

November 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 30 November)

Foreign Equity Indices

	Current Value (in USD)	Last month	Year-to-Date	Last 12 months	Last 3 Years*	Last 5 Years* <i>*annualised</i>
MSCI EM (Emerging Markets)	492.986	14.8%	-17.4%	-17.4%	0.1%	-0.4%
MSCI World Index	8,340.036	7.0%	-9.7%	-10.9%	7.5%	7.4%
MSCI All Country World Index	330.6	7.8%	-10.6%	-11.6%	6.6%	6.4%
MSCI EFM Africa	1,117.878	18.2%	-8.0%	1.4%	2.1%	-2.3%
MSCI ACWI ESG Leaders Index	2,239.7	8.9%	-11.9%	-13.3%	6.5%	6.6%
S&P 500	4,080.1	5.4%	-9.6%	-10.7%	9.1%	9.0%
S&P 500 ESG Index	464.6	5.7%	-8.0%	-9.0%	12.5%	12.3%

EuroStoxx 50 (in EUR)	3,964.7	9.6%	-5.0%	-2.4%	2.3%	2.1%
FTSE 100 (in GBP)	7,573.1	6.7%	1.5%	7.3%	1.0%	0.7%

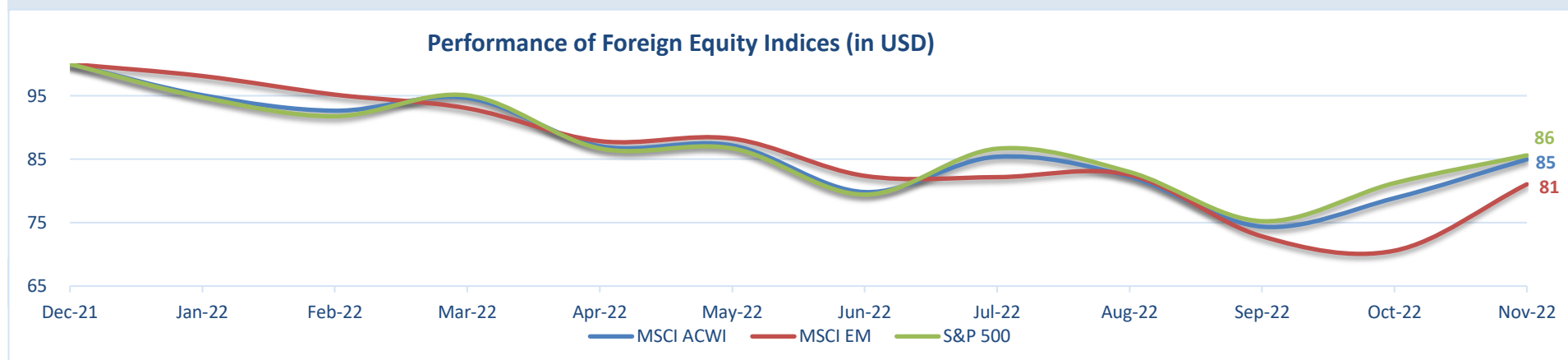
November was a good month for global stocks. All the foreign equity indices registered positive returns for the month. The MSCI All Country World Index rose by 7.8% in November. Emerging market equities rebounded even more sharply, with the MSCI Emerging Markets Index gaining nearly 15% and outperforming their developed market counterparts. This was mainly driven by optimism in China (source: Reuters).

The major stock market indices rallied amid hopes that the US inflation may have already peaked, paving the way for slower interest rate hikes by the US Federal Reserve. The slowdown are expected to begin as soon as December. Further support came from signs of China relaxing the Covid-19 restrictions which had been weighing on its economic activity. Expectations that Chinese demand will recover next year, as the authorities re-open the economy and provide economic stimulus, also contributed towards the positive returns. In a reversal of October's performance, China posted strong returns.

US stocks had the first streak of back-to-back monthly gains since the start of this year. The S&P 500 Index closed the month up by 5.4%, with all the sector indices in the green for November. The Dow Jones Industrial Average and tech-heavy Nasdaq Composite Index also increased by 5.7% and by 4.4%, respectively. Moreover, the latest labour reports indicated that 263,000 jobs were added to the US economy in November. This figure was higher than the market forecasts (but lower than in October).

EuroStoxx 50 registered a positive return of 9.6% for the month, bringing it down by 5.0% on a year-to-date basis. The index was supported by hopes that inflation will be moderate in the Eurozone, going forward. Eurozone inflation eased to 10% in November, the first drop in 17 months but holding in double figures (source: EU Statistics Agency).

Supported by commodity stocks, the FTSE 100 marked its best month in two years and gained 6.7% in GBP terms during the month. UK small and mid cap equities fared well amid signs that the UK economy was holding up better than expected.



Year-to-date, all the major foreign equity indices remained in the red, except for the FTSE 100, which was up by 1.5% in GBP terms.

Currencies

In MUR	Current Value (MUR)	Past Month	Last month	Year-to-Date	Last 12 Months	Last 3 Years* <i>*annualised</i>
GBP	52.27	50.85	2.8%	-9.6%	-8.7%	3.6%
USD	43.79	43.98	-0.4%	1.2%	1.3%	6.1%
EUR	45.15	43.69	3.3%	-6.2%	-7.1%	4.0%

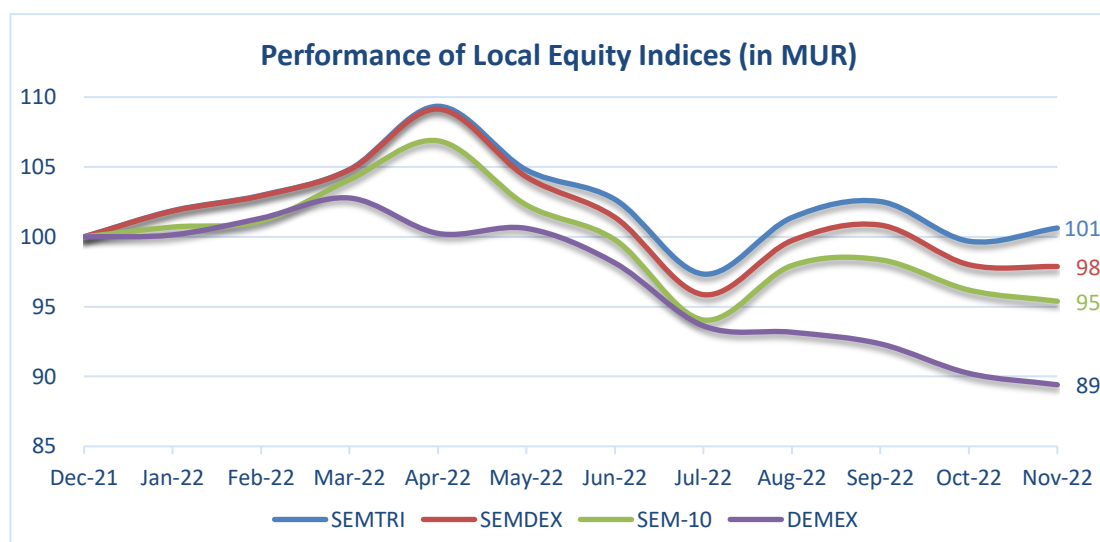
The Pound and the Euro appreciated by 2.8% and 3.3%, respectively relative to the Mauritian Rupee during the month.

On the other hand, the US Dollar weakened by 0.4% against our local currency in November. The greenback lost value against most major currencies, with the US Dollar Index falling by 5.1% for the month. Year-to-date, it however appreciated by 1.2%.

Since the start of 2022, the Pound has registered the biggest depreciation of 9.6% and the Euro was down by 6.2% against the Rupee.

Local Equity Indices

	Current Value (in MUR)	Last month	Year-to-Date	Last 12 months	Last 3 Years*	Last 5 Years*
SEMDEX	2,053.3	-0.1%	-3.9%	2.1%	-1.2%	-1.2%
SEM-10	370.1	-0.8%	-5.3%	0.1%	-3.9%	-2.2%
DEMEX	267.3	-1.0%	-12.6%	-12.2%	5.0%	3.4%
SEMTRI	8,397.8	0.9%	-1.2%	5.3%	1.2%	1.5%
DEMTRI	410.8	-0.9%	-10.7%	-9.9%	7.4%	6.2%
SEMSI	109.8	-1.4%	-5.5%	0.6%	-3.3%	-2.0%



Except for the SEMTRI, the local equity indices were mostly down for the month of November. The SEMDEX and SEM-10 dropped by 0.1% and 0.8%, respectively.

The SEMTRI (which is a total return index, inclusive of dividends), was the only index to register positive returns of 0.9%.

The secondary market also followed a downward trend, with the DEMTRI falling by 0.9%.

As at end-November, the Price Earnings Ratio and the Dividend Yield on the Official Market stood at 10.2 times and 3.6%.

Local Yields & Inflation Rate

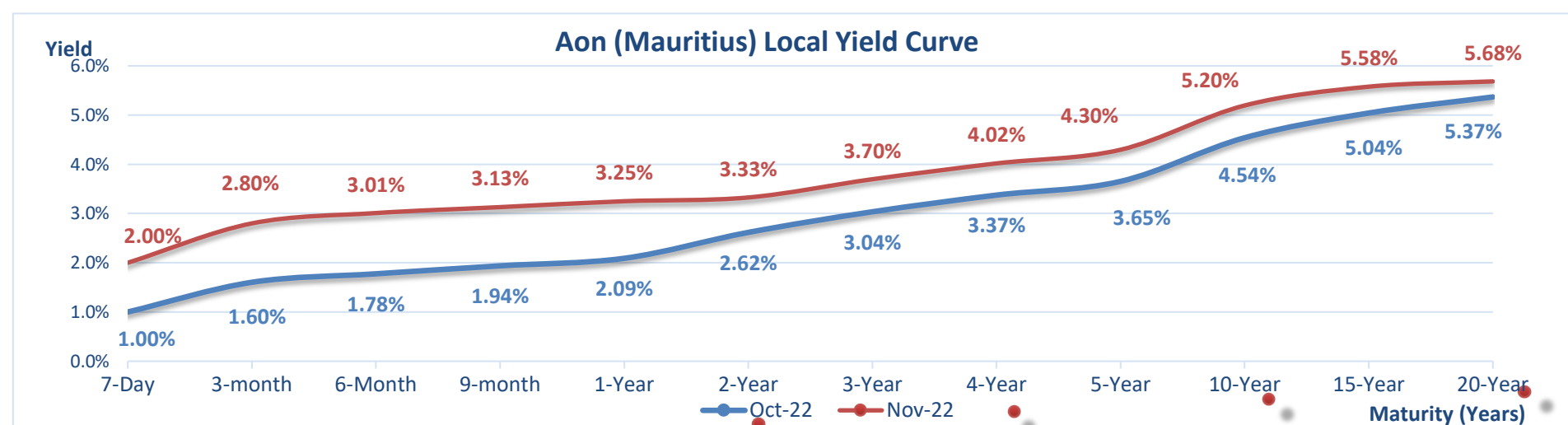
Consumer Price Index (Mauritius)

	Current Value	Last month	Year-to-Date	Last 12 months	Last 3 Years*
Inflation Rate	191.1	0.9%	10.4%	12.1%	7.1%

Repo Rate (as at 04/11)	4.00%
Deposit Rate *	1.11%

*Weighted Average Deposit Rate of Banks as at October 2022

The above figures represent the CPI as at end-November 2022. Year-on-year inflation stood at 12.1% in November 2022, compared to 6.4% in November 2021. Headline inflation, calculated as the annual average over the 12-months ending November 2022 worked out to 10.3%, compared to 3.7% for the 12-months ending November 2021. (source: Statistics Mauritius)



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

Yields on local treasury instruments across all maturities rose during the month. The yield on 1-Year Government of Mauritius Bond stood at 3.25% as at end-November 2022, up by 1.2% for the month.

Post-November Updates

On 07 December 2022, the Bank of Mauritius issued 10-Year Treasury Bonds at a weighted average yield of 5.93%. This represented an increase of 0.73% compared to the end-November yield of 5.20%.

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	161.42	-2.0%	-2.5%	-1.2%	2.6%	3.4%

Amid rising local yields, the S&P Mauritius Sovereign Bond Index fell by 2.0% and 2.5% since the beginning of the year. Recall that this index tracks the performance of local currency denominated sovereign debt publicly issued by the government of Mauritius in its domestic market.

Commodities & Other Investments

	Current Value (in USD)	Last month	Year-to-Date	Last 12 months	Last 3 Years*	Last 5 Years* <i>*annualised</i>
Gold	1,759.9	7.3%	-2.3%	-0.9%	6.1%	6.6%
Oil	85.4	-9.9%	-6.3%	21.1%	11.0%	6.1%
S&P GSCI Index	3,544.7	-1.6%	14.4%	37.4%	13.5%	7.7%

Expectations of slower rate hikes and potentially lower inflation provided support to the non-yielding metal. Gold gained 7.3% during November. Moreover, the weaker dollar made the metal less expensive for holders of foreign currencies. Year-to-date, the yellow metal was however down by 2.3%.

Oil price saw a fair amount of weakness towards the end of 2022. Demand concerns weighed heavily on sentiment. Oil price dropped by 9.9% for the month and was down by 6.3% since the start of the year.

The S&P GSCI Index recorded a negative performance of 1.6% in USD terms in November. Energy was the worst-performing component of the index.

Alternatives: Foreign Indices	Current Value (USD)	Last month	Year-to-Date	Last 12 Months	Last 3 Years* <i>*annualised</i>
S&P Global Property	486.8	8.2%	-17.3%	-16.7%	-3.1%
S&P Listed Private Equity	434.1	9.6%	-18.2%	-20.7%	6.5%
S&P Global Infrastructure	6,222.8	8.1%	3.1%	5.0%	3.9%

November saw a robust recovery in bond markets in general. Government bond yields were broadly lower, and credit spreads tightened across global markets. The 10-Year yield on US Treasury Bonds fell to 3.6% as at end-November (from 4.0%).

Foreign Bond Indices

S&P Africa Sovereign Bond	1,007.2	1.9%	2.4%	5.0%	8.2%
S&P 500 Bond Index	459.0	4.6%	-11.5%	-14.4%	-2.1%
S&P International CBI	111.8	6.7%	-19.8%	-21.9%	-5.8%
Bloomberg Global Aggregate Total Return Index	451.9	6.7%	-13.4%	-15.2%	-3.9%

Meanwhile, the yield for a two-year US Treasury Bond stood at 4.2%. This represented an inverted yield curve as at end-November, whereby bonds of longer maturities provide a lower yield.

Other Indices

Renaissance IPO Index	304.8	-1.2%	-40.2%	-56.0%	-3.5%
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The Bloomberg Global Aggregate Total Return Index was up by 6.7% for the month, bringing its year-to-date return to -13.4%.

The Renaissance IPO Index, which tracks newly listed companies, was down by 1.2% in November. It has lost nearly 40.2% on a year-to-date basis.

General News

The Spectacular fall of FTX and Collapse in Cryptocurrencies

While the cryptocurrency industry remains volatile in nature, the fall of FTX sent fresh shock waves through the market.

The FTX was a massive crypto exchange (USD 32bn firm) started by Sam Bankman-Fried. FTX, which offers derivatives products as well as spot trading, is one of the world's largest digital currency exchanges. Exactly what happened at FTX still remains unclear. The USD 32bn firm went bankrupt.

Year-to-date, the value of Bitcoin, the most popular cryptocurrency dropped sharply by 63% as at end-November 2022, dragging down other crypto assets and leaving investors worried (*source: The Times*).

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.