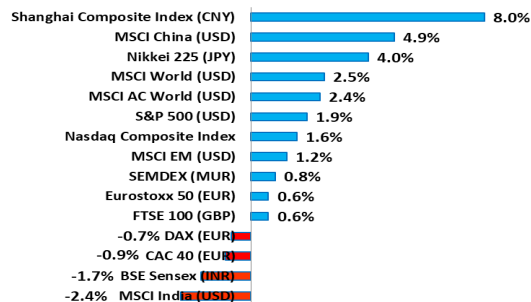


## MARKET SUMMARY

### Equities: Aug 25 performance (in Index currency)



### Tariff Updates:

The US announced new tariffs ranging from 10% to 40%, effective the first week of August. The Trump administration expanded its 50% tariffs on steel and aluminum imports to cover new product codes, effective 18 August. The "de minimis" exemption was cut, i.e., parcels valued under \$800 will be subject to tax starting on 29 August.

### Country-specific tariff rates:

- Europe : Tariffs on EU pharma and semiconductor will be capped at 15%. However, to reduce the current 27.5% tariff on EU car exports to 15%, the EU must enact legislation eliminating tariffs on US exports.
- India : An additional 25% tariff was imposed on India, in response to its purchases of Russian oil. That will raise the total tariff on Indian imports to the US to 50%.
- China : The US and China have extended their trade truce by 90 days.

### Foreign

### Interest Rates:

Country	Interest Rate	Interest Rate Decision
UK	4.00%	Cut by 25bps – lowest level since March 2023
China	3.00%	Unchanged – remains at record lows.
India	5.50%	Unchanged – lowest level since August 2022

- US : GDP grew at an annual rate of 3.3% in Q2 2025, rebounding from a 0.5% contraction in Q1. Annual inflation rate held steady at 2.7% in July. At month-end, Fed Chair said that the inflationary impact of tariffs may be temporary and acknowledged labour market softness. This shift to a more "dovish" stance raised expectations of a rate cut in September and lifted markets.

- Europe : Inflation rose to 2.1% in August, slightly above July's rate of 2.0%. The OECD forecasts a modest GDP growth of 0.9% in the Eurozone in 2025, supported by household spending, fiscal stimulus (notably defence and infrastructure) and a still-tight labour market. French Prime Minister Francois Bayrou called a confidence vote for 8 September after losing coalition support. A defeat would lead to his government's collapse, increasing political risk and pressuring the French markets.

- UK : GDP grew 0.3% q-o-q in Q2 2025, slowing from a 0.7% expansion in Q1. Annual inflation rate rose to 3.8% in July 2025, the highest since January 2024.

- Japan : GDP grew 0.3% q-o-q in Q2 2025, accelerating from a 0.1% increase in Q1. It was the fifth consecutive quarterly expansion.

- China : GDP grew by a seasonally adjusted 1.1% in Q2 2025, slowing slightly from a 1.2% increase in Q1.

### Local

- Y-o-y inflation was 4.8% in August 2025 (LY: 2.7%).
- The number of tourist arrivals figure increased to 658,909 in the first semester of 2025 (LY: 645,549, +2.1%). Gross Tourism Earnings for the month of July stood at Rs 7.8Bn (LY: Rs 7.0Bn, +14%).
- The BoM intervened twice on the domestic foreign exchange market during the month and sold a total amount of USD 20.0M and USD 10.0M at the rate of Rs 45.70/USD and Rs45.65/USD on 5 August and 25 August respectively.
- The MPC of the BoM unanimously decided to keep the Key Rate unchanged at 4.50% p.a on 13 August 2025.

- Moody's has announced the completion of its periodic review of Mauritius's sovereign credit rating, maintaining the current Baa3 rating without any immediate changes.

### Local Corporate News:

- NMH : Its subsidiary, BHI Ltd, is looking into a potential acquisition of a leading five-star resort in Zanzibar.
- Medine : It appointed Ms. Heba Capdevila as Group Chief Executive Officer, effective October 2025.
- Terra : Cavell Touristic Investments Ltd ("CTIL") approved its amalgamation into Terra Hospitality and Leisure Ltd. As a result, CTIL will be delisted from the DEM.

09<sup>th</sup> September 2025

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Source: FED, ECB, BOE, BoM, Bloomberg, SEMDEX, Statistics Mauritius, MSCI.

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