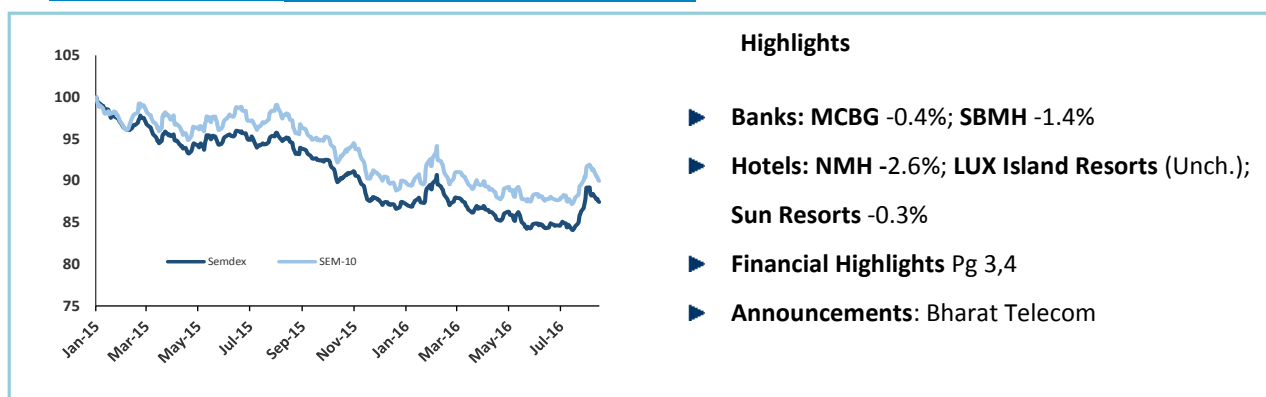


Market Highlights

INDICES	LATEST	W-O-W % CHANGE	YTD % CHANGE
LOCAL (Friday's closing)			
SEMDEX	1,810.22	(1.10)	(0.05)
SEM-10	346.16	(1.59)	(0.1)
DEMEX	195.41	0.40	(2.0)
REGIONAL (Thursday's closing)			
FTSE/JSE (SOUTH AFRICA)	52,309.70	(0.02)	2.6
NGSE (NIGERIA)	27,437.25	0.1	2.5
EGX 30 (EGYPT)	8,347.38	0.7	19.6
NSEASI (KENYA)	147.50	2.5	2.5
BGSMDC (BOTSWANA)	9,529.56	(1.6)	(10.1)
GGSECI (GHANA)	1,832.65	1.5	(7.8)
INTERNATIONAL (Thursday's closing)			
DOW JONES	18,573.94	0.4	4.8
CAC 40	4,417.68	(1.9)	(6.0)
SENSEX	28,123.44	0.9	8.3
DAX	10,537.67	(1.9)	(3.0)
NIKKEI	16,486.01	(1.5)	(13.2)
FTSE 100	6,868.96	(0.7)	8.8

	%
GDP GROWTH (2016) by Statistics Mauritius	3.9
UNEMPLOYMENT RATE (2015)	7.9
CPI HEADLINE INFLATION	0.9
BUDGET DEFICIT (% of GDP) – Jul 2015/Jun 2016	3.6
REPO RATE (20 th July 2016)	4.00
91 DAY T-BILLS	2.34
182 DAY T-BILLS	2.61
364 DAY T-BILLS	2.68
5-YEAR GOVT BONDS	3.89

FOREX	LATEST	W-O-W % CHANGE	YTD % CHANGE
MUR/US\$	35.35	-0.7	-2.1
MUR/GBP	46.45	0.6	-13.2
MUR/INR	0.53	0.0	-2.8
MUR/JPY	35.00	1.2	17.5
MUR/ZAR	2.62	-0.4	13.4
MUR/EURO	40.06	1.0	1.5



Research Desk

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Swan Securities Ltd

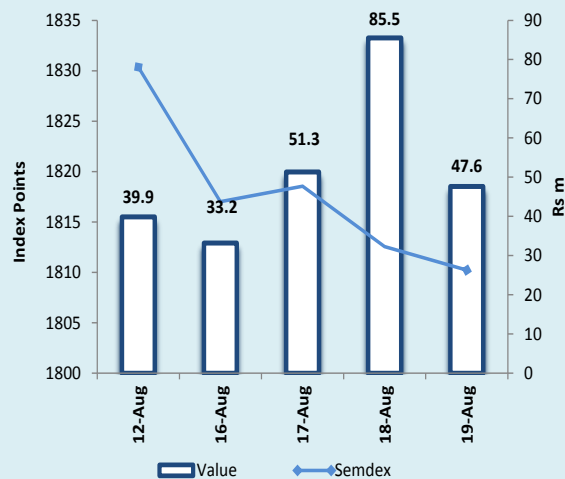
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	Wk/ending 12.08.2016	Wk/ending 19.08.2016
SECTORAL INDICES		
BANKING INDEX	2,820.01	2,800.15
HOTEL INDEX	279.88	277.98
FOREIGN TRANSACTIONS (Rsm)		
TOTAL FOREIGN PURCHASES	27.11	43.45
TOTAL FOREIGN SALES	81.15	105.91
NET FOREIGN INFLOW/(OUTFLOW)	(54.04)	(62.47)
MARKET CAPITALISATION (Rsbn)		
OFFICIAL & DEM	263.49	261.27
DIVIDEND YIELD (%)		
OFFICIAL MARKET	4.06	4.11
PER(x)		
OFFICIAL MARKET	12.38	12.23



News

Bharat Telecom – The company has erected its own poles after the lamp posts on M1, M2 and M3 which were previously under responsibility of the local governments were transferred to CEB. The majority subscriber base is already connected and these changes should have minimal financial impact on the company's operations.

Official Market

Yet again, **indices** on the official market ended the week on the downside with the **Semdex** and the **Sem-10** losing 1.1% and 1.59% to 1,810.22 points and 346.16 points respectively. **Turnover** amounted to Rs217.7m, geared mostly towards the banking duo which accounted for 74.0% of weekly TMT. **Foreign investors** were again net sellers to the tune of Rs63.7m with MCBG witnessing the highest foreign sales.

MCBG closed the week lower at Rs207.75 on a total of 398.8k shares. The stock witnessed a net foreign outflow of Rs40.8m. Banking peer **SBMH** reached Rs0.71 on very slim volumes and finished lower at Rs0.70 (-1.4%) with a significant aggregate of 111.6m shares exchanged (VWAP: Rs0.70). Foreign sales on the stock amounted to Rs17.9m. Finance company **Cim** dropped by 2.7% to Rs7.30 while **MUA** rose slightly to Rs63.25 (+0.4%).

The commerce counter has seen only one gainer: **ENL Comm** (+2.0%). Commercial stocks losers were **Innodis** (-1.8%), **IBL Ltd** (-0.7%) and **H.Mallac** (-0.3%).

At the level of industrials, **PBL** was the best performer. The latter reached an all-time high of Rs410.00 on Thursday but closed the week at Rs405.00 (+1.3% w.o.w) on a total of 3.6k shares. Other movers included **MCFI** (+0.9%) and **Gamma** (+0.6%).

On the investment counter, the top decliner was **ENL Land** which ended the week at Rs43.25 (-8.0%) on a total of 208.4k shares. Movers on the downside were: **Alteo** (-3.0%), Fincorp (-1.5%), **MDIT** (-1.4%), **Terra** (-1.3%) while stocks which moved up were; **NIT** (+6.7%), **PAD** (+3.1%), **POLICY** (+1.6%) and **Caudan** (+0.8%).

Lottotech on the leisure counter was the best performer on the market, rocketing by 8.2% to Rs4.35 on an aggregate of 814.9k shares. Hotel stocks movers were on the downside; **NMH** (-2.6%), **NMH (P)** (-0.4%) and **Sun Resorts** (-0.3%).

Air Mauritius dropped by 5.1% to Rs13.00 on a total of 37.6k shares while property developer **BlueLife** inched higher by 0.9% to Rs2.30. Sugar stock **Omnican** declined to Rs65.00 (-3.0%).

On the debt board, 3.6k of **MCBG Notes** were traded. The latter ended the week at Rs1,014.81.

DEM

On the DEM counter, the **Demex** maintained its upward trend rising by 0.4% to 195.41 points on a total turnover of Rs39.1m geared mostly towards **Medine**, **Ascencia Bonds** and **EUDCOS**. **Medine** saw significant volume of 302.7k shares exchanged and closed the week flat at Rs58.00. **PHIN** was the top performer, rallying 10.4% to Rs270.00 on total volume of 3.3k shares. Other gainers were **MASC** (+6.7%), **TPL (P)** (+5.3%), **The Bee Equity Partners** (+1.2%), **CIEL Textile** (+1.2%) and **Swan Life** (1.0%). **Constance La Gaiete** was the weakest performer, down by 4.5% to Rs105.00 on just 100 shares. **Hotelest** dropped by 4.4% to Rs 30.10. **Ascencia** (Class A shares) edged lower by 0.4% to Rs12.15 with total volume of 106.5k shares exchanged. Other movers were: Les Gaz Industriels (-0.7%) and LMLC (O) (-0.5%).

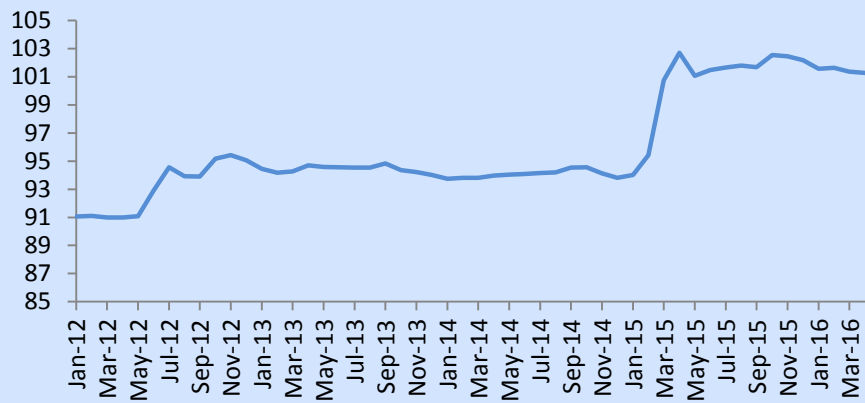
Official Market	Earnings % change	Quarter EPS Jun. 2016	Quarter EPS Jun. 2015	Latest NAV	Remarks
Banks, Insurance & Other Finance					
CIM	4.3%	0.24	0.23	5.06	Group revenue from continuing activities grew by 15% to Rs 617.4m. PAT went up by 6% to Rs 164.5m. The finance cluster was the main driver both in terms of revenue and earnings.
MUA	-57.3%	0.67	1.57	49.55	Profit for the quarter before tax fell by 66.2% to Rs47.7m despite reporting higher net earned premiums.
SBMH (cents)	2936.4%	3.34	0.11	0.86	The Group managed to report an increase in PAT of 20.7% to Rs863m compared with the first quarter this year. Profits is much higher compared to corresponding period last year on the back of much lower impairment losses of Rs 22.3m (vs Rs 834.9m in 2015).
Swan General	P to L	(0.32)	3.90	280.52	Net Premium grew by 28.2% to Rs1.3bn. However, losses of Rs1.1m was recorded due to higher claims in the Casualty and Property Segment.
Commerce					
CMPL	14.4%	(10.41)	(9.10)	-	Despite reporting higher revenue for this quarter over the corresponding quarter of last year (+7.96%), losses for this quarter increased by 14.4% to Rs22.8m. The company's disbursement of capital expenditure in the coming months for expansion is expected to increase profitability of MONOPRIX in the short to medium term.
Harel Mallac	-0.6%	(1.53)	(1.54)	148.90	The Group posted lower losses on the back of lower losses before finance costs and lower finance costs. However, associates posted losses of Rs 16.1m compared to profits of Rs 8.0m.
Vivo Energy	-18.4%	2.53	3.10	26.26	Sales proceeds decreased as a result of lower price of oil on international market. As a result this led to a decrease in gross profit, operating profit and ultimately profit for the quarter decreased by 18.3% to Rs74.2m (vs June 2015: Rs90.8m).
Industry					
Gamma Civic	L to P	0.30	(0.49)	18.85	The Group posted a turnaround in profit with the building materials and cement businesses being the main profit contributor. The cement business has been included as subsidiary since its acquisition in Dec 2015.
Go Life International (USD)	-92.7%	(0.0002)	(0.0025)	0.01	Higher expenses due to listing charges of the stock on JSE.
MCFI	981.3%	(1.73)	(0.16)	31.92	Group turnover for the quarter increased by 43% to reach Rs161m compared to Rs113m for the corresponding quarter in 2015 due to better sales performance on both the local and regional fronts. Results were however adversely impacted by the poor performance of associate in the construction industry. Consequently, losses increased significantly to Rs38.0m.
Investment					
Belle Mare Holding	P to L	(1.42)	0.63	43.59	The company posted losses of Rs 5.9m compared to profits of Rs 2.7m for corresponding quarter last year mainly due to higher losses from associates.
POLICY	22.2%	0.11	0.09	5.12	Increased profit on the back of higher gain on disposal of investments.
Terra	255.6%	(0.64)	(0.18)	73.29	Increase in Operating loss from 40.5m to Rs62.6m mainly driven by lower performance in the sugar segment. Share of profit from associate dropped significantly to a loss of Rs20.1m (vs June 2015: Rs28.5m). As such, losses increased to Rs144.5m as compared to a loss of Rs41.6m for corresponding period last year.
Rockcastle (USD)	L to P	7.05	(20.93)	1.70	Turnaround from a loss of USD 176.7m to a profit of USD 74.7m as a result of higher rental revenue, higher dividend received from listed equities and higher fair value gain on investment property and listed security investments.
Leisure & Hotels					
Air Mauritius (€)	L to P	0.02	(0.09)	0.84	Turnaround in profits due to higher number of passengers coupled with lower operating expenses mainly on account of lower fuel cost.
Automatic Systems	11.2%	2.88	2.59	17.99	Improvement in PAT by 10.9% to Rs10.2M mainly attributed to more race meetings and better performance from football betting operations.
Lottotech	L to P	0.08	(0.05)	0.46	The Group posted a turnaround in profits from net losses of Rs16.2m to profits of Rs27.4m. Results of the corresponding quarter last year were dented by exceptional item of Rs 32.3m relating to ban on Quick Win games.
NMH	22.6%	(0.65)	(0.53)	28.18	The Group saw lower revenue and earnings from operating activities due to lower sales of villas in Morocco. Hotel operations in Mauritius posted higher revenue but lower EBITDA. Losses for the quarter roses from Rs 240.1m to Rs 297.4m.
Property Development					
Bluelife	-68.0%	(0.08)	(0.26)	6.61	The Group losses continue to be largely attributable to the hospitality cluster with aggravated quarter losses of Rs. 69.5m from the hotel and renting pool clusters. However, the land development segment, mainly under our IRS development, continues to recognise construction profits.
Sugar					
OMNICANE	P to L	(2.65)	0.92	127.18	Drop in revenue by 25.6% to Rs678.0m, mainly because of significant fall in sugar proceeds, lower refined sugar production and delay in the export of ethanol. Airport Hotel posted improved bottom line due to increased occupancy rate while share of results from associates dropped as a result of an exceptional profit that was posted by Real Good Food in 2015.

DEM	Earnings % change	Quarter EPS Jun. 2016	Quarter EPS Jun. 2015	Latest NAV	Remarks
Banks, Insurance & Other Finance					
Swan Life	-	-	-	-	Net premiums for the quarter went up by 27.5% to Rs994.8m (2015: Rs780.4m). Surplus for the period reached Rs539.5m (+22.9%).
Commerce					
Chemco	53.6%	0.43	0.28	16.48	Despite decrease in turnover arising from lower sales on the industrial chemicals and refrigeration business activities, the company posted an improved PAT for this quarter as a result of continued gains in efficiency/productivity and enhanced financial management (Rs2.7m v.s Rs1.8m for corresponding quarter last year). The improvement in profitability is partly due to a reversal of impairment of receivables.
Compagnie Immobiliere	-0.6%	7.81	7.86	1,091.53	An increase in revenue due to new tenants secured. Finance costs decreased. However, operating profit was slightly lower by 2.6% to Rs2.3m.
Information, Communication & Technology					
Bharat Telecom	-44.6%	(0.77)	(1.39)	0.47	Higher revenue of 18.9% to Rs9.3m reported for this quarter (v.s Rs7.8m for the same quarter in 2015) as a result of increased subscriber base.
Industry					
Bychemex	-66.7%	0.03	0.09	5.84	The lower margins applied impacted negatively on the company's profitability which amounted to Rs0.14m compared with Rs0.43m in 2015.
Forges Tardieu	L to P	1.63	(6.72)	195.37	Remarkably higher revenue reported, accompanied with a turn around in operating results to a profit of Rs6.5m as opposed to a significant loss of Rs21.7m in the corresponding quarter of last year.
Mauritius Cosmetics	-93.5%	0.09	1.38	208.87	Profit dented as a result of lower operating profit and higher finance costs
Margarine Industries	-50.1%	6.08	12.18	532.62	Decrease in profit to Rs1.8m (vs 2015: Rs3.7m) as a result of lower Operating Profit and higher finance costs
Paper Converting	42.3%	0.37	0.26	156.80	Higher profits on the back of lower finance costs.
Quality Beverages	L to P	0.13	(0.54)	12.15	Group revenue grew by 15% compared to prior year driven mainly by strong volume growth across all beverages categories as well as improved sales performance at subsidiary level.
SAIL	131.9%	1.60	0.69	58.72	Profit for the quarter increased to Rs7.90m (vs June 2015: Rs3.57m) mainly attributable to higher profit from operations and lower finance costs
Leisure & Hotels					
Constance Hotels Services	96.3%	(1.59)	(0.81)	41.85	Higher losses due to closure of Constance Belle Mare Plage for renovation and lower performance of Maldives operations which has become an expensive destination with the prevailing USD/EUR level.
Morning Light	39.6%	(0.74)	(0.53)	21.37	The Group saw lower turnover for the quarter due to lower occupancy levels. Operating losses were higher amounting to Rs26.3m compared to Rs 17.4m for corresponding quarter last year.
Southern Cross Tourist	-21.4%	(0.11)	(0.14)	2.91	Lower losses reported because of better containment of operating expenses.
Others					
Hotelest	95.1%	(1.60)	(0.82)	41.83	Profits fell on the back of lower revenue arising from revenue challenges in the Maldives and the closure of Constance Belle Mare Plage (CBMP). Accounts for this quarter were also impacted by higher finance costs and losses from associates, along with the closure cost associated with CBMP. The latter re-opened in mid-July and is expected to contribute to improved performance.
MFD Group	3.3%	0.24	0.23	7.89	Revenue rose by 4.5% to Rs201.5m. PAT did not increase by much on account of higher operating expenses.
Sugar					
Constance La Gaiete	-25.5%	(2.60)	(3.49)	99.25	The Group posted higher operating losses due to an increase in operating expenses. However, turnaround from associated companies, lead to lower net losses for the quarter.
Union Sugar Estate	-72.4%	(0.63)	(2.28)	93.23	Losses were lower due to improved performance of the Agro segment which saw operating losses declined from 30.5m to Rs 10.4m

Dividend Announcements

Company	Financial Year	Amount Rs	Last cum date	Payment date
OFFICIAL MARKET				
MDIT	30-Jun-16	0.13	13-Sep-16	28-Sep-16
NMH (P)	30-Sep-16	0.33	26-Aug-16	27-Sep-16
SBMH	31-Dec-16	0.01	26-Aug-16	16-Sep-16
Vivo	31-Dec-16	1.00	29-Aug-16	23-Sep-16

Mauritius Exchange Rate Index



Forex

