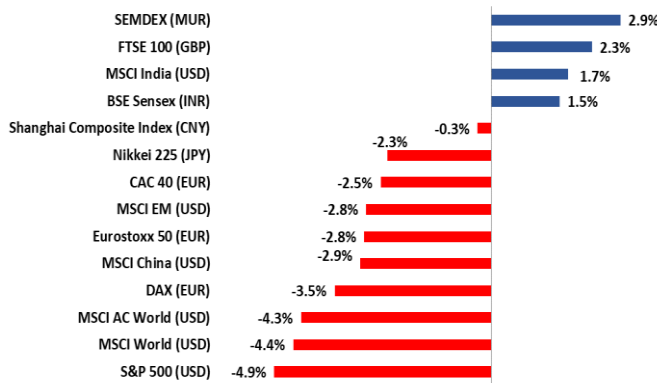


MARKET SUMMARY MONTH OF SEPTEMBER

Equities: Sept 23 performance (in Index currency)



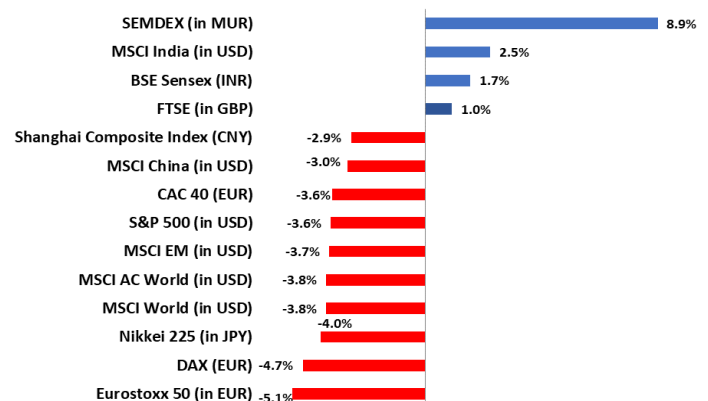
- Meetings at Central Banks dominated headlines in September.
- The US Fed maintained its benchmark interest rate unchanged in the range of 5.25%-5.50% (a 22-years high). The BoE also held its key rate at 5.25%. The ECB raised its rates for the 10th consecutive time, bringing the main refinancing operations, marginal lending facility and the deposit facility to 4.50%, 4.75% and 4.00% respectively. In Mauritius, the BoM maintained the key rate at 4.50%.
- A shutdown of the US Federal government was avoided, following a last-minute deal for spending for the fiscal year starting 1st October, but funding will only last until mid-November.
- Saudi Arabia and Russia announced that they will extend voluntary oil output cuts until at least the end of the year, leading to the price of Brent and WTI rising by 9.8% and 8.6% respectively in September.
- As per Statistics Mauritius, headline inflation for the 12-months ended September 23 settled at 9.0% (compared to 9.4% for the previous period).
- The number of tourist arrivals stood at 901,126 for the period Jan-Sept 2023 vs 638,332 for the previous period. Pre-Covid 19, for the period Jan-Sept 2019, it stood at 973,642 (-7%).
- GDP growth in Mauritius was reviewed upwards from 5.3% to 6.8% mainly due to revision of growth in the construction sector which is expected to contribute 1.5% to the GVA vs previous estimate of 0.5%.
- Local corporate financial statements published and dividends payout announced boosted investors' sentiment.

QUARTER 3 2023 UNDER REVIEW

- After three quarters of high positive returns for most developed markets, the third quarter of 2023 posted negative returns.
- Further to the US Fed's hawkish outlook, investors' sentiment was impacted by expectations that higher rates will last longer.
- The US government credit rating was downgraded by Fitch Ratings from AAA to AA+.

- Inflation in the US, though on a downward trend from the highs of the previous year, increased over the quarter from 3.0% to 3.7%. In the Euro-area and the UK, it decreased from 5.5% to 4.3% and from 7.9% to 6.6% respectively.
- Unemployment rates in the US rose from 3.6% to 3.8%; in the Euro-area, it stayed steady at 6.4% and in the UK, it rose from 3.8% in April to 4.3% in July, the highest level since Q2 2021.
- The UK equity market was one of the few developed markets that rose over the quarter mainly due to its energy sector which was aided by the surge in oil prices.
- In July, India announced that it would stop exporting non-basmati white rice, effective immediately, to lower rice prices domestically and ensure domestic availability. India accounts for more than 40.0% of the global rice trade.
- The Indian economy expanded by 7.8% in the April-June quarter, the most in a year and slightly surpassing market expectations of a 7.7% expansion.
- In China, investors' sentiment was adversely impacted by concerns about the property market, despite government stimulus measures to stabilize the sector.
- In the commodities market, oil prices went up sharply over the quarter on cuts in production (WTI +28.5% and Brent +27.3%), whilst gold prices posted negative returns (-2.4%), pressured by a strong USD and high yields.
- The Barclays Aggregate Bond Index posted negative returns of 3.6% over the quarter as higher yields drove prices down.
- Over the quarter, the MUR appreciated by 2.4%, 4.5% and 5.0% against the US\$, € and £ respectively.
- In their first assessment of Mauritius, S&P rating agency assigned a sovereign rating of "BBB-/A-3 Outlook Stable". The rating agency also anticipates that GDP growth of the country will be 5.5% in 2023 and average growth rate for the period 2023-2026 will be 4.3%.
- MCBG announced its scrip dividend scheme, whereby investors may opt to receive their dividends in shares of the Company at discounted price of Rs 311.04. The company also announced the option to convert the preference shares of the Company into ordinary shares at a discounted price of Rs 311.85.
- Sun and Lux* both announced dividends of Rs 2.00 per share, the first dividend payment since Covid-19.

Equities: Q3 23 performance (in Index currency)



INVESTMENT THEME:

Global Mobile Payment

- The global mobile payment market stood at US\$2.3Trn in 2022 and is projected to grow from US\$3.0Trn in 2023 to US\$18.8Trn in 2030, at a CAGR of 30.0%.
- The surge in mobile payments is being driven by the growth of mobile commerce (along with the rising penetration of e-commerce), the acceleration of smartphone adoption and the availability of high-speed mobile internet.
- The main technologies being used in the mobile payment systems can be summarized as follows:

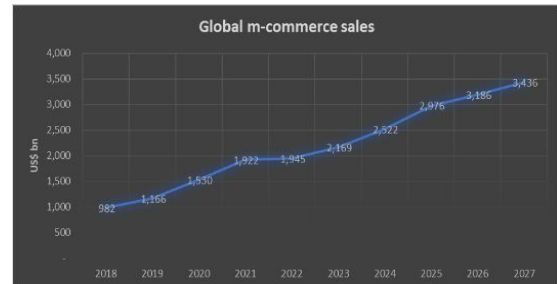
| Technology | |
|-----------------------------------|--|
| Near Field Communication (NFC) | Contactless payments using mobile wallets such as Apple pay, Android pay. Two devices communicate wirelessly when they are in close proximity. |
| Direct Mobile Billing | Purchases are charged to the customer's mobile phone bill. |
| SMS | Merchant sends to customer a text with a payment link. |
| Interactive Voice Response system | Customer interacts with an automated system during payment process. |
| Mobile App | Apps are linked with account and card details of users. |

- In 2022, NFC accounted for nearly 38.0% of the mobile payment mode due to the health safety issues during the COVID-19 pandemic. From 2022 to 2030, NFC is forecasted to grow at the fastest rate (CAGR of 37.1%), followed by Mobile App (CAGR 36.7%) and SMS (36.1%).
- Key market players involved in the global mobile payment business include Visa, Mastercard, American Express, Paypal, Apple, Google, Amazon, Alibaba, Wechat and Samsung.

1. Mobile Commerce

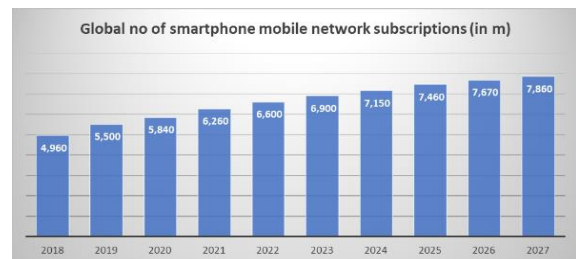
- Mobile commerce (M-commerce) refers to commercial transactions of goods and services occurring through a mobile device such as smartphones and tablets.
- The rise in e-commerce platforms and increase in online shopping are driving the growth of M-commerce. E-commerce has benefitted from secular growth tailwinds due to changing customer behavior which accelerated during the pandemic.
- China has the largest E-commerce market in the world with an estimated 43.0% share of total sales in 2022, followed by the US (approximately 30.0%) and Europe (approximately 15.0%).
- M-commerce sales were estimated to be around US\$1.9Trn in 2022 (around 59.0% of all E-commerce sales

globally) and is expected to reach US\$3.4Trn in 2027 (62.0% of sales).



2. Acceleration of smartphone adoption and high-speed mobile internet

- In 2022, the number of smartphone mobile network subscriptions amounted to 6.6Bn and this number could reach approximately 7.9Bn in 2027. The Asia Pacific region, Latin America and Sub-Saharan Africa will experience the largest increase in smartphone adoption.



- As the average selling prices for smartphones continue to decline, those devices are becoming more affordable for the global population. Moreover, mobile operators are also shifting their focus to 5G technology such that demand for the advanced smartphones is accelerating and is boosting mobile transactions.
- 5G technology will overtake 4G by 2029 to become the dominant mobile technology by 2030 (54% of total connections for 5G vs 36% for 4G).
- Global mobile market payment is becoming increasingly popular with the widespread usage of mobile devices and the emergence of new technologies and offers a compelling investment theme.

30th October 2023

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Source: Statista, Market Research Report, Mordor Intelligence, Global Market Insights, Grand View Research, GSMA, Bloomberg, SEMDEX, MSCI, Statistics Mauritius, BOM

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