

## Weekly Market Commentary (23.01.2026)

### Local Highlights

The **SEMDEX** was down by 0.53% over the week, following a fall of 43.85% w/w in the total market turnover (TMT). Overall, foreigners were **net purchaser** to the tune of Rs 5.30m. Accounting only for SEMDEX constituents, foreigners were net purchaser to the tune of Rs 5.26m, with **MCBG** being the main driver of foreign purchase, registering a net inflow of Rs 5.48m. As usual, trading activity on the equity board remained geared towards **MCBG**, which made up 47.9% of TMT, followed by **SBMH** (6.8%) and **CIEL** (2.5%).

On the banking front, **MCBG** fell by 0.35%, closing the week at Rs 433.00. Alternatively, **SBMH** closed the week unchanged at Rs 6.68.

Within the conglomerate space, **IBLL** closed lower by 0.17% to Rs 29.00. Likewise, **ERL** closed the week lower by 2.22% to Rs 22.00. **CIEL** closed the week unchanged at Rs 8.52.

The property sector closed in the red. **MSE** closed lower by 3.88% to Rs 62.00. Likewise, **Almarys** fell by 2.56% to Rs 6.10. **ASCE** also fell by 2.63% to Rs 18.50.

Regarding hotels, **LUX** (-0.48%), **NMHL** (-0.72%) and **SUN** (-3.15%) closed the week lower at Rs 51.75, Rs 13.80 and Rs 43.10, respectively. Contrastingly, **RIVO** gained 0.23% to Rs 22.15.

On the sugar conglomerate side, **ALTG** gained 1.26% to Rs 12.05. Contrastingly, **Terra** fell by 1.32% to Rs 18.75.

On the commodities side, **New Gold-MUR** closed the week unchanged at Rs 2,200.00.

### Top Performers

Alteo	1.26%
CIM	0.93%
MUA	0.38%
Riveo	0.23%

### Main Detractors

Grit-USD	-14.29%
Medine	-3.88%
ASL	-3.23%
SUN	-3.15%
Fincorp	-2.78%

### Most Traded Stocks % of TMT

MCB Group	47.9%
SBM Holdings	6.8%
CIEL	2.5%
ER Group	2.2%
Terra	2.2%

### Financial Results- Lux Island Resorts Ltd: QE Dec 2025

- Revenue increased 9.1% y/y to Rs 3.47bn for the quarter ended Dec 25, driven by higher quarterly tourist arrivals (Mauritius +4% y/y; Maldives +10% y/y). Group occupancy rose to 83%, while the Group's ADR and RevPAR increased by 4% and 8%, respectively.
- EBIT increased 18.2% y/y to Rs 938.3m for the quarter ended Dec 25, resulting in an EBIT margin of 27.0%, which was slightly higher compared to corresponding quarter in 2024.
- Total finance costs declined 17.3% y/y to Rs 103.6m, resulting in interest cover strengthening to 9.05x (Dec-24: 6.34x). Gearing improved from 20% to 13%, with a strong net cash position of Rs 1.48bn after repayment of long-term borrowings and prepayment of MIC Convertible Bonds.
- PAT increased 14.5% y/y to Rs 641.0m, partly offset by a higher tax charge following the introduction of the 5% Fair Share Contribution. PAT margin improved to 18.5% (Dec-24: 17.6%).

### Dividend Announcement

- On 21-Jan-26, the Board of Directors of **Lux Island Resorts Ltd** has declared an interim dividend of Rs 1.25 per share in respect of the financial year ending 30-Jun-26. The dividend will be paid on or about 9-Mar-26, to shareholders registered at close of business on 09-Feb-26.

## International News – US Market

U.S. equity markets experienced a volatile and headline-driven week, with investor sentiment swinging in response to shifting geopolitical developments and policy signals. Trading was closed on Monday in observance of the Martin Luther King Jr. Day holiday.

Trading resumed on Tuesday with a sharp sell-off across Wall Street, driven by renewed concerns over a potential trade war between the U.S. and Europe. Investor anxiety escalated after President Donald Trump reiterated his intention to acquire Greenland, warning that the U.S. would impose tariffs on several European nations should they oppose the move. In a post on Truth Social, Trump outlined plans to introduce a 10% tariff on imports from countries including Denmark, Germany, France, and the U.K. from February 1, with a further increase to 25% from June 1 if negotiations failed. These remarks raised fears of heightened geopolitical tensions involving NATO allies and disrupted trade relations, prompting a broad risk-off move. Housing, airline, networking, brokerage, and retail stocks declined sharply, while gold prices and gold-related equities rallied as investors sought safe-haven assets.

Sentiment improved on Wednesday following President Trump's address at the World Economic Forum, where he ruled out the use of military force to acquire Greenland and called for immediate negotiations with Denmark. Although early gains faded amid lingering trade concerns, markets rebounded strongly in the afternoon after Trump stated that a "framework" for a deal had been established during discussions with NATO Secretary General Mark Rutte, and that the threatened tariffs would not be implemented. This de-escalation triggered a strong recovery across equity markets, with oil services, computer hardware, biotechnology, semiconductors, transportation, and housing stocks leading the advance.

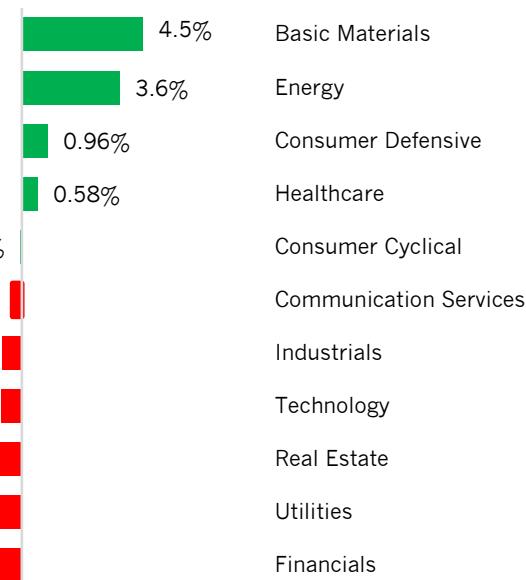
The rebound extended into Thursday as easing Greenland-related tensions continued to support risk appetite. Some analysts characterised the move as a return of the so-called "TACO trade," reflecting expectations that aggressive policy threats may be softened if markets react negatively. Meanwhile, U.S. economic data showed a modest rise in jobless claims and inflation broadly in line with expectations, reinforcing confidence in the resilience of the U.S. economy. Sector performance was mixed, with strength in gold, telecoms, software, networking, and biotechnology stocks, while real estate and housing stocks lagged.

On Friday, markets delivered a mixed performance following the strong rebound earlier in the week. The Dow retreated, while the tech-heavy Nasdaq extended its gains for a third consecutive session, supported by strength in software stocks. The mixed tone reflected easing concerns over Greenland being replaced by renewed geopolitical uncertainty surrounding Iran, after President Trump indicated that U.S. naval forces were moving toward the Middle East. Economic data provided some support, with U.S. consumer sentiment improving more than expected in January. For the holiday-shortened week as a whole, all major indices finished modestly lower, reflecting persistent geopolitical uncertainty despite midweek recovery efforts.

### Earnings Calendar

	Time (GMT+4)	Ticker	Company	Estimate EPS (USD)
29.01.2026	01.00	MSFT	Microsoft Corporation	3.91
-	01.00	TSLA	Tesla, Inc.	0.45
-	01.05	META	Meta Platforms, Inc.	8.20
30.01.2026	01.30	AAPL	Apple Inc.	2.67

### 1 Week Performance



### Valuation

	Forward P/E	PEG	P/FCF
Basic Materials	17.50	1.17	34.54
Communication Services	28.99	1.89	32.20
Consumer Cyclical	24.30	1.97	45.74
Consumer Defensive	20.99	3.52	25.11
Energy	15.65	2.43	14.40
Financial	14.98	1.55	13.81
Healthcare	20.03	1.71	24.45
Industrials	24.49	2.45	32.59
Real Estate	30.75	2.47	22.47
Technology	23.55	1.45	39.53
Utilities	16.61	1.94	108.46

## The Week's Defining Stocks

### Netflix Inc. (NFLX)

Netflix reported strong fourth-quarter 2025 results, underpinned by continued scale expansion and subscriber growth. The company reached 325 million paid subscribers, with its global audience approaching one billion viewers, reinforcing its position as one of the world's leading streaming platforms. Fourth-quarter revenue increased 17.6% year-on-year to \$12.1 billion, while net income rose 29.4% to \$2.4 billion, and earnings per share climbed 30.2% to \$0.56, marginally exceeding market expectations. Looking ahead, management expects 2026 revenue of \$50.7–\$51.7 billion and targets a 31.5% operating margin, supported by subscriber growth, pricing increases, and a significant expansion in advertising revenue. However, Netflix has temporarily paused share buybacks as it evaluates a potential acquisition of Warner Bros. Discovery, amid the risk of a competitive bidding process, which has contributed to recent weakness in the stock's momentum.

### Oracle Corp. (ORCL)

Oracle has emerged as a key investor and strategic partner in the newly established TikTok US entity, following a long-awaited deal aimed at avoiding a nationwide ban of the popular video-sharing platform. Under the new ownership structure, Oracle holds a 15% stake in TikTok US as part of a 50% allocation to new investors, alongside Silver Lake Management and Abu Dhabi-based MGX, while existing ByteDance investors and ByteDance itself retain the remaining 50%. The arrangement complies with US legislation passed in 2024, which required ByteDance to reduce its ownership below 20%. Oracle, already TikTok's long-standing cloud computing partner, will also act as a security provider responsible for safeguarding US user data and ensuring regulatory compliance. The US entity will be governed by a majority-American board and will oversee content moderation and data protection, while ByteDance will lease its algorithm to the new venture.

### Intuitive Surgical Inc. (ISRG)

Intuitive Surgical reported better-than-expected fourth-quarter results, driven by continued demand for its da Vinci surgical robots used in minimally invasive procedures. The company beat Wall Street estimates on both profit and revenue, reporting adjusted earnings of \$2.53 per share, above analysts' expectations of \$2.26, while quarterly revenue reached \$2.87 billion, compared with estimates of \$2.75 billion. Procedure volumes using da Vinci systems increased by approximately 18% year-on-year during the quarter, supported by hospitals clearing backlogs of deferred procedures and expanding access to minimally invasive care. Looking ahead, Intuitive expects global da Vinci-assisted procedures to grow 13%–15% in 2026, while forecasting gross profit margins of 67%–68%, including an estimated tariff impact of around 1.2% of revenue.

### Netflix Inc.

Closing Price (23.01.2026)	<b>\$86.12</b>
<i>Performance</i>	
5 Day	<b>- 2.14%</b>
1 Month	<b>- 8.53%</b>
YTD	<b>- 8.15%</b>
<i>Analyst Estimates</i>	
Average Recommendation	<b>Overweight</b>
Median Target Price	<b>\$117.51</b>

### Oracle Corp.

Closing Price (23.01.2026)	<b>\$177.16</b>
<i>Performance</i>	
5 Day	<b>- 7.29%</b>
1 Month	<b>- 9.33%</b>
YTD	<b>- 9.11%</b>
<i>Analyst Estimates</i>	
Average Recommendation	<b>Overweight</b>
Median Target Price	<b>\$289.17</b>

### Intuitive Surgical Inc.

Closing Price (23.01.2026)	<b>\$523.99</b>
<i>Performance</i>	
5 Day	<b>- 2.06%</b>
1 Month	<b>- 8.93%</b>
YTD	<b>- 7.48%</b>
<i>Analyst Estimates</i>	
Average Recommendation	<b>Overweight</b>
Median Target Price	<b>\$616.59</b>

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