

March 2022

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Note: The charts below show the performance of local and foreign equity indices on a time-series basis, year-to-date (from 1 January to 31 March)

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)	565.8	-2.3%	-7.0%	-11.4%	4.9%	6.0%
MSCI World Index	9,253.0	2.7%	-5.2%	10.1%	15.0%	12.4%
MSCI All Country World Index	368.2	2.2%	-5.4%	7.3%	13.8%	11.6%
MSCI EFM Africa	1,341.3	6.4%	16.9%	10.0%	7.4%	5.1%
MSCI ACWI ESG Leaders Index	2,517.8	2.3%	-6.3%	7.4%	14.3%	12.0%
S&P 500	4,530.4	3.6%	-4.9%	14.0%	16.9%	13.9%
S&P 500 ESG Index	510.5	3.8%	-3.9%	19.3%	21.3%	17.4%

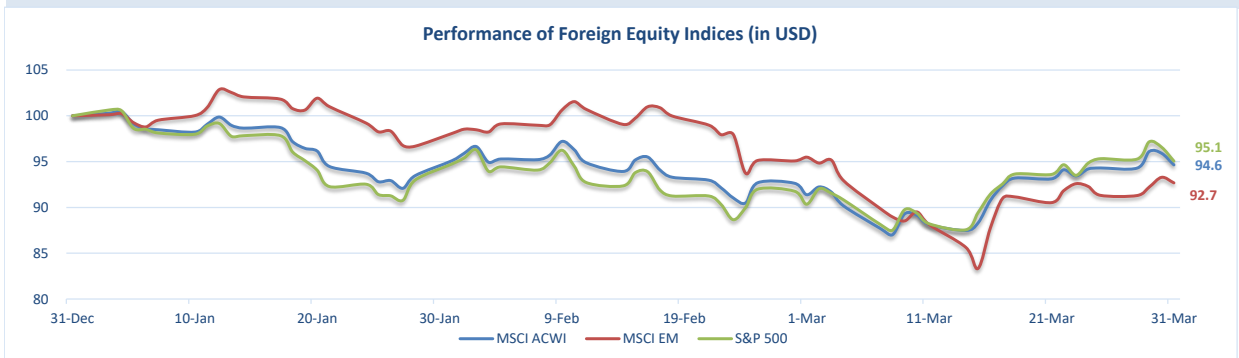
*annualised

EuroStoxx 50 (in EUR)	3,902.5	-0.6%	-9.2%	-0.4%	5.2%	2.2%
FTSE 100 (in GBP)	7,515.7	0.8%	1.8%	11.9%	1.1%	0.5%

In March 2022, the major developed markets around the globe returned positive returns in contrast to the MSCI Emerging Markets which fell by 2.3% over the same period. With the Ukraine-Russia war still going on, the markets remained volatile. However, the MSCI Emerging and Frontier Markets Africa Index was up by 6.4% this month and up by nearly 17% since the start of the year.

The benchmark S&P 500 Index edged higher in March as the latest monthly jobs report signaled resilience in the U.S. economy, supporting an aggressive tightening policy by the Federal Reserve. The US economy added 431,000 new jobs last month, registering its 15th consecutive month of gains. The S&P 500 gained 3.6% in March.

For the first three months of the year, the three major indices in the United States however, all posted negative returns and recorded their worst quarterly return since the start of the covid pandemic. High inflation, interest rate rises and Russia's invasion of Ukraine all contributed towards a risk-off market environment. The S&P 500 Index and the Dow Jones Industrial Average fell by 4.9% and 4.6% (in USD terms), respectively year-to-date. The Nasdaq Composite Index suffered from bigger losses of around 9% (in USD terms) over the same period.



The blue-chip FTSE 100 rose by 0.8% in March, following positive labour reports in the US. Britain's economy grew more quickly than previously thought in the fourth quarter of 2021, as a surge in COVID-19-related activity in the health sector masked the inflation hit to household incomes. Over the past three months, the FTSE was up by 1.8%.

Currencies

In MUR	Current Value (MUR)	Past Month	Last month	Year-to-Date	Last 12 Months	Last 3 Years*
GBP	58.04	58.44	-0.7%	-0.5%	5.0%	8.6%
USD	44.42	43.95	1.1%	2.2%	9.8%	8.4%
EUR	49.40	48.83	1.2%	1.0%	4.7%	8.2%

*annualised

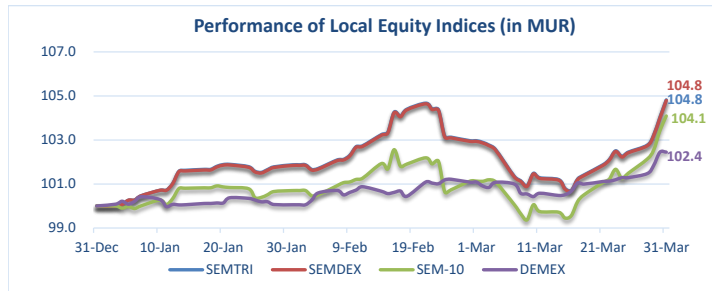
During the month of March, the Pound fell by 0.7% relative to the Mauritian Rupee. On the other hand, the US Dollar and the Euro continued to appreciate by 1.1% and 1.2%, respectively.

Year-to-date, the US Dollar has risen by 2.2% against the MUR. The US Dollar Index (which tracks the greenback relative to other major currencies) went up by 2.4% over the same period.

On 13 April, the Bank of Mauritius intervened on the domestic foreign exchange market and sold an amount of USD 200mln to the market including the State Trading Corporation at a rate of MUR 42.95 per USD. (source: Bank of Mauritius)

Local Equity Indices

	Current Value (in MUR)	Last month	Year-to-Date	Last 12 months	Last 3 Years*	Last 5 Years* <i>*annualised</i>
SEMDEX	2,198.4	1.8%	4.8%	37.4%	0.5%	2.6%
SEM-10	403.9	2.9%	4.1%	36.5%	-1.3%	1.7%
DEMEX	313.1	1.4%	2.4%	35.9%	10.2%	8.3%
SEMTRI	8,747.6	1.8%	4.8%	41.6%	3.0%	5.3%
DEMTRI	472.2	1.4%	2.8%	39.0%	12.8%	11.3%
SEMSI	118.9	2.4%	4.1%	37.7%	-0.6%	-0.4%



During the month, local equities climbed higher.

The SEMDEX and SEMTRI gained 1.8% each in March. The SEM-10 made the largest gain of 2.9% among the local equity indices.

The DEM also followed a similar trend, with the DEMEX rising by 1.4% during the month under review.

Year-to-date, all the major local equity indices were in the green.

Rebalancing of the SEM-10

The new constituents of the SEM-10 index are Grit Real Estate Income Group and MUA, joining MCB Group, IBL, Ascencia, SBM Holdings, CIEL, Alteo, Phoenix Beverages and ENL for the quarter starting 6 April. Grit and MUA replaced Afreximbank and Vivo Energy Mauritius.

Local Yields & Inflation Rate

Consumer Price Index (Mauritius)

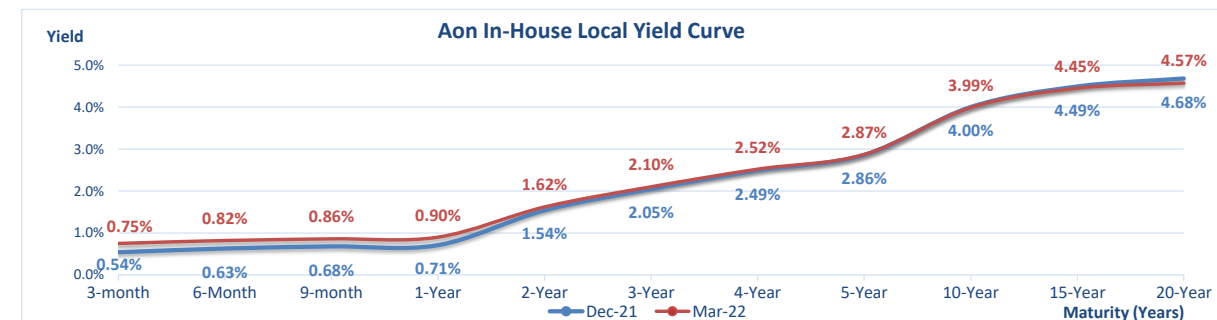
	Current Value	Last month	Year-to-Date	Last 12 months	Last 3 Years* <i>*annualised</i>
Inflation Rate	181.0	2.1%	6.0%	10.7%	4.8%

The above figures represent the CPI as at 31 March 2022. Year-on-year inflation rose to 10.7% in March 2022, compared to 1.0% in March 2021. Headline inflation, calculated as the annual average over the 12-months ending March 2022 worked out to 6.0%. (source: Statistics Mauritius)

Recent Issues by the BoM

Weighted Average	T-Bill Yield
91-Day	0.75%
182-Day	0.82%
364-Day	0.90%
Repo Rate	2.00%
Deposit Rate *	0.39%

**Weighted Average Deposit Rate of Banks as at February 2022*



Note: Key information for the yield curve is obtained from primary dealers.

Local yields remained range-bound across different maturities. With the year-on-year inflation rate rising to above 10%, yields across all maturities remained negative in real terms.

Local Bond Index	Current Value (in MUR)	Last month	Year-to-Date	Last 12 months	Last 3 Years*	Last 5 Years* <i>*annualised</i>
S&P Mauritius Sovereign Bond Index	166.22	0.1%	0.8%	-1.7%	5.5%	5.1%

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. Over last month, the index remained range-bound.

Commodities & Other Investments

	Current Value (in USD)	Last month	Year-to-Date	Last 12 months	Last 3 Years*	Last 5 Years* ^{*annualised}
Gold	1,949.2	2.6%	6.6%	13.7%	14.7%	9.3%
Oil	107.9	6.9%	38.7%	69.8%	16.4%	15.4%
S&P GSCI Index	724.2	7.6%	29.0%	54.9%	18.6%	13.3%

The **Gold price rose further by 2.6%** (in USD terms) during March. Year-to-date, the yellow metal was up by 6.6%. Demand for the safe-haven metal continued to rise amid the Russia-Ukraine war. Supporting this gold rally was the latest US inflation data, which showed monthly consumer prices were still surging. However, it remained volatile due to pressure from expectations of an aggressive US interest rate hike and a robust dollar.

On 31 March, President Biden ordered the release of 180mln barrels of oil over the next six months from America's Strategic Petroleum Reserve in an effort to bring down high fuel costs. This was the largest move of its kind since the reserve was created in 1974. Nevertheless, the **price of oil** continued to race above USD 100 per barrel on concerns about a loss of supply of oil from Russia and signs that lockdowns in China may be easing. In March, it went up by nearly 7%. Year-to-date, oil price has risen significantly by 38.7%.

The S&P GSCI index, which tracks 24 commodities, reached its highest point since 2008 on March 8 but has receded as fears of supply disruptions eased. (source: S&P Global Market Intelligence). The S&P GSCI Index was also up by 7.6% for the month.

Alternatives: Foreign Indices	Current Value (USD)	Last month	Year-to-Date	Last 12 Months	Last 3 Years* ^{*annualised}
S&P Global Property	598.2	4.1%	-3.4%	12.4%	5.7%
S&P Listed Private Equity	510.8	0.3%	-9.4%	16.8%	20.0%
S&P Global Infrastructure	6,552.0	5.9%	7.5%	13.1%	8.0%

As the US Federal Reserve pursues its aggressive monetary policy tightening by raising interest rates in the US, bond yields also rose during the month. The yield on the benchmark 10-Year US Treasury Bond rose to 2.3% as at end-March, up from 1.8% in February.

Foreign Bond Indices	Current Value (USD)	Last month	Year-to-Date	Last 12 Months	Last 3 Years* ^{*annualised}
S&P Africa Sovereign Bond	996.4	0.4%	2.3%	10.7%	10.6%
S&P 500 Bond Index	497.7	-2.3%	-7.8%	-3.6%	3.2%
S&P International CBI	133.2	-2.2%	-7.8%	-9.6%	0.9%
Bloomberg Global Aggregate Total Return Index	499.6	-3.0%	-6.2%	-6.4%	0.7%

Bond prices move inversely to yields. The Bloomberg Global Aggregate Total Return Index fell by 3.0% during the month. Year-to-date, the index was down by 6.2%.

Other Indices	Current Value (USD)	Last month	Year-to-Date	Last 12 Months	Last 3 Years* ^{*annualised}
Renaissance IPO Index	482.8	-4.1%	-24.0%	-29.0%	13.6%

On 11 April, the 10-year yield on US Treasuries rose to 2.793%, the highest level since January 2019. Moreover, yields on two-year US Treasury bonds briefly rose above those on the ten-year note for the first time since 2019 during the last week of March. Such an inversion of the yield curve is often seen as a sign that a recession is on the cards.

General News

Soaring Inflation around the world

The latest Consumer Price Index (CPI) in the US rose by 8.5% over the year to the end of March, highest rates since 1981. The rise was mainly driven up by continuing supply chain problems, soaring demand and rising energy prices.

Germany's annual inflation rate is expected to come in at 7.3% for March, the highest rate since 1990. Inflation in Spain surged to 9.8%, the highest in that country for almost 40 years.

This month's Article

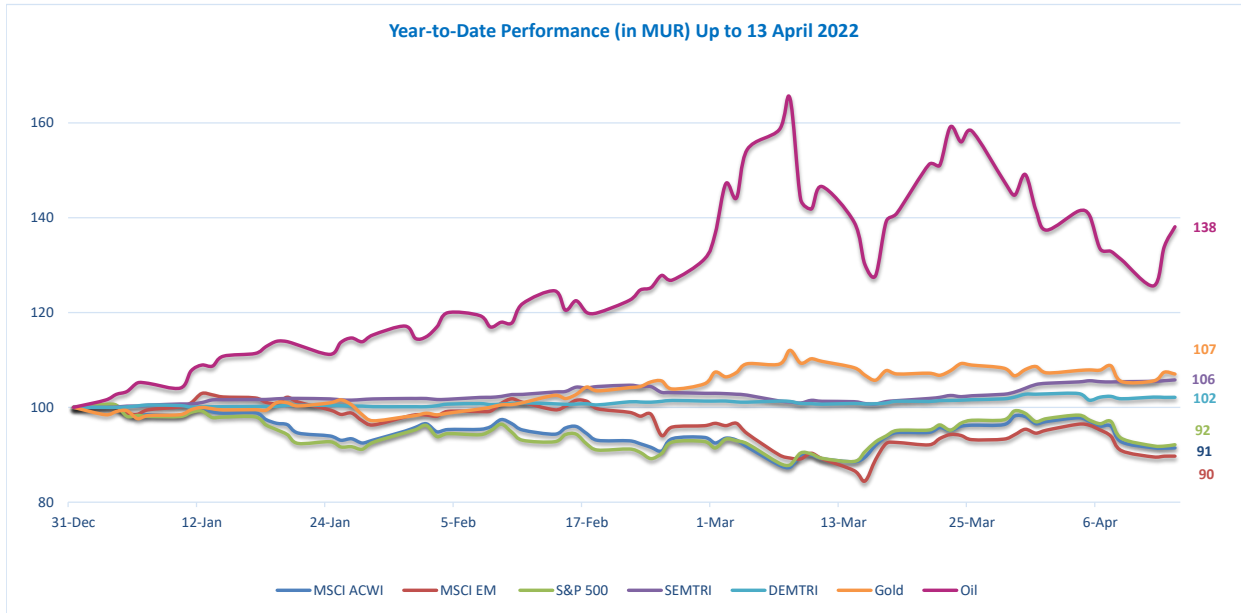
Year-to-Date Performance of Major Markets (up to 13 April 2022)

The markets had a turbulent start to 2022. While investors were already battling rising interest rates and inflation rates, Russia's invasion of Ukraine further added to the market volatility.

Nevertheless, once again, investors brushed off these uncertainties to some extent. Soon after, the markets were on a recovery path after falling sharply due to the war.

The Ukraine-Russia crisis also significantly disrupted the supply chain of several commodities. The commodities market saw huge increases in energy and metal prices. The safe-haven appeal of the yellow metal supported the price of Gold during these times of uncertainties.

The year-to-date performance (in MUR terms) of the major asset classes is shown in the chart on the next page.



- Oil was the star performer (+38%), since the start of 2022, followed by gold (+7%).
- The Local Equity Market also fared well over the period.
- Foreign equities were the worst performers, with the MSCI Emerging Markets falling by 10% as at 13 April 2022.

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, Axys Stockbrokers, MSCI, Bloomberg, Investing, etc.