

February 2023

For further enquiries, please contact the Aon (Mauritius) Investment Consulting Team on investment@aonhewitt.mu

Note: The charts below show the performance of local and foreign equity indices on a time-series basis since 01 January 2022.

Foreign Equity Indices

	Current Value (in USD)	Last month	Year-to-Date	Last 12 months	Last 3 Years*	Last 5 Years**
MSCI EM (Emerging Markets)	490	-6.5%	0.9%	-15.3%	1.0%	-1.9%
MSCI World Index	8,345	-2.4%	4.5%	-7.3%	9.9%	6.9%
MSCI All Country World Index	331	-2.9%	4.1%	-8.3%	8.8%	5.8%
MSCI EFM Africa	1,044	-7.1%	-3.2%	-17.2%	3.9%	-5.6%
MSCI ACWI ESG Leaders Index	2,242	-3.0%	4.2%	-8.9%	8.3%	6.1%
S&P 500	3,970	-2.6%	3.4%	-9.2%	10.4%	7.9%
S&P 500 ESG Index	453	-2.8%	3.5%	-8.0%	13.5%	11.2%
EuroStoxx 50 (in EUR)	4,238	1.8%	11.7%	8.0%	8.4%	4.3%
FTSE 100 (in GBP)	7,876	1.3%	5.7%	5.6%	6.2%	1.7%

February saw a decline in foreign equity markets after strong gains at the start of the year. All the major foreign equity indices except the EuroStoxx 50 and FTSE 100, ended the month in the red amid further increases in interest rates. The continuing war in Ukraine remains a constant threat to markets, with tensions escalating. Furthermore, the Chinese “spy balloon” was shot down on 4 February 2023 which affected the relations between the United States and China (source: Nasdaq). Over the month under review, the MSCI All Country World Index fell by 2.9% in USD terms. The MSCI Emerging Markets Index also lost 6.5% due to the re-escalation in US-China tensions and the stronger dollar.

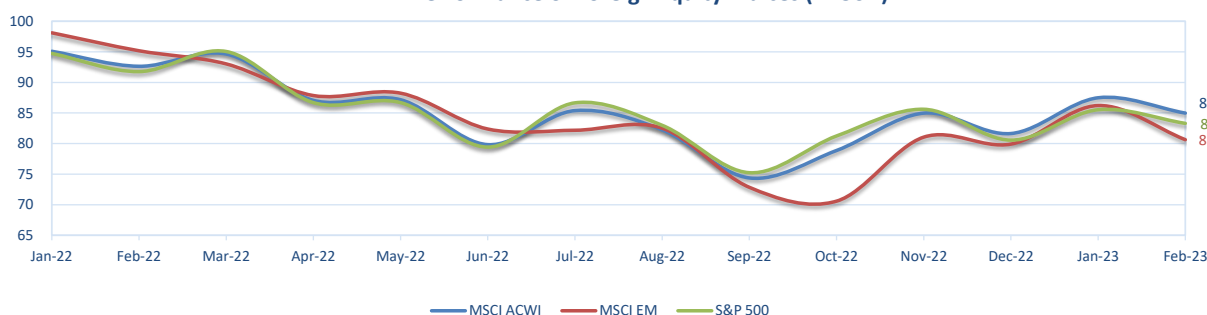
The month started off with the US Federal Reserve raising its benchmark interest rate by 0.25% to a target range of 4.5% to 4.75%, the highest since October 2007, in an attempt to cool down inflation (source: CNBC). More rate hikes are expected in both March and May.

The Dow Jones Industrial Average also saw a pullback as at end-February and was down by lost 4.2%. The S&P 500 lost 2.6% over the month. Information technology was the sole sector of the S&P 500 to finish the month in the green due to good performance of large-cap technology stocks. However, the tech-heavy Nasdaq fell by 1.1% (source: Nasdaq).

In the Eurozone, the EuroStoxx 50 registered positive returns of 1.8% in February. Top performing sectors included communication services, financials, industrials and consumer staples.

The European Central Bank continued the monetary tightening, by raising interest rates by 0.50% in early February and is expected to keep this course until inflation returns to the medium target level of 2% (source: European Central Bank).

Performance of Foreign Equity Indices (in USD)



Currencies

In MUR	Current Value (MUR)	Past Month	Last month	Year-to-Date	Last 12 Months	Last 3 Years*
GBP	55.73	55.11	1.1%	5.8%	-4.6%	5.2%
USD	46.42	44.85	3.5%	5.7%	5.6%	7.4%
EUR	48.94	48.41	1.1%	5.0%	0.2%	6.2%
USD/EUR	1.06	1.09	-2.6%	-1.2%	-5.7%	2.4%

All the three major currencies (the Pound, US Dollar and Euro) strengthened relative to the local currency during February.

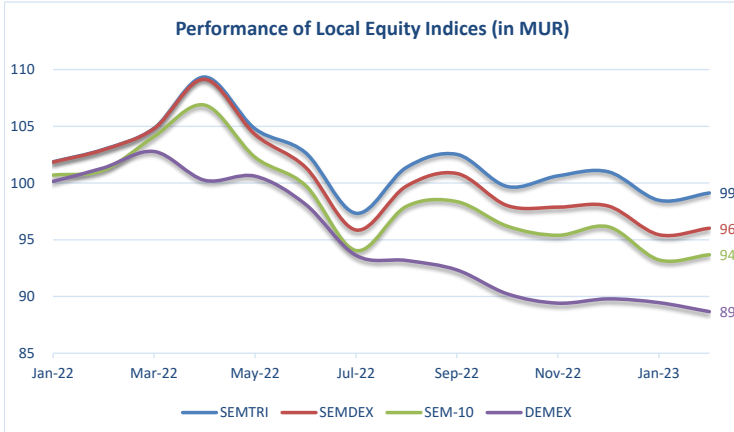
The US Dollar registered the largest appreciation of 3.5% against the Mauritian Rupee. The US Dollar index (which tracks the greenback relative to a basket of other major currencies) was on track for a first monthly gain since September 2022, with investor expectations that the Federal Reserve will keep up its war on inflation through 2023 (source: Insider). Both the Pound and Euro appreciated by 1.1% each relative to the MUR over the month.

The Euro depreciated by 2.6% relative to the US Dollar over the month.

Local Equity Indices

	Current Value (in MUR)	Last month	Year-to-Date	Last 12 months	Last 3 Years*	Last 5 Years**
SEMDEX	2,014.4	0.6%	-2.0%	-6.7%	-2.6%	-2.6%
SEM-10	363.5	0.5%	-2.6%	-7.4%	-5.4%	-3.7%
DEMEX	261.9	-1.0%	-1.8%	-15.2%	2.7%	2.1%
SEMTRI	8,272.2	0.7%	-1.8%	-3.7%	-0.2%	0.1%
DEMTRI	407.4	-0.9%	-1.3%	-12.5%	5.2%	4.9%
SEMSI	107.5	0.4%	-2.8%	-7.4%	-4.7%	-2.9%

*annualised



The Official Market registered positive returns for the month of February. The SEMDEX and the SEMTRI gained 0.6% and 0.7% respectively.

Many listed companies published better financial results when compared to previous quarters. This improved sentiment around local equities.

The Secondary Market however, posted negative returns during the month, with DEMEX and DEMTRI losing 1.0% and 0.9% respectively.

During the month, foreign investors were net buyers on the Official Market. Net purchases (Purchases-Sales) amounted to MUR 231.2 million.

As at end-February, the Price Earnings Ratio and the Dividend Yield on the Official Market stood at 10.12 times and 3.66% respectively.

Local Yields & Inflation Rate

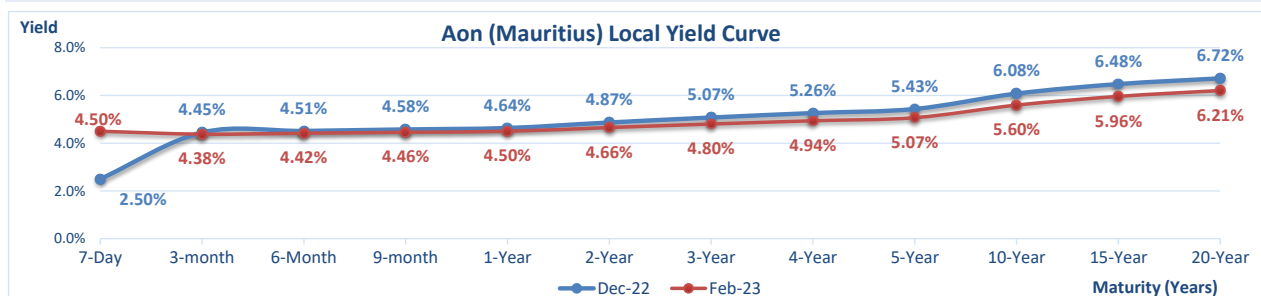
Consumer Price Index (Mauritius)

	Current Value	Last month	Year-to-Date	Last 12 months	Last 3 Years* *annualised
Inflation Rate	196.6	1.6%	2.7%	11.0%	7.0%

Key Rate (as at 16/01)	4.50%
Deposit Rate *	2.21%

*Weighted Average Deposit Rate of Banks as at January 2023

Year-on-year inflation (measured as the year-on-year change in the Consumer Price Index (CPI)) worked out to 11.0% in February 2023, compared to 9.0% in February 2022. Headline inflation for the 12-months ending February 2023 stood at 11.3%. (source: Statistics Mauritius)



Note: Key information for the yield curve is obtained from primary dealers and Bank of Mauritius.

Except for the 7-Day Treasury Bills, local yields on treasury instruments moved slightly down during the month. In real terms, yields across all maturities remained highly negative.

Local Bond Index	Current Value (in MUR)	Last month	Year-to-Date	Last 12 months	Last 3 Years*	Last 5 Years**
S&P Mauritius Sovereign Bond Index	159.5	0.8%	2.9%	-4.0%	1.5%	3.4%

*annualised

The S&P Mauritius Sovereign Bond Index tracks the performance of Rupee-denominated sovereign debt publicly issued by the Government of Mauritius in its domestic market. The index gained 0.8% over the month.

Commodities & Other Investments

	Current Value (in USD)	Last month	Year-to-Date	Last 12 months	Last 3 Years*	Last 5 Years**
Gold	1,836.7	-4.8%	0.6%	-3.7%	5.4%	6.9%
Oil	83.9	-0.7%	-2.4%	-16.9%	18.4%	5.0%
S&P GSCI Index	3,359.1	-3.8%	-3.9%	-0.3%	16.6%	5.6%

*annualised

Gold shed 4.8% over the month as strong US economic data drove both the US Dollar and bond yields higher.

During February, the price of oil dropped by 0.7%. Multiple factors such as the dollar's strong performance, soaring inflation rates and the EU embargo on Russian refined petroleum products, contributed to declining oil prices.

The S&P GSCI Index recorded a negative performance of 3.8% during the month under review. Industrial metals and precious metals were the worst-performing components of the index (source: S&P Global).

Volatility Index	Current Value (in USD)	Last month	Year-to-Date	Last 12 months	Last 3 Years*	Last 5 Years*
CBOE Volatility Index (VIX)	20.7	6.7%	-4.5%	-31.3%	-19.8%	0.8%

The CBOE Volatility Index (VIX Index), also known as the fear gauge, is one of the most recognized measures of volatility. It is a real-time index that represents the market's expectations for the relative strength of near-term price changes of the S&P 500 Index. It was up by 6.7% in February. **Note that VIX Index values below 20 generally correspond to more stable, less stressful periods in the markets.**

Alternatives: Foreign Indices	Current Value (USD)	Last month	Year-to-Date	Last 12 Months	Last 3 Years*
S&P Global Property	489.6	-4.7%	3.3%	-14.8%	-0.8%
S&P Listed Private Equity	450.8	-0.5%	11.1%	-11.4%	9.6%
S&P Global Infrastructure	6,178.1	-3.4%	1.5%	-3.6%	5.1%

*annualised

The benchmark US Treasury 10-Year yield rose from 3.51% to 3.92%, for the first time since November 2022, while that of the two-year rising from 4.21% to 4.82%.

Foreign Bond Indices	Current Value (USD)	Last month	Year-to-Date	Last 12 Months	Last 3 Years*
S&P Africa Sovereign Bond	1,016.3	-0.1%	-0.2%	2.4%	7.2%
S&P 500 Bond Index	460.1	-3.1%	0.8%	-9.7%	-3.2%
S&P International CBI	112.8	-4.0%	0.3%	-17.1%	-5.7%
Bloomberg Global Aggregate Total Return Index	445.2	-3.3%	-0.2%	-13.6%	-5.1%
Bloomberg US Aggregate Total Return Value Unhedged	2,057.2	-2.6%	0.4%	-9.7%	#N/A

The Bloomberg Global Aggregate Total Return Index was down by 3.3% for the month.

The Bloomberg US Aggregate Total Return Index is a broad-based, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States. During the month under review, the index depreciated by 2.6% in USD terms.

Other Indices	Current Value (USD)	Last month	Year-to-Date	Last 12 Months	Last 3 Years*
Renaissance IPO Index	311.3	-1.4%	14.2%	-38.2%	-3.1%

The Renaissance IPO Index, which tracks the newly listed companies, was down by 1.4% after a strong start to the year.

Ten IPOs raised a combined USD 1.5bln in February 2023 (source: Renaissance Capital).

Disclaimer: Nothing in this document should be considered as being financial advice. Past performance is not a guide to the future. Our investment consultants will be pleased to answer questions on its contents but cannot give individual financial advice.

Source: Stock Exchange of Mauritius, Bank of Mauritius, Statistics Mauritius, MSCI, Bloomberg, Investing, etc.