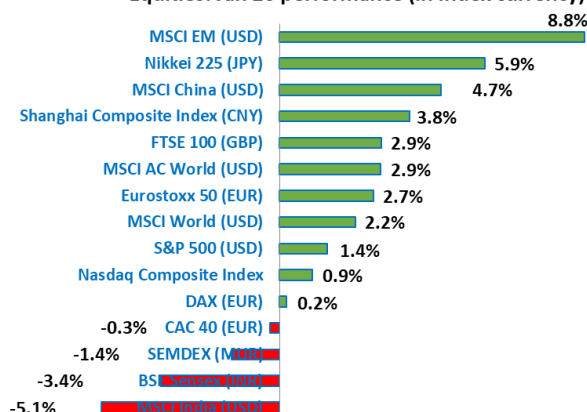


MARKET SUMMARY

Equities: Jan 26 performance (in Index currency)



Global

- Equities started the year on a positive note with the MSCI ACWI posting gains of 2.9%, reflecting optimism over a broad improvement in corporate earnings.
- However, the month was also subject to much volatility with the US overthrowing the President of Venezuela and President Trump's threat of taking control of Greenland.
- Geopolitical events as well as the sell-off in the software sector led to gold price rising by 9% since the start of the year, one of the best monthly gains since 1999.
- The World Bank's Global Economic Prospects report shows the following expectations:

GDP Growth	2025	2026	2027
Global	2.7%	2.6%	2.7%
US	2.1%	2.2%	n/a
China	4.9%	4.4%	4.2%

- US President Trump announced plans to raise tariffs on South Korean goods, including automobiles, from 15% to 25%, citing delays by the South Korean legislature in approving a trade deal.

Foreign

Interest Rates:

Country	Interest Rate	Interest Rate Decision
US	3.50-3.75%	Unchanged
China	3.00%	Unchanged
Japan	0.75%	Unchanged

US

- CPI rose 2.7% y-o-y in December and 0.3% m-o-m.
- The 4.4% annualized GDP growth rate in Q3 2025 was the fastest pace since Q3 2023.
- US President Trump wrote that interest rates on credit cards should be limited to 10% for one year from 20 January. The average interest rate for credit cards is roughly 20%.
- US President Trump nominated Kevin Warsh, still subject to Senate approval, as the next chairman of the Federal Reserve to succeed Jerome Powell.

Europe

- The EU and India struck a deal which is expected to double EU exports to India by 2032 by eliminating or reducing tariffs in 96.6% of traded goods by value and will lead to savings of €4Bn (\$4.75Bn) in duties for European companies. Among other measures, tariffs on EU car imports will be cut to 40% from levels as high as 110%.
- As expected, the inflation rate slowed to 2% in December.

UK

- The unemployment rate stood at 5.1% in the three months to November 2025. The rate remained at its highest level since the three months to March 2021.
- GDP rose 0.3% in November, rebounding from an October contraction.

Japan

- The BOJ raised its growth estimate and maintained its hawkish inflation forecasts even as it kept interest rates steady, signalling its confidence a moderate recovery would justify raising still-low borrowing costs further.
- The annual inflation eased to 2.1% in December, the lowest since March 2022.
- Snap general election is set for February 8th.

China

- The economy expanded at a 5% annual pace in 2025, buoyed by strong exports despite US President Trump's tariffs. However, growth slowed to a 4.5% rate in the last quarter of the year, the slowest quarterly growth since late 2022, during the COVID-19 pandemic.
- It reported the world's largest-ever trade surplus at \$1.19Trn. It is the first time that China's full-year trade surplus has passed \$1Trn, beating 2024's record figure of \$993Bn. China's monthly export surpluses passed \$100Bn seven times last year - a sign that Trump's tariff campaign has barely affected its overall trade with the rest of the world.
- Annual inflation rate edged higher to 0.8% in December 2025, marking the highest level since February 2023.

For more information about our services, please contact:

André Chung Shui

Managing Director
+230 52512216
ac@peaqadvisors.com

Ishrat Cheeroo

Senior Investment Manager
+230 55012900
ic@peaqadvisors.com

Keshav Maghoo

Investment Analyst
+230 4687900
km@peaqadvisors.com

Nashini Ramye

Portfolio Analyst
+230 4687900
nr@peaqadvisors.com



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

Disclaimer: The information and any opinion expressed therein do not constitute or form part of, and should not be construed as, an offer or an invitation to buy or sell or a solicitation of an offer or invitation to buy or sell or enter into any agreement with respect to any investment or service by PeaQ Advisors Ltd ("PeaQ"). The information is based on sources deemed to be reliable, but not verified independently, and is given in good faith by PeaQ. The recipient of the information should seek professional advice before considering any further action. PeaQ is not liable for any consequences resulting from the recipient's action or failure to act on the information. Investors are advised that future expectations may not be realised, and any past performance shown in the information should not be taken as a guide to future performance. The price and value of the investments as well as the associated income may be subject to fluctuations and are not guaranteed. Investors may not recover the full amount invested. This document may not be copied, distributed, reproduced, or transmitted for any purpose without PeaQ's prior consent in writing.

India

- The IMF raised its forecast for economic growth in fiscal 2026 to 7.3%, citing strong momentum.
- The economy grew 8.2% y-o-y in Q3, the sharpest annual growth rate since the March quarter of 2024. The upgrade follows a revision earlier this month by India's National Statistics Office, which raised its estimate for growth to 7.4% in the year ending March 31, above the government's initial projection of 6.3% to 6.8%

Gold

- Prices went up by 9.0% over the month as geopolitics and concerns about the software sector drove investors to the safe haven instrument.

Oil

- Crude oil prices rose for the month mainly due to tensions between the US and Iran, leading to concerns about supply disruption from the Middle East (WTI: +13.6% and Brent: +16.2%).

Local

- Y-o-y inflation was 3.9% in January 2026 (LY: 1.9%). Headline inflation for the 12-months ending January 2026 was 3.8% (LY: 3.3%).
- The number of tourist arrivals for the month of January increased to 125,871 (LY: 116,926, +7.7%).
- Gross Tourism Earnings for the month of December stood at Rs 12.1Bn (LY: Rs 10.3Bn, +17.5%). The figure for the calendar year 2025 stood at Rs 103.4Bn (LY: Rs 93.6Bn, +10.4%)
- The BoM intervened once on the domestic foreign exchange market and sold a total amount of USD15.0 million at the rate of Rs46.15/USD.
- The import cover stood at 14.3 months as at December 2025 (LY: 12.0 months).

Local Corporate News:

- **Phoenix Beverages:** The Company has proposed a restructuring through a scheme of arrangement: (i) Camp Investment Company Limited ('CICL') will transfer its shares in Phoenix Management Company Ltd ('PMCL') to the Company in exchange for the issue and allotment of new shares of the Company to CICL; and (ii) CICL and Phoenix Investment Company Limited ('PICL') will merge with and into the Company, and the Company will issue and allot new shares to the former shareholders of CICL and PICL

Local Financials

- **Lux:** Tourist arrivals over the December quarter was up 4% to 428K in Mauritius and up 10% to 610K in Maldives. LUX's hotel occupancy in Mauritius stood at 87% and ADR rose by 4%, which led to an increase in RevPar by 9%. Maldives hotel occupancy stood at 72% while ADR was flat, leading to a RevPAR increase of 6%. The occupancy in Reunion stood at 77% with ADR increasing by 5%, leading to a growth in RevPar by 9%. Overall, the Group posted occupancy of 83% and ADR and RevPAR increased by 4% and 8% respectively. Group Revenue over the quarter rose by 9% to Rs 3.47Bn and profit before tax rose by 25% to Rs 834M. The tax rate in Mauritius rose by 5% to 24% following the introduction of the Fair Share Contribution. The Profit after tax rose by 14.5% to Rs 640M. For the first half of the year, net profit rose by 23% to Rs 714M. Outlook: Reservations on the books for the third quarter ending 31 March 2026 are better than last year.

11th February 2026

