 47.1% of TMT, followed by **AEIB** (12.0%) and **EMTL** (7.1%). Overall, foreigners were **net purchasers** to the tune of Rs 15.7m. Accounting only for SEMDEX constituents, foreigners were net purchaser to the tune of Rs 34.8m, with **MCBG** being the main driver of foreign purchase, registering a net inflow of Rs 34.9m.

On the banking front, **MCBG** fell 2.34% to close the week at Rs 460.00, while **SBMH** closed the period flat at Rs 6.18.

Within the conglomerate space, **ERL** gained 4.99% to Rs 20.00. In contrast, **IBLL** fell 0.94% to Rs 21.00. **CIEL** also fell by 0.27% to close the week at Rs 7.50.

Sugar conglomerates closed in the mix with **MTMD** (-1.62%) and **TERA** (-2.12%) ending the week at Rs 18.20, and Rs 18.50 respectively. In contrast, **ALTG** gained 0.46% to Rs 10.85.

As for the property sector, **MSE** gained 4.04% to Rs 58.00.

Among hotels, **RIVO** (+1.51%) and **SUN** (+1.55%) closed higher at Rs 23.55 and Rs 49.25, respectively. In contrast, **NMHL** (-1.69%) closed lower at Rs 14.50.

Regarding industrial stocks, **PBL** fell 0.89% to Rs 55.50. Contrastingly, **MOR** gained 1.82% to Rs 16.75.

Investment trusts ended the week in the mixed with **POL** (+2.78%), **NITL** (-7.92%) and **MDIT** (+1.08%) closing at Rs 3.70, Rs 9.30 and Rs 1.87, respectively.

On the commodities side, **NewGold ETF - MUR** fell by 1.41% to close at Rs 1,971.85.

Top Performers

ER Group	+ 4.99%
Stevenhills Limited	+ 4.17%
Medine	+ 4.04%
Lottotech	+ 2.92%
POLICY	+ 2.78%

Main Detractors

NIT	- 7.92%
CIM Financial Services	- 2.44%
MCB Group	- 2.34%
Terra	- 2.12%
NMH	- 1.69%

Most Traded Stocks % of TMT

MCB Group	47.1%
Afreximbank - USD	12.0%
Emtel Limited	7.1%
Alteo	6.5%
SBM Holdings	3.9%

Financial Results – MCB Group Limited YE 2026.

- Interest earning assets increased by 13.7% y/y, supporting an 11.7% y/y increase in net interest income. However, the Net Interest Margin declined slightly from 3.09% to 3.04% in FY Jun 26.
- Operating Income grew by 11.6% y/y, supported by higher net trading income, which rose by 33.3% y/y, while net fee and commission income increased by 4.8% y/y. Other operating income also increased by 42.6% y/y, mainly driven by gains realised on the sale of financial instruments.
- Cost to Income ratio increased slightly from 37.4% to 38.1% in FY Jun 26, following a 13.8% y/y increase in non-interest expenses, primarily due to higher staff costs associated with increased headcount, professional fees and rising technology-related costs. Higher premiums for the Deposit Insurance Scheme also contributed to the increase.
- Despite the increase in non-interest expenses, operating profit increased by 17.0% y/y, supported by a 33.5% decline in impairment charges, reflecting successful recoveries made during the year.
- Overall, PAT attributable to ordinary shareholders increased by 11.3% y/y, while PBT increased by 20.3% y/y. The slower growth in PAT was due to the impact of new fiscal measures introduced in Mauritius, which resulted in a higher effective tax rate.
- EPS TTM stood at Rs 76.55, resulting in a trailing P/E of 6.01x, based on its latest closing price of Rs 460.00.
- The Company has declared a final dividend of Rs16.50, following the interim dividend of Rs11.00 declared in March. Total DPS for FY Jun 26 therefore stands at Rs 27.50, resulting in a dividend yield of 5.98%, based on its latest closing price. Current payout ratio is around 35.93%.

International News – US Market

Wall Street opened lower on Monday as rising oil prices and Treasury yields weighed on investor sentiment. Crude prices initially jumped after U.S. President Donald Trump rejected an Iranian peace proposal, although gains were later pared on expectations of further talks through Qatari mediators. Higher crude and diesel prices added to inflation concerns and reinforced expectations that the Federal Reserve could maintain a restrictive policy stance. Nvidia bucked the broader decline, gaining 1.6% after announcing a record \$150 billion share repurchase authorization, while Boeing dropped 6.9% after the FAA delayed certification of its 737 MAX 10 due to a newly disclosed software issue. The Dow Jones declined 0.67%, the S&P 500 fell 0.77% and the Nasdaq lost 0.92%.

Equities remained under pressure on Tuesday as longer-dated Treasury yields climbed to multi-decade highs ahead of key inflation and labour-market data. The 30-year Treasury yield reached 5.62%, its highest level since June 2002, while the 10-year yield climbed to 5.293%, its highest since June 2007. However, yields subsequently eased after New York Fed President John Williams indicated that policymakers had time to assess incoming data before deciding on another rate increase, pushing the implied probability of an October hike down to around 51.5%. Economic data also pointed to some weakening, with August job openings falling to 7.079 million and consumer confidence plunging to a nearly 12½-year low in September. The Dow Jones fell 0.26%, the S&P 500 declined 0.17% and the Nasdaq edged 0.08% lower.

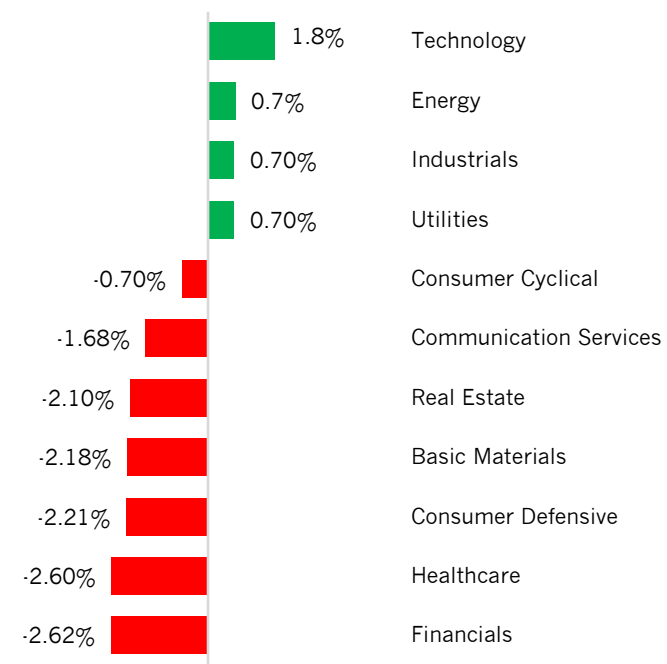
Markets were mixed on Wednesday after softer-than-expected inflation data further reduced expectations for an October rate hike. The Fed’s preferred inflation gauge, the PCE Price Index, rose 3.4% year-on-year in August, below the 3.7% expected by economists. Meanwhile, second-quarter GDP growth was revised higher to an annualised 2.2%, supported by resilient consumer spending and investment in AI infrastructure. Following the inflation data, the probability of a 25-basis-point rate increase in October fell to around 37%. The Dow Jones declined 0.86% and the S&P 500 slipped 0.25%, while the Nasdaq gained 0.24%, supported by strength in megacap technology stocks.

Wall Street rebounded modestly on Thursday as Treasury yields retreated from multi-decade highs. Weekly initial jobless claims fell to 197,000, below expectations, while the ISM manufacturing survey showed continued expansion alongside higher input costs. However, yields reversed course after Fed Vice Chair Philip Jefferson suggested that policymakers could be patient before raising rates again. Energy was the best-performing S&P 500 sector, gaining 1.9% as Brent crude rose by more than \$4 per barrel following China’s suspension of fuel exports. The Dow Jones and Nasdaq both edged 0.04% higher, while the S&P 500 gained 0.20%.

Stocks rallied on Friday after significantly weaker-than-expected employment data further reduced expectations for an imminent Federal Reserve rate hike. Nonfarm payrolls increased by only 29,000 in September, well below the 90,000 expected, while employment gains for the previous two months were revised sharply lower. The Dow Jones gained 0.49%, the S&P 500 rose 0.73% and the Nasdaq advanced 1.19%.

For the week, the S&P 500 declined 0.27% and the Dow Jones fell 1.26%. In contrast, the Nasdaq gained 0.45%.

1 Week Performance



Valuation

	Forward P/E	PEG	P/FCF
Basic Materials	14.19	1.12	22.67
Communication Services	19.71	0.98	36.89
Consumer Cyclical	19.52	1.17	39.72
Consumer Defensive	19.10	2.64	21.34
Energy	11.92	0.88	13.66
Financial	13.33	1.18	9.71
Healthcare	18.01	2.13	21.88
Industrials	28.31	1.83	35.67
Real Estate	27.18	2.81	21.13
Technology	21.99	0.80	38.89
Utilities	15.04	1.67	136.25

The Week's Defining Stocks

NVIDIA Corp. (NVDA)

NVIDIA recently announced that its Board of Directors has authorized an additional \$150 billion under the company's existing share repurchase program, increasing the total remaining amount authorized to \$235 billion. The company expects to execute the total remaining program through fiscal year 2028. "NVIDIA's growth is being driven by a once-in-a-generation platform shift to AI and accelerated computing," said Jensen Huang, founder and CEO of NVIDIA. "Our cash generation gives us the capacity to invest in the technologies that advance this transformation and return capital to shareholders. This authorization reflects our confidence in the long-term opportunity ahead." This marks the largest share repurchase authorization increase in history.

Hewlett Packard Enterprise Co. (HPE)

Hewlett Packard Enterprise shares surged 3.9% in pre-market trading after the company announced a \$1.2 billion order from Vultr, the world's largest privately held cloud infrastructure company, for AMD Helios AI Rack systems. The systems will be deployed across Vultr's U.S. data centers, marking HPE's first commercial order for the new platform and supporting its strategy to expand its presence in AI infrastructure. At its Networking Investor Day, HPE also raised its growth outlook, targeting high-teens to low-20% revenue growth for its Networking segment in fiscal 2027. Data Center Networking revenue is expected to grow at a low-to-high 50% CAGR through fiscal 2029. HPE also increased its expected annual cost synergies from the Juniper Networks integration to \$800 million by the end of fiscal 2028, from at least \$600 million previously.

Micron Technology Inc. (MU)

Micron Technology reported strong fourth-quarter fiscal 2026 results, supported by higher memory pricing and robust AI-related demand. Non-GAAP earnings surged to \$33.42 per share, from \$3.03 a year earlier, while revenues increased 379.3% year-on-year to \$54.23 billion, with both exceeding estimates. Data center SSD revenues approached \$10 billion, more than ten times the prior-year level. DRAM revenues reached a record \$39.77 billion, accounting for 73% of total revenues, while NAND revenues hit a record \$14.10 billion. All four of Micron's business units also reported record revenues, reflecting higher pricing and strong data center demand. Micron strengthened its longer-term revenue visibility through 26 strategic customer agreements, representing more than 35% of estimated revenues through 2030, with customer financial commitments reaching \$32 billion. More than 75% of fiscal 2027 output is already committed. For the first quarter of fiscal 2027, Micron expects revenue of approximately \$61.5 billion and earnings of \$38.15 per share. Management expects fiscal 2027 to be another record year, supported by tight memory supply-demand conditions and continued AI-driven demand.

NVIDIA Corp.

Closing Price (02.10.2026) **\$233.95**

Performance

5 Day **+ 2.22%**
1 Month **+ 1.56%**
YTD **+ 25.44%**

Analyst Estimates

Average Recommendation **Buy**
Median Target Price **\$333.47**

Hewlett Packard Enterprise Co.

Closing Price (02.10.2026) **\$69.33**

Performance

5 Day **+ 10.70%**
1 Month **+ 33.33%**
YTD **+ 188.63%**

Analyst Estimates

Average Recommendation **Overweight**
Median Target Price **\$73.11**

Micron Technology Inc.

Closing Price (02.10.2026) **\$1,074.89**

Performance

5 Day **+ 1.98%**
1 Month **+ 5.73%**
YTD **+ 276.61%**

Analyst Estimates

Average Recommendation **Buy**
Median Target Price **\$1,593.19**