

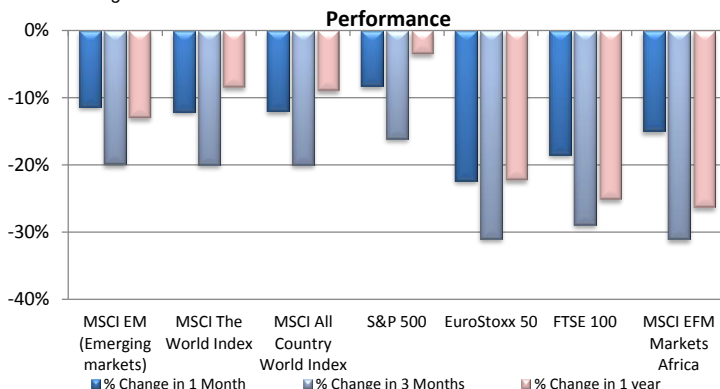
Special Dashboard (Figures as at week ending 13 March 2020)

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Note: (1) All returns are Annualised (2) YTD: Period 01 Jan 20 to 13 Mar 20 (3) MTD: Period 01 Mar 20 to 13 Mar 20

13/03/2020	Current Value (USD)	Performance (USD)				
		MTD	YTD	Last 12 Months	Last 3 Years *	Last 5 Years *
MSCI EM (Emerging markets)	422.54	-11.3%	-19.9%	-13.0%	0.7%	1.3%
MSCI The World Index	5,530.74	-12.0%	-20.0%	-8.5%	2.5%	3.8%
MSCI All Country World Index	226.00	-11.9%	-19.9%	-9.0%	2.3%	3.5%
S&P 500	2,711.02	-8.2%	-16.1%	-3.6%	4.5%	5.7%
EuroStoxx 50	2,586.02	-22.3%	-31.0%	-22.2%	-8.9%	-6.7%
FTSE 100	5,366.11	-18.5%	-28.9%	-25.0%	-10.0%	-4.5%
MSCI EFM Markets Africa	790.82	-15.0%	-31.0%	-26.2%	-9.5%	-6.8%

Performance figures in USD



On 11th March, the World Health Organization (WHO) declared COVID-19 a global pandemic, pointing to around 168,018 cases of the coronavirus illness (as at 15 March 2020) across the world and territories around the world. The intensity and sustained risk of further global spread led to significant drops in all the major foreign equity indices.

Month-to-date (MTD), i.e. over the last 13 days, The **MSCI World** and the **MSCI All Country World Index** both fell sharply by around 12%. Meanwhile, the **MSCI Emerging Markets** lost 11% during the same period.

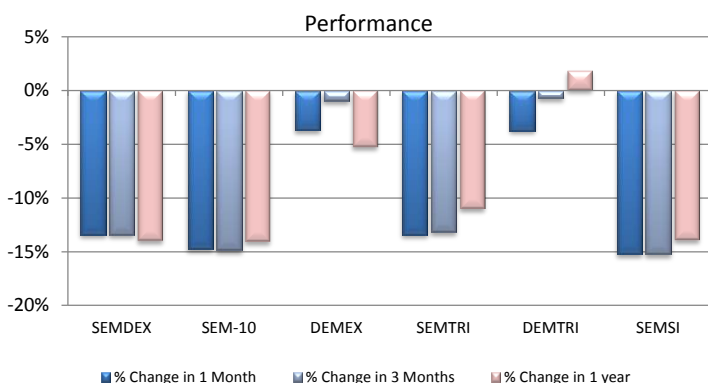
All markets have been volatile during the period under review. The 11 year equity bull run also ended abruptly.

The number of new cases of the Covid-19 continue to rise across the globe. Investors are concerned about the global economic fallout from the coronavirus as businesses are disrupted and cities are locked down. Countries have taken different approaches with Italy, one of the worst hit nations, shutting down shops and restaurants, and the US canceling sporting events. In many countries, schools have been shut and people made to work from home.

The **S&P 500** furthermore dropped by 8%. In a press conference on 29th February, President Donald Trump tried to calm the fears of investors by downplaying the risks associated. However, this led to further selling in the stock markets. On 11th March, trading on the NYSE was halted for 15 minutes due to large sell-offs which triggered the circuit-breaker threshold of the market. On 12 March, the **Dow Jones** fell by 10%. This represents its worst day since the Black Monday of 1987.

The **FTSE 100** went down by 18% since the start of March 2020, with the airlines and travel stocks bearing the bulk of the losses. The **Eurostoxx 50** recorded the largest loss at 22% over the last 13 days.

13/03/2020	Current Value (MUR)	Performance (MUR)				
		MTD	YTD	Last 12 Months	Last 3 Years *	Last 5 Years *
SEMDEX	1,885.22	-13.4%	-13.4%	-14.0%	-0.6%	-1.0%
SEM-10	366.07	-14.7%	-14.8%	-14.0%	-0.2%	-0.4%
DEMEX	232.56	-3.7%	-1.0%	-5.3%	3.9%	3.0%
SEMTRI	7,213.49	-13.4%	-13.2%	-11.0%	2.5%	2.1%
DEMTRI	337.12	-3.7%	-0.7%	1.8%	7.3%	6.3%
SEMSI	105.41	-15.3%	-15.2%	-13.9%	0.4%	N/A



On the domestic side, the local equity markets indices followed the same trend.

The **SEMDEX** and **SEMTRI** both lost around 13.4%. The **SEM-10** followed a similar trend and dropped by nearly 15%. Given travel restrictions due to the outbreak of the Coronavirus, the Leisure & Hotels sector was heavily impacted.

The DEM indices experienced smaller losses over the month under review. The **DEMEX** and **DEMTRI** went down by around 4% each.

In its meeting on the 10th March, the Monetary Policy Committee (MPC) of the Bank of Mauritius unanimously voted to reduce the Key Repo Rate by 50 basis points from 3.35% to 2.85% per annum.

The decision came after that the MPC assessed latest international economic and financial developments with regards to the outbreak. The COVID-19 outbreak is expected to have a significant impact on the domestic economy. The uncertainty associated with the COVID-19 is also likely to influence consumer and business confidence, which can potentially dent domestic spending and investment.

On 10th March, the Central Bank also intervened on the domestic foreign exchange market at the bid rate of MUR 37.50/USD.

Commodities 13/03/2020	Current Value (USD)	% Change in				
		MTD	YTD	Last 12 Months	Last 3 Years *	Last 5 Years *
Gold	1,516.70	-3.2%	-0.4%	12.7%	8.0%	5.6%
Oil	33.85	-33.0%	-48.7%	-49.6%	-13.2%	-12.8%
Sugar	11.70	-19.1%	-12.8%	-5.3%	-13.7%	-1.6%

Month to Date gold price fell by 3%. Though gold is usually viewed as a safe haven, gold prices are falling sharply over concerns of the global pandemic.

Brent crude oil price fell sharply by around 33% since the start of the month. The standoff between Russia and Saudi Arabia has resulted in oil prices plunging. (Check out our Article for more details). Furthermore, with the outbreak slowing trade, transportation and other energy-intensive economic activities, demand for oil is likely to remain weak.

29/02/2020	Weighted Average:	T-Bill Yield
91-Day		1.98%
182-Day		2.05%
364-Day		2.29%
13/03/2020		
Repo Rate		2.85%
Deposit Rate *		1.61%

*Weighted Average Deposit Rate of Banks for the previous month

Foreign Indices 13/03/2020	Current Value (USD)	MTD	YTD	Last 12 Months	Last 3 Years
S&P Global Property	435.99	-13.1%	-19.9%	-11.9%	1.7%
S&P Listed Private Equity	276.87	-19.0%	-25.4%	-6.0%	3.9%
S&P Global Infrastructure	4,305.41	-19.0%	-25.6%	-15.9%	-0.5%
S&P Africa Sovereign Bond	799.00	-3.2%	-1.1%	9.2%	9.8%
S&P 500 Bond Index	482.42	-4.9%	-1.5%	8.5%	5.2%
S&P International CBI	128.31	-4.7%	-6.0%	-0.7%	3.3%
Barclays Global Aggregate Bond	514.10	-1.5%	0.5%	5.9%	4.5%

Currencies 13/03/2020	In MUR		% Change in		
	Current Value	MTD	YTD	Last 12 Months	Last 3 Years *
GBP	47.76	-0.4%	0.6%	5.4%	3.3%
USD	38.14	1.9%	4.8%	9.5%	2.3%
EUR	42.63	4.2%	5.2%	9.1%	3.9%

We note that the **Pound** remained almost flat against our local currency. The **US Dollar** gained 1.9% and the **Euro** gained 4.2% against the Mauritian Rupee.

Article

For this month's article, check out our newsletter, "[Covid-19 Financial Market Implications](#)".

Consumer Price Index (Mauritius) 29/02/2020	Current Value	% Change in			
		Last Month	Last 3 Months	Last 12 Months	Last 3 Years (Annualised)
CPI	120.78	0.7%	3.4%	2.1%	2.7%

The above figures represent the CPI as at February 2020. The year-on-year inflation rate for February 2020, as measured by the change in the CPI for February 2020 relative to February 2019 works out to 2.1%. (Source: Statistics Mauritius)

General News

Fed's first emergency rate cut since the 2008 financial crisis

On 3rd March, the Federal Reserve cuts its benchmark interest rate by 50 basis points amid growing concerns of the economic impacts of the Covid-19 outbreak.

On 15 March 2020, the Fed Committee further cut interest rates to almost zero and launched a USD 700bn stimulus programme in an effort to protect the economy from the effect of coronavirus.

10-year US yields fell to an all-time low

On 8th March 2020, yield on the 10-year US Treasury bonds dropped to an all-time low of 0.318%. Heightened fears of a global slowdown led investors to the safety of government debt instruments. (Source: CNBC)

Global Growth

Due to the Covid-19, global output for the first quarter of 2020 is expected to fall, putting the economy at risk of recession. Recent forecasts from the OECD indicate that based on a best case scenario, the global economy would grow by 2.4% during 2020 (vs. 2.9% last year).

Fall in cryptocurrency markets - Bitcoin prices fell sharply amid the global rout in equities

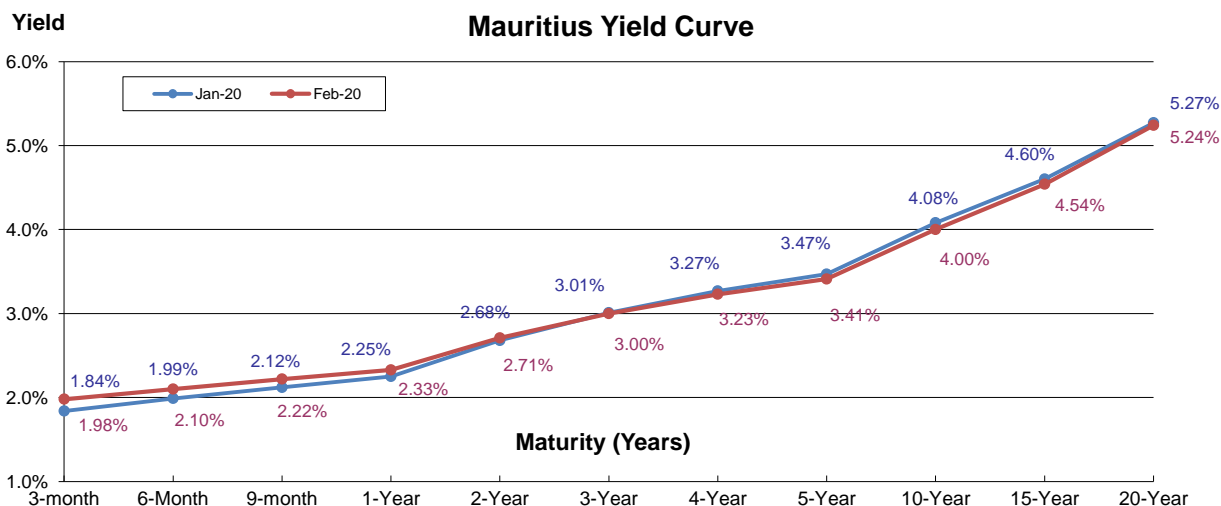
Large sell-offs in equity markets were followed by a plummet in digital coins. On 12th March, the value of the entire cryptocurrency market fell by around USD 93.5bn in 24 hours. As at 12th March, Bitcoin stood at USD 4001, falling by 48% in a day. (Source: CNBC)

Energy Funds Plunge to 10-Year Lows

The coronavirus outbreak and downturn in crude oil prices have generated a selling pressure for energy funds. Moreover, political and socioeconomic forces are putting pressure on large international banks and hedge funds to divest from fossil fuel exposure. (Source: Investopedia)

US Elections

The surge of Covid-19 in US and collapse of the stock markets could disrupt the re-election chances of Donald Trump. Joe Biden seems to be the current favourite for Democratic nomination after his major win in Michigan.



Aon Hewitt has developed an in-house Yield Curve based on average buy-and-sell yields for Government of Mauritius instruments. Key information is obtained from primary dealers. Yield on a 1-year government bond stood at 2.33% as at end-February 2020, compared to 2.25% as at end-January 2020.

The yields are as at end-February 2020. Note that, on 10th March, the Monetary Policy Committee slashed the repo rate by 0.50% to 2.85%. One would now expect a drop in local Treasury yields. On 13th March, yield on the 364-day T-Bills fell to 1.38%. (Source: Bank of Mauritius).

Disclaimer: Nothing in this document should be considered as being financial advice. Our investment consultants will be pleased to answer questions on its contents but cannot give individual financial advice.

* All performance figures in this document have been annualised for 3 and 5 years.

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