

Weekly Market Commentary (12.12.2025)

Local Highlights

The **SEMDEX** fell by 1.51% over the week, following a decrease of 35.0% w/w in the total market turnover (TMT). Overall, foreigners were net sellers to the tune of Rs 26.2m. Accounting only for SEMDEX constituents, foreigners were net sellers to the tune of Rs 26.8m, with **MCBG** being the main driver of foreign sales, registering a net outflow of Rs 23.5m. As usual, trading activity on the equity board remained geared towards **MCBG**, which made up 55.1% of TMT, followed by **ERL** (5.8%) and **ENLG** (5.7%)

On the banking front, **SBMH** fell by 3.49% over the week to close at Rs 6.64. Likewise, **MCBG** fell by 1.36%, closing the week at Rs 436.00.

Within the conglomerate space, **ERL** fell by 2.56% to Rs 20.95. **IBLL** also fell by 3.75% to close the week at Rs 29.50. **CIEL** also fell by 0.45% to Rs 8.86.

The property sector closed in the red. **ENLG** fell by 0.63% to Rs 6.30. Likewise, **MSE** fell by 3.70% to Rs 65.00. **ASCE** also fell by 0.26% to close at Rs 18.95.

Hotels closed in the mixed. **LUX** closed lower by 5.45% at Rs 52.00. Contrastingly, **SUN** gained 1.53% over the week, closing at Rs 43.20. **NMH** also gained 2.23% to Rs 13.75.

On the sugar conglomerate side, **ALTG** gained 0.41% to Rs 12.20. **MTMD** also fell by 3.39% to Rs 18.50. Alternatively, **TERA** closed the week unchanged at Rs 19.10.

On the commodities side, **New Gold-MUR** gained 3.81% to Rs 1,916.38.

Top Performers

New Gold-MUR	3.81%
NMH	2.23%
SUN	1.53%
MDIT	1.01%
MCB Preference	0.99%

Main Detractors

LUX	-5.45%
CIM	-4.00%
IBL	-3.75%
Medine	-3.70%
SBM Holdings	-3.49%

Most Traded Stocks	% of TMT
MCB Group	55.1%
ER Group	5.8%
Almarys	5.7%
IBL	4.8%
CIEL	3.8%

Financial Results- CIM Financial Services Ltd- YE Sep 2025

- Net interest income rose by 19.0% to Rs 3.25bn, supported by higher interest income from continued loan book expansion.
- Net operating income increased by 19.1% y/y to Rs 4.0bn. However, operating expenses rose by 13.6% to Rs 2.0bn due to higher operational costs linked to inflationary pressures, as well as higher labour costs following increase in minimum wage, salary relativity adjustment and the 14th month bonus.
- As a result, profit after impairment grew by 15.9% to Rs 1.53bn.
- Profit after tax rose by 10.2% y/y to Rs 1.22bn, despite slight increase in tax expense.
- Looking forward, Management remains positive given prevailing economic conditions and evolving consumer spending patterns.

Corporate Announcements

- **United Docks Ltd**- Issue of Cumulative Redeemable Preference Shares.

On 08-Dec-25, the Board of Directors of United Docks Ltd announced that the shareholders have approved the issuance of up to 2,000,000 Cumulative Redeemable Preference Shares for an amount of up to Rs 2Bn to finance the property development projects in the pipeline.

Dividend Announcements

- On 12-Dec-25, **Omnican Limited** has declared a dividend of Rs 1.10 per share in respect of the financial year ending 31-Dec-25. The dividend will be paid on or about 27-Mar-26, to shareholders registered at close of business on 13-Mar-26.
- On 12-Dec-25, **CIM Financial Services Ltd** has declared a final dividend of Rs 0.57 per share in respect of the financial year ending 30-Sep-25. The dividend will be paid on or about 20-Jan-26, to shareholders registered at close of business on 05-Jan-26.

International News – US Market

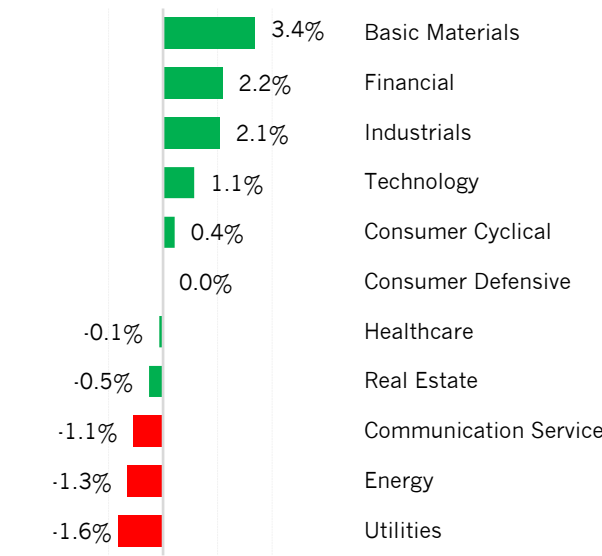
U.S. equities traded with a cautious tone throughout the week as investors positioned themselves ahead of the Federal Reserve’s highly anticipated December policy decision. Monday opened with early gains before profit-taking set in, pulling the major indexes into negative territory. The Nasdaq and S&P 500 retreated slightly from their one-month highs, while trading volumes remained subdued as markets awaited clarity from the Fed. Expectations for a widely anticipated 25 bps cut dominated sentiment, but uncertainty over the trajectory of rate cuts in 2025 kept risk appetite muted. Sector movements were mixed, with gold, biotech, utilities and healthcare lagging, while pockets of strength appeared in networking, hardware and semiconductors.

Tuesday brought another session of choppy, directionless trading as investors remained reluctant to take meaningful positions before the central bank meeting. The major averages ended narrowly mixed, with the Nasdaq inching higher but the Dow declining. Job openings data showed little change and did little to alter expectations for a December rate cut, reinforcing the view that the labor market is stabilizing. Gold miners outperformed alongside higher bullion prices, and oil service names saw some buying interest, while housing and pharmaceutical stocks weakened. Treasury yields crept slightly higher as markets braced for Wednesday’s decision.

On Wednesday, equities finally found direction, moving higher in late trading after the Fed delivered the expected 25 bps rate cut—its third consecutive monthly reduction. While the policy decision was aligned with consensus expectations, the meeting revealed significant internal division among Fed officials, including three dissents and a wide dispersion in the 2026 rate forecasts. Despite this uncertainty, markets responded positively, with the Dow jumping more than 1% and the S&P 500 and Nasdaq also advancing. Housing, transportation, banking and hardware stocks led the rally, reflecting optimism that easier financial conditions may continue into early 2025. Treasury yields slipped slightly as markets priced in a more dovish tilt under the incoming Trump-appointed Fed leadership.

Thursday saw sharp divergence across indices, with the Dow surging to a fresh record high while the Nasdaq declined amid renewed selling pressure in large-cap tech. Visa, Nike, UnitedHealth and American Express powered the Dow higher following strong analyst sentiment, while a 10% plunge in Oracle dragged on the Nasdaq after the company reported revenue below expectations. AI-related stocks such as Nvidia also weakened, reflecting persistent concerns about stretched valuations. Meanwhile, jobless claims rose sharply, breaking the recent trend of labor-market strength, while gold and steel stocks rallied strongly in response to commodity price moves. Treasury yields continued to ease, supporting risk-on sectors outside of tech.

1 Week Performance



Valuation

	Forward P/E	PEG	P/FCF
Energy	14.59	1.81	13.40
Basic Materials	16.05	1.17	29.45
Financial	16.21	1.62	13.93
Utilities	16.74	2.03	104.59
Healthcare	19.14	1.57	23.66
Consumer Defensive	20.12	3.40	24.25
Industrials	23.81	2.37	30.95
Consumer Cyclical	23.84	1.87	42.92
Technology	26.62	1.60	41.26
Real Estate	30.60	2.50	22.15
Communication Services	34.45	2.23	31.38

Earnings Calendar

	Time (GMT+4)	Company	Ticker	Estimate EPS (USD)
18/12/2025	01.00	Micron Technology, Inc	MU	3.91
-	15.00	FactSet Research Systems Inc.	FDS	4.36
-	18.30	Accenture plc	ACN	3.74
19/12/2025	01.00	FedEx Corporation	FDX	4.11
-	01.15	Nike,Inc	NKE	0.37

The Week's Defining Stocks

Paramount Skydance Corp. (PSKY) — Paramount Launches Hostile Bid for Warner Bros. in Escalating Takeover Battle

Paramount Skydance made headlines this week after launching a hostile all-cash \$30-per-share bid for Warner Bros. Discovery, directly challenging Netflix's recently announced agreement to acquire the studios and HBO Max. Paramount argued its proposal, valuing Warner at an enterprise value of \$108.4 billion, is superior for shareholders and more likely to clear regulatory review. The bid is backed by the Ellison family and RedBird Capital, with debt commitments from major U.S. banks and sovereign wealth funds from Saudi Arabia, Abu Dhabi and Qatar, though without governance rights. The move triggered sharp market reactions: Paramount jumped 9%, Warner rose 4.4%, while Netflix fell 3.4%. The takeover saga has become politically charged, with President Trump publicly criticizing Paramount shortly after the bid. Paramount insists Warner shareholders would receive payouts more quickly under its proposal, while Netflix maintains its deal is already "done." The contest now sets up a potentially transformative reshaping of Hollywood's hierarchy, with regulatory approval remaining the biggest wildcard.

Walt Disney Co. (DIS) — Disney Partners With OpenAI to Bring Its Characters Into Sora

Disney struck a three-year licensing and investment deal with OpenAI, allowing Sora to use iconic Disney characters in user-generated videos. Disney will also deploy OpenAI tools across its businesses, including Disney+, and is investing \$1 billion in OpenAI. The agreement tightens Disney's control over IP at a time when it is aggressively enforcing copyright violations against tech firms. Shares rose 2.4% as the deal signals Disney's intent to integrate AI while safeguarding creators' rights.

Oracle Corp (ORCL) — Stock Plunges on Cloud Spending Surge

Oracle shares tumbled over 10%, its steepest drop since 2002—despite beating earnings expectations. Revenue slightly missed forecasts, and investors reacted negatively to surging AI-driven capital expenditures, now expected to hit \$50 billion this year. Cloud revenues are growing rapidly, but margins are shrinking, free cash flow is negative, and the company is taking on substantial debt to support massive data-center expansion. Concerns resurfaced about whether Oracle can execute on huge contracts like its deal with OpenAI.

Walmart Inc. (WMT) — Walmart Completes Move to Nasdaq in Symbolic Shift Toward Its Tech Identity

Walmart officially moved its listing to the Nasdaq, highlighting its evolution into a tech-driven retailer. The shift supports potential inclusion in the Nasdaq 100, which could boost passive inflows. Walmart shares have risen about 7% since the announcement as investors recognize the company's deep investments in AI, automation, digital advertising, and modernized logistics. Now approaching a \$900 billion valuation, Walmart is increasingly viewed as a technology-enabled retail leader, setting up its next growth phase under incoming CEO John Furner.

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

Paramount Skydance Corp.

Closing Price (11.12.25) **\$14.12**

Performance

5 Day **+5.65%**
1 Month **-9.95%**
YTD **+34.99%**

Analyst Estimates

Average Recommendation **HOLD**
Median Target Price **\$14.00**

Walt Disney Co.

Closing Price (11.12.25) **\$111.46**

Performance

5 Day **+5.85%**
1 Month **+5.35%**
YTD **+0.10%**

Analyst Estimates

Average Recommendation **Overweight**
Median Target Price **\$137.00**

Oracle Corp.

Closing Price (11.12.25) **\$190.62**

Performance

5 Day **-8.61%**
1 Month **-10.77%**
YTD **+19.33%**

Analyst Estimates

Average Recommendation **Overweight**
Median Target Price **\$300.00**

Walmart Inc.

Closing Price (11.12.25) **\$115.52**

Performance

5 Day **+0.36%**
1 Month **+12.72%**
YTD **+27.86%**

Analyst Estimates

Average Recommendation **Buy**
Average Target Price **\$121.26**

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