

## Market Review 2016

### Market Highlights

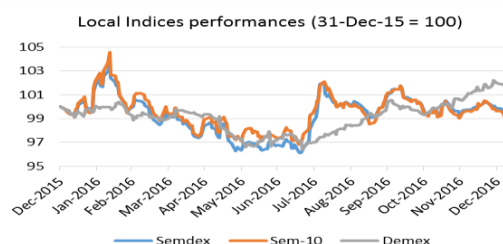
13<sup>th</sup> Jan. 2017

Official Market	
<b>Top Gainers</b>	<b>Δ Year</b>
GREENBAY PROPERTIES LTD (GBP) *	69.6%
LOTTOTECH	67.6%
ASL	59.3%
GO LIFE INTERNATIONAL - (USD)	33.3%
AIR MAURITIUS	28.2%
<b>Top Losers</b>	<b>Δ Year</b>
CMPL	-41.7%
BLUELIFE	-37.7%
UNITED DOCKS	-31.3%
ENL COMMERCIAL	-31.1%
SANLAM AFRICA - (USD)	-30.0%
<b>Most Active (Rs'm)</b>	<b>(Rs'm)</b>
MCB GROUP	4,371.7
NMH	1,745.2
ALTEO	1,685.5
SBMH	1,188.4
LUX ISLAND RESORTS	424.5

DEM	
<b>Top Gainers</b>	<b>Δ Year</b>
ABC BANKING	83.3%
TROPICAL PARADISE (P)	73.4%
LES MOULINS DE LA CONCORDE (O)	30.4%
QUALITY BEVERAGES	21.2%
THE BEE EQUITY PARTNERS **	19.1%
<b>Top Losers</b>	<b>Δ Year</b>
BYCHEMEX	-39.2%
BHARAT TELECOM	-32.7%
LES GAZ INDUSTRIELS	-27.1%
UNITED INVESTMENTS	-25.0%
UNION SUGAR ESTATE	-25.0%
<b>Most Active (Rs'm)</b>	<b>(Rs'm)</b>
ABC BANKING	340.4
ATTITUDE PROPERTY	246.4
CIEL TEXTILE	211.2
MEDINE LTD	184.1
ASCENCIA - BOND	107.7

Indices			
	Dec-16	Dec-15	% change
Semdex	1,808.37	1,811.07	-0.1%
SEM-10	345.04	346.35	-0.4%
Demex	203.36	199.34	2.0%
S&P 500	2,238.83	2,043.94	9.5%
DOW JONES(INDUSTRY)	19,762.60	17,425.03	13.4%
CAC 40	4,862.31	4,637.06	4.9%
SENSEX	26,626.46	26,117.54	1.9%
DAX	11,481.06	10,743.01	6.9%
NIKKEI	19,114.37	19,033.71	0.4%
FTSE 100	7,142.83	6,242.32	14.4%

Source: SEM and Bloomberg



\* Price of GreenBay Properties in 2015 converted to GBP to calculate performance (1€ = £ 0.7371)

\*\* Adjusted performance following dividend in specie

**Global economic growth** remained sluggish for 2016 with an overall growth of only 2.5%. There are numerous reasons explaining this anaemic growth such as structural adjustments in many countries as well as major geopolitical events like the **Brexit**, the unexpected **election** of Mr Trump as the President of the **U.S**, the coup d'état in **Turkey** and the ongoing civil war in **Syria**, among others. Trump has signalled a large fiscal stimulus, while ultimately backtracking on major disruptive policies related to trade or immigration. The **Eurozone** has continued to be undermined by political risks, the Greek debt crisis, the fragile banking sector and the EU's struggle to deal with Brexit.

2016 proved to be a rather good year for most **emerging economies**. Expectations of a U.S. tightening cycle in 2016 dissipated as the year progressed, and the first **rate hike** was ultimately postponed until the end of the year. This prompted many emerging market central banks to cut **interest rates**, boosting disposable income. Moreover, investors went back on the hunt for higher-yielding assets, capital flowed back into emerging markets and bond issuance likely reached a record high in 2016. In terms of commodity prices, crude **oil prices** jumped above USD 50 per barrel for the first time since October after **OPEC** sealed a deal to reduce production by 1.2 million barrels per day (mbpd) to about 32.5 mbpd for six months from the start of January 2017.

On the **local front**, the **Semdex** and the **Sem-10** declined by 0.1% and 0.4% to 1,808.37 points and 345.04 points respectively. For **both markets on the SEM**, total turnover amounted to Rs15.4bn. **Foreign participation** for the year was at 31.6% of total transaction. **Foreign investors** were again net sellers to the tune of Rs1.2bn with MCBG and SBMH witnessing majority of sales. On the Economic front, **Statistics of Mauritius** has recently reviewed the growth of GVA at basic prices to 3.6% for 2016 instead of 3.7% as forecasted in September 2016. This downward revision is mainly attributable to a reduced growth than predicted for sectors such as agriculture, and manufacturing. For 2017, it is predicted that GVA at basic prices will grow by 3.8%.

The local **political situation** was quite vibrant during 2016 characterised by three changing Finance Ministers. The present Finance Minister is the Honorable Pravind Jugnauth, the successor of the Honourable Prime Minister Mr Anerood Jugnauth who also occupied the seat of Finance Minister for a few months. Another notable political event during 2016 was the reshuffling of the Government party, whereby the PMSD party left the Government and its leader Mr Xavier Luc Duval who was occupying the post of Minister of Tourism is now the leader of the Opposition.

KEY 2016 STATISTICS ON THE SEM (Official & DEM)	
Total Market Turnover (Rs'm)	15,428.68
Number of trading sessions	252 days
Average Daily Turnover (USD'000)	1,694.29
Net Foreign Sales (Rs'm)	1,201.56
Foreign Participation	31.6%

# Official Market

Official Indicators	30-Dec-16	31-Dec-15	Δ Year
SEM-ASI *	1,852.57	-	-
Semdex *	1,808.37	1,811.07	-0.1%
SEM-10	345.04	346.35	-0.4%
SEM-VWAP *	1,853.13	-	-
Semtri (USD)	2,744.60	2,631.14	4.3%
Market Cap - SEMDEX. (MUR bn.)	216.11	201.69	7.2%
Market Cap - SEM-ASI. (MUR bn.)	338.07	-	-
PER (x) **	16.39	11.83	38.6%
Dividend Yield (%) **	3.29	3.73	-11.8%
	30-Dec-16	31-Dec-15	
Volume Traded (m.) ***		1,980.5	3,966.0
Value Traded (MUR m.)		13,644.9	17,988.3
Average Daily Turnover (USD 'm)		1.50	2.00

\* SEM-ASI and SEM- VWAP have been introduced on the 12th September 2016. As from this date, Go Life has been excluded from the Semdex.

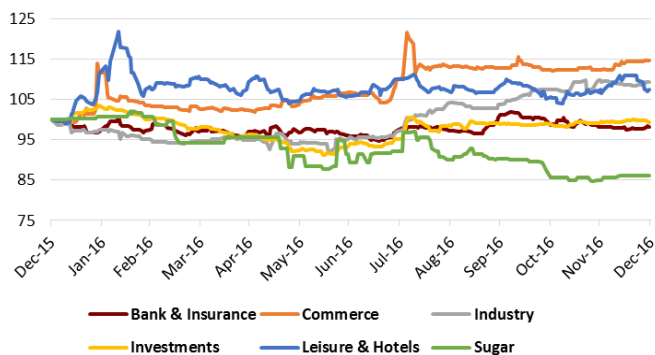
\*\* For year 2016, PER (x) and Dividend Yield (%) are based on total number of issued shares of SEM- ASI companies.

\*\*\* Total volume excludes adjustments for corporate actions that took place.

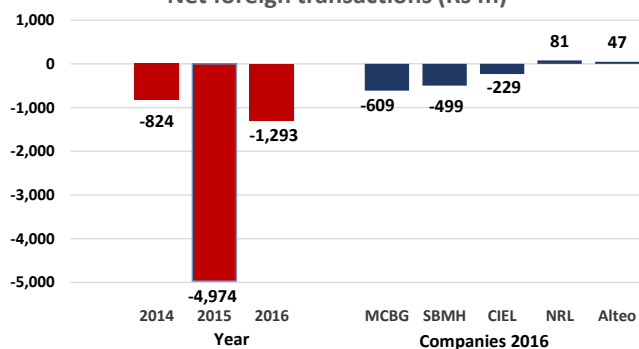
The SEM introduced two **new indices**: SEM-ASI and SEM-VWAP. The SEM All Share Index (**SEM – ASI**) includes all the current constituents of Semdex but also comprises of foreign-currency denominated GBC 1 and international companies. The **SEM-VWAP** index is calculated based on the VWAP of ordinary shares, forming part of SEM-ASI. As from 12th Sept 2016, Go Life has been excluded in the Semdex calculation.

Year 2016 was a very distressed one for the Mauritian Bourse. **Total turnover** on the official market amounted to Rs13.64bn, down from Rs17.98bn in 2015. Main value drivers were **MCBG**, **NMH** and **Alteo** which altogether made up 57.2% of yearly TMT. Largest banking stock **MCBG** gained 3.2% to Rs215.00 on 20.7m shares exchanged throughout the year while **SBMH** lost further steam to drop to a post-reverse-split level of Rs6.64 (-6.5%). Newly listed **IBL Ltd** closed at Rs30.80, 20.1% higher than its introductory indicative price of Rs25.65. **CMPL** was the top decliner, tumbling to Rs9.00 (-41.7%), followed by property developer **Bluelife** (-37.7%), **United Docks** (-31.3%) and **ENL Comm** (-31.1%). Hotel stock **NMH** was twice in the limelight with rumours of a take-over bid, which was then proved wrong when ENL Land and its subsidiary Rogers acquired stake to bring ENL Group's holding to 29.87%. Despite reaching an all-time low of Rs17.25 in January 2016, the stock managed to emerge as the top winner amongst the hotels, settling the year at Rs18.85 (+8.3%) on a total of 65.4m shares exchanged. **LUX** stayed unaltered at Rs59.50 while **SUN** moved up to Rs35.15 (+3.1%). Investment stock **Alteo** dropped to Rs28.30 (-8.0%) on a significant 76.6m shares traded. Most striking development was the reverse trend of performances of the leisure stocks, **Lottotech** and **ASL** which both recovered from previous year's losses to stand out amongst top price gainers, rallying 67.6% and 59.3% to Rs5.90 and Rs55.75 respectively. National carrier **Air Mauritius** made its way to the top five gainers' list, rising to Rs14.10 (+28.2%) despite the very short stay of its CEO Mr Megh Pillay.

Sectoral Indices - Official Market (31-Dec-15 = 100)



Net foreign transactions (Rs'm)



Stocks by largest market caps (Semdex)	Δ P Year	Value Traded (Rs'm)	Value Traded (USD'm)
MCB Group	▲ 3.2%	4,371.7	121.0
IBL Ltd	▲ 20.1%	97.4	2.7
SBMH	▼ -6.5%	1,188.4	32.9
ENL Land	▼ -12.0%	164.4	4.5
CIEL LTD	▼ -4.5%	406.3	11.2
NMH	▲ 8.3%	1,745.2	48.3
Alteo	▼ -8.0%	1,685.5	46.6
LUX ISLAND RESORTS	- 0.0%	424.5	11.7
PHOENIX BEVERAGES	▲ 9.7%	158.4	4.4
ROGERS	▼ -0.7%	160.5	4.4
TERRA	▲ 5.3%	164.1	4.5
SUN RESORTS	▲ 3.1%	118.1	3.3
CIM FINANCIAL SERVICES	▼ -9.3%	101.7	2.8

## Notable Events:

**Appointment of new CEO:** IBL Ltd, SBM Bank, MCB Bank, Bee Equity (ex-FIDES), CIEL, Air Mauritius.

**New Listings:** IBL Ltd (following amalgamation); Bayport Mgt; Mainland Real Est.; Stonebridge; Tadvest; Universal Partners; Core Shares Global Property; Core Shares S&P500; MCB India Sovereign Bond; Mara Delta Property Holdings (MUR) – first dual currency trading stock; Compagnie de Beau Vallon (Class A & B Bonds); Evaco Floating Rate Notes, Omnicane Secured Notes (Series 1-4).

**Bonus Issues:** Caudan, NIT ; **Rights Issues:** Caudan, CMPL

**SBMH – Reverse share split:** The group consolidated its shares at a ratio of 10:1. The first trading day of the reversed split shares was on 20th Oct 2016.

**New CEO for SBM (Bank):** Mr Raj Dussoye replaced Mr Jairaj Sonoo.

**New CEO for MCB Ltd (Bank) :** M. Antony Withers, resigned for retirement and M. Alain Law Min, currently Deputy CEO in charge of Retail, has been appointed as acting CEO with immediate effect.

**Go Life Int.:** Secondary listing on the Johannesburg Stock Exchange.

**Amalgamation (IBL/GML) –** The amalgamation of Ireland Blyth Limited ('IBL') with and into GML Investissement Ltée ("GMLI") became effective on 1st July 2016. GMLI (the amalgamated company) has been renamed 'IBL Ltd'. The share exchange ratio was 4.8277 new GMLI shares for each IBL share. On its first day of listing on the 14th July 2016; 5,000 ordinary shares were made available for trading at an indicative price of MUR 25.65 per share.

**Mara Delta/LUX -** On 29th Sept 2016 Mara Delta, through its wholly-owned subsidiary Mara Delta (Mauritius) Property Limited, entered into a sale and purchase agreement with Nereide Limited ("Vendor"), a wholly-owned subsidiary of Lux Island Resorts Limited for the acquisition of the hotel building known as Tamassa Resort. The price agreed for the transaction stood at US\$40m.

**NMH/Mara Delta –** Acquisition by Mara Delta of 45% of the shareholding of Beachcomber Hospitality Investments (BHI) which shall hold the 3 star properties of NMH under a sale & leaseback agreement with NMH paying a rent to BHI to manage & operate the walls.

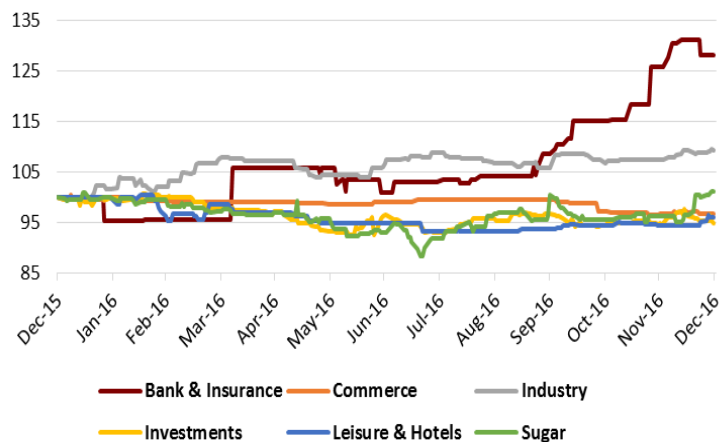
# DEM

DEM Indicators	30-Dec-16	31-Dec-15	Δ Year
Demex	203.36	199.34	2.0%
Demtri (MUR)	265.70	251.66	5.6%
Demtri (USD)	232.53	218.05	6.6%
Market Cap. (MUR bn.)	46.85	49.44	-5.2%
PER (x)	10.06	10.64	-5.5%
Dividend Yield (%)	3.44	3.18	8.3%
	<b>30-Dec-16</b>	<b>31-Dec-15</b>	
Volume Traded (m.) *		95.6	151.4
Value Traded (MUR m.)		1,783.8	1,946.8
Average Daily Turnover (USD '000.)		195.9	216.4

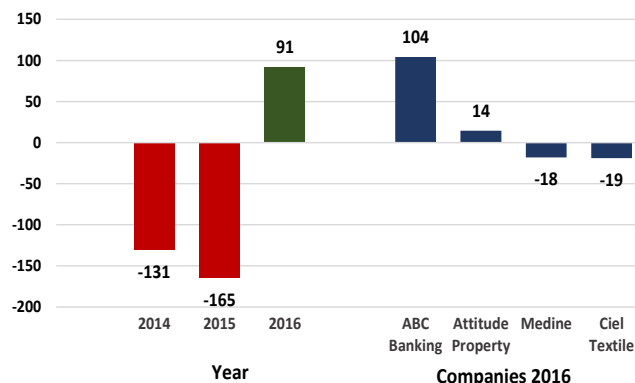
\* Total volume excludes adjustments for corporate actions that took place.

Unlike the official market, indices on the **DEM** finished the year on a positive note with the **DEMEX** gaining 2.0% to 203.36 points on a turnover of Rs1.78bn, geared mostly towards newly listed entity **ABC Banking**, **Attitude Property**, **Ciel Textile** and **Medine** which altogether made up 55.2% of total TMT. **Foreigners** were net buyers to the amount of Rs91.5m with **ABC Banking** witnessing majority of net purchases. The banking stock posted remarkable performance for its FY2016 and saw its share price hiking to its all-time high of Rs27.50, price at which it ended the year to stand out as top performer (+83.3%). **Attitude Property** slightly declined to Rs10.00 (-2.0%) at year end after witnessing some significant crosses during the year, with a total volume of 24.6m shares exchanged. **Ciel Textile** traded at its all-time high of Rs43.55 but closed at Rs42.50 (+7.6%) on a total of 5.2m shares traded. **Medine** closed at Rs63.50 (+4.1%). Other main gainers on the counter were: **Tropical Paradise (P)** (+73.4%), **LMLC (O)** (+30.4%), **QBL** (+21.2%). Following dividend in specie, share price of **Bee Equity (ex-FIDES)** rose to Rs15.60 from its Ex-Div-Specie Ref price of Rs13.10 (+19.1%). Worst performer on the counter was **Bychemex** (-39.2%), followed by **Bharat Telecom** (-32.7%), **Les Gaz Industriels** (-27.1%), **UTIN** (-25.0%) and **UNSE** (-25.0%), amongst others.

## Sectoral Indices DEM (31-Dec-15=100)



## Net foreign transactions (Rs'm)



Stocks by largest market caps	Δ P	Value Traded	Value Traded
	Year	(Rs'm)	(USD'k)
MEDINE LTD	▲ 4.1%	184.1	5,094.8
ASCENCIA (CLASS A SHARES)	▼ -4.7%	53.3	1,475.9
CIEL TEXTILE	▲ 7.6%	211.2	5,844.7
CONSTANCE HOTEL SERVICES	▼ -4.4%	17.7	488.7
SWAN LIFE	▲ 15.0%	78.9	2,184.8

## Notable Events

**ENL Investment** – Last trading session was on the 26th January 2016.

**ABC Banking (Rights Issue)** - Rights issue of up to 19,067,968 new ordinary shares has been approved, with par value of Rs10.00 each at an issue price of Rs16.00. The shares have been issued in the ratio of 1 new ordinary share for every 3 ordinary shares held on 10th May 2016.

**Bonus issues:** Paper Converting and Mauritius Cosmetics.

**New Listing:** ABC Banking, New UTIN Bonds (maturing 31 Jan 2020), ABC Motors Notes

**Withdrawals** - Cargo Hub; Vital Water Bottling

**Ascencia Ltd** - Ascencia Class B shares ceased trading on 28th June 2016 and were automatically converted Class A ordinary shares at a conversion rate of 1:1.

**Bee Equity (Ex-FIDES)** - As at 19th January 2016, the Ex-Div Ref price of FIDES was calculated to be at Rs13.10 following declaration of dividend in specie in ratio of: 0.2192 share of AfraAsia Bank, 0.7431 share of Alteo, 0.0950 shares of IBL Ltd, 0.4683 shares of LUX Island Resorts, and 0.3309 share of UBP.

# Economics

## Key Macro Indicators

2016F GVA growth: +3.6% (2015: +3.0%)

Headline Inflation Rate: 1.0% (Dec 2016)

Key Repo Rate: 4.0% (Nov 2016)

Unemployment Rate: 7.5% (est.)

## GVA growth revised downwards

As per *Statistics Mauritius' National accounts issue*, GVA growth rate witnessed several downward revisions during the year, from 3.9% in June, to 3.7% in September, and finally to 3.6% in December. The slump in these forecast figures might be attributed to the weaker-than-expected performance of the agriculture, manufacturing, and construction industries. Agriculture retreated due to the lower performance of the sugarcane industry while manufacturing saw a sluggish growth because of a contraction in textile production. The construction sector, which contracted for the past five years registered a no-growth in 2016 instead of the initial forecast of 1.6%, as a result of delayed implementation of public investment projects. Although the figures were brought down for these industries, they have performed relatively well, as compared to the 2015 (see table below).

## Notable performance of some sectors

The finance and insurance activities sector, which is the key contributor to GVA growth (0.7% points), is projected to expand by an estimated 5.7% for 2016. On grounds of the increase in forecasted *tourist arrivals* from 1.250m to 1.265m, growth of Accommodation and Food Services Activities (AFSA) also saw an upward revision to 8.4%.

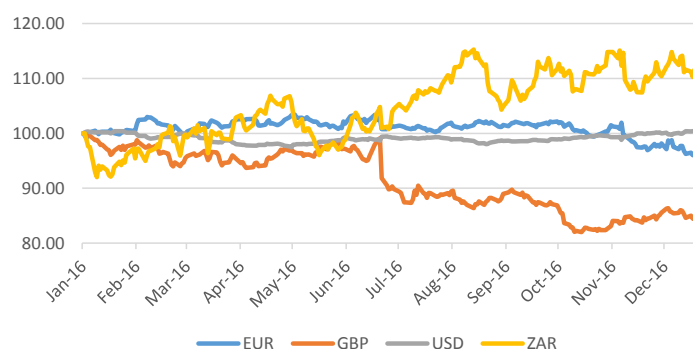
*Hotels are expected to register even more growth in 2017, after a remarkable performance in 2016. Financial and insurance services activities, are also forecasted to be affected due to turbulences around the Mauritius-India DTAA. The construction industry is envisioned to rebound to a soaring 7.0% in 2017, assuming implementation of public investment projects such as Metro Express and Smart Cities.*

	2014	2015	Jun Issue 2016F	Sept Issue 2016F	Dec Issue 2016F
<b>Real GDP growth rate (%)</b>					
Gross Value Added at current basic prices	+3.6	+3.0	+3.9	+3.7	+3.6
<b>Growth rate by sector (%)</b>					
Sugarcane	-3.5	-6.2	+9.6	+9.6	+6.4
Manufacturing	+1.8	+0.0	+1.3	+0.6	+0.3
Accommodation and Food Services	+6.1	+8.7	+6.9	+7.5	+8.4
Construction	-8.5	-4.7	+1.6	+0.0	+0.0
Financial Services	+5.5	+5.3	+5.4	+5.7	+5.7

Source: Statistics Mauritius

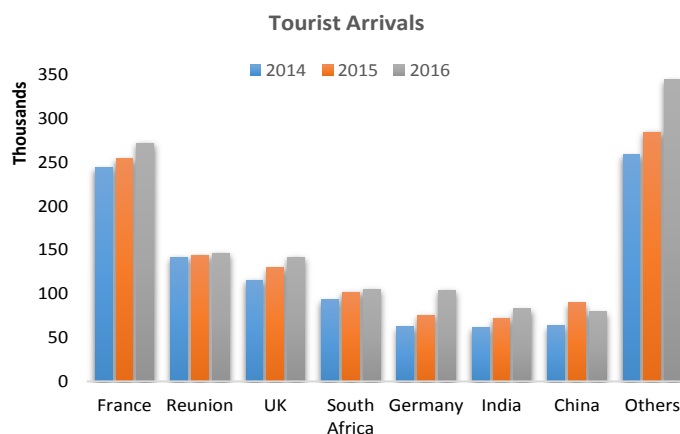
## Forex Movement

Exchange Rates of the Rupee vis-a-vis major currencies



Source: Bank of Mauritius Consolidated Exch Rates

## Boost in tourist arrivals for 2016



Tourist arrivals surpassed Statistics Mauritius' December forecast of 1.265m (tourism earnings forecast: Rs56.6m) to reach a remarkable 1.275m for the year 2016. This represents a 10.8% hike from the 1.151m tourist arrivals of 2015 (2015: 10.9%, 2014: 4.6%). Arrivals from Germany were on the rise (+37.9%), followed by UK (+9.4%), and France (+6.9%); all of which contributed to the 16.9% increase to 734,506 tourists from Europe. On the African region, South Africa topped the list, going up by 2.8% to 104,834. Reunion Island followed suit, to reach 146,203 (+1.6%). On the Asian front, arrivals from India inched up by 14.6% to 82,670 while those from China tumbled by 11.6% to 79,374. The opening of the Asia-Africa air corridor in October, along with increased flights from German group Lufthansa, among other projects, have proven to be fruitful, as seen by the general boost in tourist arrivals for the year.

*Tourist arrivals and earnings for the year are forecasted to be on the rise for 2017, to stand at 1.32m tourists, and Rs59bn respectively. Full benefits from the Air Corridor project would be reaped during the year, contributing to additional arrivals. Diversification of the sector into sports, film and cruise tourism among others, is also likely to help in expansion of the hotel industry as well as the Mauritian economy.*


# Outlook


Comments	Key Metrics	
<b>MCB Group (Buy)</b>	Price (Rs)	<b>217.00</b>
<ul style="list-style-type: none"> <li>FY2015-16 has been a notable year whereby attributable profits surged to record level of Rs6.63bn (+15.8%).</li> <li>Cost to income ratio almost reached the long-term target of 40%.</li> <li>In line with its diversification strategy, the contribution of the non-banking segment increased to reach 10% of group's profits in FY2016 (v.s 6% in previous FY).</li> <li>Results reported for 1Q2017 showed some positive signs: Attributable profits rose by 3.3% to Rs1.6bn; Operating income increased by 4.7% to Rs3.65bn; higher profit on exchange and greater share of profits of associates.</li> <li>The Bank has shown resilience in a currently difficult local market conditions characterised by persisting excess liquidity with sluggish credit demand and subdued investment. Increase in oil prices following OPEC's decision to restrict output should also give a boost to trade financing activities. We expect MCB Group to perform well in 2017, albeit on a dampened note, given the possible non-recurrence of certain items which were of exceptional nature that appeared on the accounts in the previous period</li> </ul>	Δ Year	↑ 3.2%
	High	223.00
	Low	203.00
	VWAP	204.81
	P/E	7.7
	P/NAV	1.3
	DY	4.0%
<b>SBM Holdings (Buy)</b>	Price (Rs)	<b>6.56</b>
<ul style="list-style-type: none"> <li>Net interest income by 5.3% to Rs3.3bn for the 9-month ended Sept 2016. Higher operating income (+9.7%) and significantly lower impairment (-65.9%) contributed to boost PAT from Rs1.13bn to Rs1.99bn.</li> <li>Net impairment loss decreased from Rs1.34bn to Rs457.5m. EPS grew by 76.1% to 7.73cents.</li> <li>Last year, SBMH obtained a banking license to operate in the Seychelles and it recently acquired Fidelity Commercial Bank (FCB) in Kenya as part of its African expansion. We view the strategic moves of the Bank to expand regionally and on the African continent as positive and therefore we have a buy recommendation on the stock.</li> </ul>	Δ Year	↓ -6.5%
	High	7.00
	Low	6.20
	VWAP	6.75
	P/E	6.9
	P/NAV	0.7
	DY	6.1%
<b>New Mauritius Hotels Ltd (Hold)</b>	Price (Rs)	<b>20.75</b>
<ul style="list-style-type: none"> <li>The Group registered a 4.9% increase in turnover to Rs 9,601m (FY15: Rs 9,156m) whilst profits from operations increased by 8.6% to Rs 1,286m (FY15 Rs 1,184m).</li> <li>Normalised EBITDA stood at Rs 1,417m (FY15 Rs 1,447m), driven by strong turnover from operations in Mauritius, with growth of 11.9% year on year, despite unfavourable movements in the GBP and Euro exchange rates.</li> <li>Exceptional item relating to fraud and rebranding and reorganisation costs lead to a decline of 23.9% in EBITDA and net attributable losses amounted to Rs 998m. The latter was further dented by impairment losses of Rs 326m relating to Moroccan operations</li> <li>Going forward, the Group expects higher bookings for first quarter of FY 2017. However, weakness of EUR and GBP will have a negative impact on revenues. An international hotel operator will be appointed to manage the hotel in Marrakech which should help improved results of the property.</li> <li>We maintain a hold recommendation on NMH with the strength of the MUR compared to EUR and GBP and weak Moroccan operations.</li> </ul>	Δ Year	↑ 8.3%
	High	26.50
	Low	17.25
	VWAP	-
	P/E	-
	P/NAV	0.8
	DY	-


<b>Sun Ltd (Accumulate)</b>	<b>Price (Rs)</b>		<b>36.60</b>
<ul style="list-style-type: none"> <li>• Sun Limited reports total revenues of Rs 1.04 billion for the quarter ended 30 September 2016, up by 31% compared to same quarter last year mainly due to the full operations of Four Seasons Anahita and Shangri-La's Le Touessrok. Net losses amounted to Rs 246.2m compared to Rs 301.6m for the corresponding quarter last year.</li> <li>• Sun successfully launched its multi-currency programme which amounted to Rs 5bn. The proceeds will be used to refinance existing debt which had been contracted for the Group's recent acquisition and renovations.</li> <li>• Management mentioned that bookings for the coming quarter is encouraging and the Group shall benefit from its full inventory as from December 2016.</li> <li>• We have an accumulate recommendation on the stock which is operating in the thriving tourism sector but might suffer from the weakness of the GBP and the Euro.</li> </ul>	<b>Δ Year</b>	↑	3.1%
	<b>High</b>		39.25
	<b>Low</b>		32.80
	<b>VWAP</b>		40.87
	<b>Adj. P/E</b>		-
	<b>P/NAV</b>		0.7
	<b>DY</b>		-


<b>LUX Island Resorts Ltd (Buy)</b>	<b>Price (Rs)</b>		<b>58.75</b>
<ul style="list-style-type: none"> <li>• Total Revenue fell to Rs894.4m (-14.2%) mainly because of the closure of LUX* South Ari Atoll in Maldives for the months of July and August for renovation.</li> <li>• EBITDA fell by 30% to Rs76.5m while finance cost increased to Rs60.7m (+17%) owing to the new loan contracted for the renovation of LUX* Maldives.</li> <li>• Hotels in Mauritius posted a record occupancy rate of 86% and ADR improved by 7% despite the depreciation of the GBP. Consequently, RevPAR increased by 9%.</li> <li>• Results for Q2 is expected to improve on last year due to the reopening of LUX* South Ari Atoll which is being fully renovated and operational.</li> <li>• The Group may suffer from the weakness of the EUR and GBP. However, the Group is quite present on the Asian market and could benefit from the strong USD.</li> <li>• Moreover, expansion through management contracts is going well and the positive impact on financials should be seen as from FY 2018</li> </ul>	<b>Δ Year</b>	→	0.0%
	<b>High</b>		60.00
	<b>Low</b>		56.00
	<b>VWAP</b>		59.79
	<b>P/E</b>		31.8
	<b>P/NAV</b>		1.4
	<b>DY</b>		2.0%


<b>Alteo Ltd (Accumulate)</b>	<b>Price (Rs)</b>		<b>28.00</b>
<ul style="list-style-type: none"> <li>• Turnover grew by 32.9% to Rs 2,643.6m with Agri and Sugar mainly attributable to the consolidation of Transmara Sugar Ltd (TSCL) as from 1st August 2015.</li> <li>• EBITDA and Operating Profit were up by 65% and 72% respectively on the back of larger sales volumes driven by increased capacities in Tanzania and Kenya and better sucrose levels coupled with improved sugar prices in all markets.</li> <li>• PAT amounting to Rs562.8 (+94.0%) was positively impacted by higher Operating profit (+72.0%) and significantly higher disposal of investment and assets amounting to Rs47.2 m ( vs Sept 2015: -Rs4.0m)</li> <li>• The Agri business segment is expected to perform better this year since the world sugar market has entered a deficit cycle since end of 2016.</li> <li>• The energy segment will be impacted negatively due to the recent rise in coal prices. There is 2 X 45 megawatt project which will cost around EUR200m and these types of projects are highly geared projects and it will take two years to build such a central</li> <li>• We have an accumulate recommendation on the stock as property development at Anahita high-end northern parcels shall take some time before impacting results positively and also because of the uncertainties concerning the sugar quota abolition in 2017.</li> </ul>	<b>Δ Year</b>	↓	-8.0%
	<b>High</b>		32.00
	<b>Low</b>		25.50
	<b>VWAP</b>		32.61
	<b>P/E</b>		20.4
	<b>P/NAV</b>		0.5
	<b>DY</b>		2.9%


<b>ENL Land Ltd (Accumulate)</b>	<b>Price (Rs)</b>		<b>41.40</b>
<ul style="list-style-type: none"> <li>• The results for the period were compared to pro forma results for ease of comparison</li> <li>• Group turnover decreased by 2.5% to Rs2608.5m (vs Sept 2015: Rs2674.9m)</li> <li>• Operating profit up by 34.5% to Rs299.6m</li> <li>• Share results of associates stood at –Rs44.1m ( vs Sept 2016: Rs63.9m)</li> <li>• Better performance from the agro-industry segment with a profit of Rs135.4m (+11.4%) which benefitted from better sugar prices. Property and Commerce &amp; Industry were the least performing segments experiencing a decrease in profitability. Finance and technology were regrouped under Fintech.</li> </ul>	<b>Δ Year</b>		-12.0%
	<b>High</b>		50.00
	<b>Low</b>		39.05
	<b>VWAP</b>		48.99
	<b>P/E</b>		21.9
	<b>P/NAV</b>		0.5
	<b>DY</b>		3.0%

<b>TERRA Mauricia Ltd (Accumulate)</b>	<b>Price (Rs)</b>		<b>30.75</b>
<ul style="list-style-type: none"> <li>• Turnover for the quarter rose to Rs1.4bn (+15.1%) and Operating Profit rose by 53.9% to Rs292.3m</li> <li>• Finance costs increased by 32.3% to Rs292.3m</li> <li>• Share of results of associates declined to Rs42.9m (-21.1%)</li> <li>• PAT stood at Rs293.8m (vs Sept 2015: Rs209.m)</li> <li>• The Group aspire to be a major real estate player in the Northern region of the island with developments such as Smart City commercial centres, University and villas.</li> <li>• The abolition of sugar quota in 2017 will represent some challenge for Terra. However, the latter is a main producer of speciality sugar which it exports to the UK. Speciality sugars are difficult to imitate and cannot be produced from beetroot sugar. The Group is also looking for other opportunities in sugar deficit countries.</li> </ul>	<b>Δ Year</b>		5.3%
	<b>High</b>		32.05
	<b>Low</b>		28.50
	<b>VWAP</b>		30.25
	<b>P/E</b>		11.9
	<b>P/NAV</b>		0.4
	<b>DY</b>		2.8%

<b>Omnican Ltd (Accumulate)</b>	<b>Price (Rs)</b>		<b>60.00</b>
<ul style="list-style-type: none"> <li>• Group turnover increased by 10.0% to Rs 1217.4m</li> <li>• Operating profit decreased to Rs177.23 (-9.8%)</li> <li>• Better performance from Sugar mainly on better sucrose level and better sugar prices. Energy segment has also benefitted a higher intake of 3% from CEB.</li> <li>• Airport hotel has now a better occupancy rate and therefore having reduced losses.</li> <li>• Land sale at Highland rose are currently being allocated and profit on sale of land will be accounted in the next quarter.</li> <li>• We believe that the stock represent good opportunities for investors with a medium term investment horizon. We maintain an accumulate recommendation on the stock.</li> </ul>	<b>Δ Year</b>		-13.9%
	<b>High</b>		71.50
	<b>Low</b>		59.25
	<b>VWAP</b>		71.51
	<b>P/E</b>		-
	<b>P/NAV</b>		0.5
	<b>DY</b>		4.2%

<b>Rogers and Co Ltd (Accumulate)</b>	<b>Price (Rs)</b>		<b>27.60</b>
<ul style="list-style-type: none"> <li>• Rogers is now reporting results on its four served markets namely, FinTech, Hospitality, Logistics and Property. The FinTech cluster was launched in October 2016 under the Rogers Capital brand regrouping the Corporate, Financial and Technology businesses.</li> <li>• Group revenue for the quarter ended 30 Sept 2016 improved by 3.4% to Rs 2,010m. All sectors showed an increase in revenue except for the Property Development &amp; Agribusiness. Overall PAT, excluding exceptional items, was Rs 9m (Q1 2016: Rs 3m).</li> <li>• The logistics cluster was the main contributor to both revenue and profits after tax.</li> <li>• Rogers results for the next quarter should be impacted by NMH results which impaired their Moroccan operations. We thus expect a drop in earnings for the next quarter and recommend accumulating the stock.</li> </ul>	<b>Δ Year</b>		-0.7%
	<b>High</b>		30.60
	<b>Low</b>		26.00
	<b>VWAP</b>		29.00
	<b>Adj. P/E</b>		20.4
	<b>P/NAV</b>		0.7
	<b>DY</b>		3.2%

<b>Cim Financial Services Ltd (Accumulate)</b>	<b>Price (Rs)</b>	<b>7.22</b>
<ul style="list-style-type: none"> <li>• Net interest income increased to Rs527.3m (+11.6%) and Net Fee and Commission Income increased to Rs520.8m (+29.4%)</li> <li>• The disposal of The BrandHouse Ltd (TBH) led to a drop in Group net operating income to Rs2,077.9m whilst net operating income from continuing operations grew by 15% year on year.</li> <li>• PAT increased by 17% to MUR663.1m. FY 2016 results include non-recurring items totalling MUR68.3m. These related to the disposal of TBH and the acquisition of the remaining 50% of the share capital of Edith Cavell Properties Ltd. Profit from continuing operations before non-recurring items was 11% higher than last year.</li> <li>• The decade-old double tax avoidance agreement (DTAA) between India and Singapore has been amended to allow the imposition of capital gains tax on investments routed through Singapore as from 1st April 2017. This brings Mauritius with the same level playing field ground with its main competitor.</li> <li>• However, the tax rate on interest payments made by Indian entities has been reviewed downwards to 7.5% under the Mauritius treaty, while it is maintained at 15% under the recently negotiated India-Singapore treaty and at 10% for India-Cyprus treaty.</li> <li>• Therefore using Mauritius jurisdiction for debt structures in India could be a potential for CIM to explore as debt structures.</li> <li>• We expect the Group to benefit from the comparative advantage of Mauritius and believe that CFS is currently trading at an interesting entry level. We maintain an accumulate recommendation on the stock.</li> </ul>	<b>Δ Year</b>	 -9.3%
	<b>High</b>	8.00
	<b>Low</b>	6.54
	<b>VWAP</b>	9.02
	<b>P/E</b>	7.3
	<b>P/NAV</b>	1.4
	<b>DY</b>	4.7%

<b>CIEL Limited (ACCUMULATE)</b>	<b>Price (Rs)</b>	<b>6.30</b>
<ul style="list-style-type: none"> <li>• Group revenue increased by 7.8% to Rs 4885.7m as compared to comparative period last year mainly attributable to improved performance from Healthcare segment.</li> <li>• EBITDA grew by 1.8% to Rs 482.5m.</li> <li>• Increase in finance costs is due to the full impact of Ciel's MUR 1.05bn notes programme (June 2015) together with Sun limited additional financing which was used towards the renovation and upgrading at Kanuhura and the acquisition of the Four season at Anahita.</li> <li>• PAT amounted to Rs101.6m (+104.2%) mainly attributable to higher share of results from associates Rs54.0m (+124.4%) and lower non-recurring items amounting to Rs52.3m (vs Sept 2015: Rs169.4m).</li> <li>• The Group is expected to perform on the back of improved results from the Agro &amp; Property segment due to good performance of Alteo. The Hotel segment is also expected to perform better in line with the good performance of the Tourist industry and the re-opening of all Group's hotels as well as a shift from a volume to a rate growth strategy. We therefore maintain an accumulate recommendation on the stock.</li> </ul>	<b>Δ Year</b>	 -4.5%
	<b>High</b>	6.60
	<b>Low</b>	5.86
	<b>VWAP</b>	6.91
	<b>Adj. P/E</b>	19.7
	<b>P/NAV</b>	0.7
	<b>DY</b>	2.9%





DEM Market Stocks	Last Traded Price 31.12.2016	Last Traded Price 31.12.2015	Δ Year	Year High	Year Low	VWAP (Rs)	Volume Traded* ( '000)	Value Traded (Rs'000)	Historical DY (%)	Net Foreign Purchase (Rs 000)	Market Cap. (Rs'm) 30.12.2016
<b>BANKS, INSURANCE &amp; OTHER FINANCE</b>											
ABC BANKING **	27.50	15.00	83.3%	27.50	15.00	18.39	18,507.06	340,408.89	1.96	104,188.1	2,097
SWAN LIFE	1,150.00	1,000.00	15.0%	1,200.00	954.00	944.00	83.63	78,949.51	4.00	-1,009.2	3,027
<b>COMMERCE</b>											
ABC MOTORS	83.25	85.00	-2.1%	85.50	83.25	85.45	32.47	2,774.19	2.70	-	514
ASSOCIATED COMMERCIAL	138.50	153.00	-9.5%	153.00	138.50	142.43	7.20	1,025.76	2.89	-	158
CHEMCO	17.40	19.00	-8.4%	19.50	16.00	17.17	111.07	1,906.74	6.32	-	108
COMPAGNIE IMMOBILIERE	444.25	423.00	5.0%	444.25	444.25	444.25	0.35	155.93	4.73	44.4	118
<b>INFORMATION COMMUNICATION &amp; TECHNOLOGY</b>											
BHARAT TELECOM	5.72	8.50	-32.7%	7.50	5.72	6.42	0.80	5.14	-	-	109
<b>INDUSTRY</b>											
BYCHEMEX	4.10	6.74	-39.2%	6.74	4.10	4.91	124.23	610.60	1.95	-	21
FORGES TARDIEU	149.00	139.75	6.6%	149.00	129.00	137.70	2.99	411.58	-	-	286
LES GAZ INDUSTRIELS	60.50	83.00	-27.1%	78.75	60.00	64.13	12.86	824.35	4.46	-	158
LIVESTOCK FEED (O)	28.50	25.95	9.8%	28.70	25.00	27.17	633.28	17,208.78	4.21	-25.0	898
LIVESTOCK FEED (P)	24.10	23.50	2.6%	25.00	23.50	23.99	9.04	216.84	4.98	-	-
LES MOULINS DE LA CONCORDE (O)	204.00	156.50	30.4%	213.00	156.50	191.35	20.57	3,935.38	3.92	-25.7	1,102
LES MOULINS DE LA CONCORDE (P)	350.00	312.25	12.1%	350.00	330.00	337.16	7.18	2,419.09	5.71	-245.0	-
MAURITIUS COSMETICS ***	25.00	27.38	-8.7%	60.00	24.85	-	72.61	1,970.48	2.00	-	250
MARGARINE INDUSTRIES	923.00	923.00	0.0%	-	-	762.30	0.10	76.23	2.17	-	277
MAURITIUS SECONDARY INDUSTRIES	30.65	31.55	-2.9%	31.60	30.65	31.11	7.19	223.74	3.26	-	25
PAPER CONVERTING ***	25.00	25.00	0.0%	25.00	24.75	-	75.84	1,895.60	2.00	-	90
QUALITY BEVERAGES	8.00	6.60	21.2%	8.80	6.60	7.52	65.03	489.07	8.75	17.0	180
SOAP & ALLIED INDUSTRIES	18.50	20.00	-7.5%	20.20	18.50	19.63	17.43	342.14	5.41	-31.7	83
<b>INVESTMENTS</b>											
ASCENCIA (CLASS A SHARES)	12.20	12.80	-4.7%	13.50	11.75	12.68	4,206.24	53,333.97	2.13	-6,388.0	5,164
ASCENCIA (P)	13.95	13.20	5.7%	13.95	13.20	13.23	2,023.60	26,766.87	3.23	-	-
ENL (P)	23.25	27.00	-13.9%	27.50	23.00	24.08	4,009.79	96,539.61	3.35	14,002.4	-
EUDCOS	16.00	15.60	2.6%	17.00	14.50	15.21	4,203.77	63,949.56	5.00	-2,905.8	1,943
THE BEE EQUITY PARTNERS ****	15.60	13.10	19.1%	111.75	13.50	33.70	340.28	11,467.14	12.82	171.4	138
PHOENIX INVESTMENT	262.25	235.00	11.6%	284.00	217.50	250.17	93.59	23,414.78	3.11	-406.4	1,491
RHT HOLDING	25.25	27.50	-8.2%	27.40	25.25	26.78	331.71	8,884.09	4.16	-7,269.4	307
UNITED INVESTMENTS	10.20	13.60	-25.0%	13.30	10.00	11.65	9,153.72	106,618.85	-	-1,043.8	1,545
<b>LEISURE &amp; HOTELS</b>											
CONSTANCE HOTEL SERVICES	33.35	34.90	-4.4%	35.00	31.80	33.60	525.54	17,658.17	2.25	-1,998.6	3,657
MORNING LIGHT	41.20	41.80	-1.4%	41.65	41.20	41.58	0.60	24.95	-	-	1,894
SOUTHERN CROSS TOURIST COMPANY	4.80	6.00	-20.0%	5.82	4.75	5.02	1,085.45	5,447.01	-	141.1	603
TROPICAL PARADISE (O)	6.20	5.76	7.6%	6.40	5.60	6.22	1,321.67	8,226.71	0.81	-	884
TROPICAL PARADISE (P)	300.00	173.00	73.4%	300.00	167.00	258.62	27.31	7,063.03	5.33	-232.0	-
<b>MINERAL &amp; EXPLORATION</b>											
SHUMBA ENERGY	0.10	0.10	0.0%	-	-	-	-	-	-	-	896
<b>OTHERS</b>											
COVIFRA	6.00	6.58	-8.8%	6.38	6.00	6.13	82.00	502.88	-	28.9	340
CIEL TEXTILE	42.50	39.50	7.6%	43.55	38.25	40.64	5,197.58	211,204.70	7.65	-18,752.7	4,327
HOTELEST	31.00	31.00	0.0%	34.90	30.00	27.45	1,804.24	49,526.54	1.55	-830.7	1,734
MEDICAL & SURGICAL	2.60	2.30	13.0%	2.65	2.05	2.35	452.02	1,063.01	2.69	63.8	1,482
MFD GROUP	9.84	10.35	-4.9%	10.50	9.50	10.10	1,162.87	11,743.97	2.03	-	1,476
SIT LAND OPTIONS	11,800.00	10,500.00	12.4%	14,300.00	10,000.00	13,035.30	0.17	2,150.83	-	14.0	-
<b>PROPERTY DEVELOPMENT</b>											
ATTITUDE PROPERTY	10.00	10.20	-2.0%	10.35	9.64	10.00	24,643.43	246,393.80	5.40	14,363.3	1,600
NOVUS PROPERTIES	9.20	8.00	15.0%	9.20	7.50	8.11	6.66	54.01	4.78	-	-
<b>SUGAR</b>											
CONSTANCE LA GALETTE	100.50	100.00	0.5%	110.00	98.00	100.66	40.13	4,039.88	4.48	-512.4	482
MEDINE LTD	63.50	61.00	4.1%	63.50	54.00	59.49	3,094.88	184,107.29	2.52	-18,088.3	6,668
UNION SUGAR ESTATE	28.50	38.00	-25.0%	36.00	28.50	35.10	267.43	9,386.61	-	8,159.2	539
<b>TRANSPORT</b>											
UNITED BUS SERVICE	36.35	32.30	12.5%	37.35	32.30	35.44	1.81	64.12	2.75	-	181
<b>DEBENTURES</b>											
ABC MOTORS - NOTES	24,995.50	-	-	24,999.17	24,993.55	24,996.90	0.21	5,299.34	-	649.9	-
ASCENCIA - BOND	12.57	12.00	4.8%	12.60	12.00	12.21	8,821.20	107,716.43	-	-173.4	-
UNITED INVESTMENT - BONDS	100.95	-	-	100.95	99.98	100.16	609.42	61,041.04	-	8,143.5	-
<b>TOTAL</b>							<b>93,298.19</b>	<b>1,779,539.23</b>		<b>90,048.9</b>	<b>46,850</b>
<b>GRAND TOTAL *****</b>							<b>95,552.76</b>	<b>1,783,771.98</b>		<b>91,462.6</b>	<b>46,850</b>

\* Total volume excludes adjustments for corporate actions that occurred during the year

\*\* Performance for ABC Banking calculated on its introductory price of Rs15.00 on 18th January 2016

\*\*\* Price adjusted to reflect bonus issues that took place during the year

\*\*\*\* As at 19th January 2016, the Ex-Div Ref price of FIDES was calculated to be at Rs13.10 following declaration of dividend in specie in ratio of: 0.2192 share of AfraAsia Bank, 0.7431 share of Alteo, 0.0950 shares of IBL Ltd, 0.4683 shares of LUX Island Resorts, and 0.3309 share of UBP.

\*\*\*\*\* Includes trading of all stocks that traded during the year (i.e also ABC Banking Rights, Ascencia Class B Shares, Cargo Hub, ENL Investment)

**Note:**

*Prices were captured on the 13th of Jan. 2017 and used for calculation of ratios*

*High and low represents highest price and lowest price reached during the year 2016*

*Trailing 12 months EPS were used to calculate P/E ratio; Adj. P/E were used where EPS were adjusted for exceptional items*

*Trailing 12 months DPS were used to calculate DY*

*P/NAV was calculated using NAV figures as per latest results*

*VWAP represents the Volume Weighted Average Price during the year*

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BRN C06007932

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