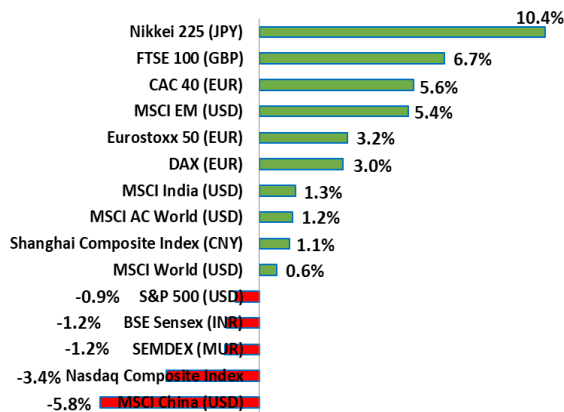


## MARKET SUMMARY

Equities: Feb 26 performance (in Index currency)



### Global

- President Trump invoked Section 122 of the Trade Act of 1974 to roll out a tariff of 10% — which was later raised to 15% — to replace those that the court invalidated in its landmark ruling earlier in the month.
- The US set a 10–15-days deadline for nuclear deal talks with Iran, leading to a rise in oil prices. This geopolitical situation led investors to turn to gold as a safe haven.
- Trade Deals:
  - The US signed a trade deal with Taiwan, lowering tariffs to 15%.
  - The US and India struck a trade deal cutting US tariffs on Indian goods to 18% from about 50%. In return, India has agreed to halt Russian oil purchases and to boost imports of US energy and goods.

### Foreign

#### Interest Rates:

Country	Interest Rate	Interest Rate Decision
UK	3.75%	Unchanged
ECB	2.15% (refi)	Unchanged
India	5.25%	Unchanged



### US

- The IMF made the following forecasts:
  - Q4 2026 GDP growth of 2.4% from 2.2% in Q4 2025.
  - US unemployment dropping from 4.5% in late 2025 to 4.1% in 2026.
  - Inflation falling to the Fed's 2% target by 2027.
  - The federal government's debts rising steadily from just under 100% of US GDP last year to almost 110% by 2031.
- The US economy expanded at an annualized rate of 1.4% in Q4 2025, the least since Q1 2025, following a 4.4% growth in Q3.

- The CPI rose by 2.4% over the 12 months to January, the slowest pace since May 25.
- Kevin Warsh has been chosen to lead the US Fed when current chairman Jerome Powell's four-year term ends in May.



### Europe

- CPI slowed to 1.7%, below the ECB's target, potentially fueling concerns among policymakers over the euro's rapid appreciation and increasing the likelihood of a restart of rate cuts halted in June 25.
- The German economy expanded by 0.3% q-o-q in Q4 2025, following stagnation in Q3 and a 0.2% contraction in Q2. The inflation rate rose to 2.1% in January 2026 from December's 15-month low of 1.8%.



### UK

- Inflation fell to 3% in January (the lowest rate since March 2025), down from 3.4% in December, driven by food, fuel and airfares. Economists said the decrease raised the likelihood the BoE will cut interest rates at its March monetary policy meeting.
- GDP growth was 0.1% in Q4 2025. The UK economy expanded by 1.0% y-o-y in Q4 2025, slowing from 1.2% in the previous quarter and marking the weakest annual growth rate since Q2 2024.



### Japan

- GDP grew 0.1% q-o-q in Q4 2025, rebounding from a 0.7% drop in Q3 but missing market forecasts of a 0.4% increase
- PM Sanae Takaichi won a resounding electoral victory on a campaign of increased economic stimulus.
- 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.



### China

- Annual inflation eased sharply to 0.2% in January 2026 from 0.8% a month earlier, marking the lowest level since October.



### India

- The consumer price index rose 3.21% annually in February, rising from 2.74% in the previous month. It was the fastest pace of inflation in 11 months.
- At month end, global risks—especially oil prices and geopolitical tensions—started to weigh on sentiment.

### Gold

- Prices went up by 11.0% over the month as geopolitics in Venezuela and Iran drove investors to the safe haven instrument.

## Oil

- Crude oil prices rose for the month on the back of military actions in Venezuela and Iran tensions (WTI: +2.8% and Brent: +2.5%).



- Y-o-y inflation was 3.5% in January 2026 (LY: 0.1%). Headline inflation for the 12-months ending February 2026 was 4.1% (LY: 2.8%).
- The number of tourist arrivals for the month of February increased to 107,650 (LY: 95,991, +12.1%).
- Gross Tourism Earnings for the month of January stood at Rs 11.3Bn (LY: Rs 8.6Bn, +32.0%). The figure for the calendar year 2025 stood at Rs 103.4Bn (LY: Rs 93.6Bn, +10.4%).
- The MPC of the BoM left interest rates unchanged.
- President Trump signed into law a one-year extension of the AGOA, running through December 31 and applied retroactively from September 2025. The move restores duty-free access to the U.S. market for eligible Sub-Saharan African countries after the program lapsed in September 2025.

## Local Corporate News:

Company	DPS Declared (Rs)	Ex Div Date	Total DPS (Rs)	Div Yield
Medine	1.40	27 Feb 26	2.70	4.4%
NMH Pref	0.33	25 Feb 26	0.66	6.5%

- **NMH:** It has sold the Royal Palm Beachcomber Luxury to Beachcomber Hospitality Investments Ltd (“BHI”) for a price of € 50.6M (the “Consideration”). Part of the consideration (i.e. € 28M) has been settled, and the remaining amount will be paid by 31 May 2026.

## Local Financials

- **Alteo:** Revenue over the 3 months rose by 13% to Rs 1.4Bn while PAT rose by 22.5%. Over the first 6 months, PAT was flat. Profit from the Agro business cluster rose by 23% due to improved sugar production and higher special sugar sales but this was negated by a cyclical fall in profits from the property cluster. The outlook on sugar prices is neutral. In Property, multiple near-term catalysts are

expected to support revenue recovery in the second semester including VEFA construction progress at Anahita Beau Champ Smart City and the planned delivery of ‘L’Echo des Champs’ serviced land.

- **ER Group:** Revenue over the quarter fell by 1.8% but PAT rose by 10.2%. Over the first 6 months, PAT increased by 17% to Rs 2.6Bn out of which Rs 1.4Bn is attributable to equity holders. ER Group generated improved performance in the Hospitality & Travel and the Finance segments. Agribusiness and Logistics and Technology & Energy were flat. Real Estate and Commerce & Manufacturing reported poorer performance. The group forecast EBITDA of Rs 12Bn for FY26 (6M: Rs 5.9Bn).
- **MCBG:** Over the 6 months, all major segments reported growth: Net interest income +4.1% as loan book growth outstripped the effect of lower foreign interest rates; net fee and commission income +6.0% from higher payments and wealth management activities; and net trading income +47.9% (from Rs 2.5Bn to Rs 3.7Bn in 6 months). The group reported lower impairment charges of Rs 0.3Bn (LY: Rs 1.6Bn). Thus, the group reported a 15.4% increase in PBT and a 5.5% increase in PAT despite a substantial increase in the tax rate.
- **NMH:** Revenue for the quarter rose by 14% to Rs 6Bn while PAT rose by 27% due to a 17% increase in average room rate and higher occupancy rate. The group achieved a 46% increase in PAT for the semester despite a 5% increase in tax rate and the closure of Shandrani Beachcomber until mid Oct 2025. Forward bookings up to June 2026 are higher than last year. Trou aux Biches Beachcomber will be closed for a major renovation between May and October 2026. Based on current trends, turnover and EBITDA for the full year are expected to exceed Rs 18Bn (FY25: Rs 16.9Bn) and Rs 5.5Bn (FY25: Rs 4.8Bn) respectively.
- **Sun:** Revenue for the quarter amounted to Rs 2.4Bn. Excluding real estate revenue, the Group recorded an 11.8% increase to finish at Rs 2.0Bn. EBITDA increased by 38.5% to Rs 961M. Profit after tax amounted to Rs 633M, an increase of 46.3% compared to the corresponding quarter last year. This is despite the additional taxation imposed.

13<sup>th</sup> March 2026

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

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