

Daily Stock Market Review – 1 November 2017

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MSE Equity Price Index drops to 4-day low

The **MSE Equity Price Index** slumped by 1.1% to a four-day low of 4,601.276 points today reflecting the notable drops in BOV (-5%), RS2 (-2.4%) and GO (-1.3%) which outweighed the gains in IHI (+1.6%) and Lombard (+0.1%). Trading volumes contracted to a two-week low of just €0.15 million from €0.37 million yesterday.

Twelve deals totalling 24,822 shares forced the equity of **Bank of Valletta plc** 5% lower back to the €1.90 level. This morning, BOV published a Prospectus in connection with a rights issue amounting to approximately €150 million. Eligible shareholders are entitled for 1 new share for every 4 shares held at an offer price of €1.43. The net proceeds from the rights issue are principally earmarked for the further strengthening of the Bank's Common Equity Tier 1 capital. The rights issue period commences on Wednesday 8 November 2017 and lasts till Wednesday 6 December 2017.

Also among the large companies by market capitalisation, **GO plc** shed 1.3% to drop back to the €3.55 level on two deals totalling 7,473 shares.

On the other hand, **HSBC Bank Malta plc** and **Malta International Airport plc** maintained the €1.86 and €4.75 levels respectively, on low volumes. This morning, MIA revealed that it recently signed a new concession agreement with Dufry, the world's leading travel retailer, for the operation of the enlarged terminal's duty free store on Level 1 covering the period between January 2019 and December 2026.

Light trading activity also took place in the equities of **Medserv plc**, **Malita Investments plc** and **Malta Properties Company plc**. All three shares prices traded unchanged at the €1.26, €0.751 and €0.507 levels respectively.

Meanwhile, **International Hotel Investments plc** regained the €0.62 level (+1.6%) on 21,178 shares. This morning, IHI issued an Interim Directors' Statement updating the market on its performance since 30 June 2017. The Company explained that it is on course to register a record operating profit for the twelve-month period ending 31 December 2017 on the back of solid underlying performances of all of its hotel operations in Europe and beyond. In fact, revenues and operating profits are ahead of budgets and also higher than the corresponding figures of FY2016. However, IHI also warned that its financial results may be impacted by exchange differences.

Lombard Bank Malta plc advanced by a minimal 0.1% to the €2.203 level on a single deal of just 1,213 shares.

The **RF MGS Index** moved higher for the fourth consecutive day as it added a further 0.08% to an over seven-week high of 1,127.889 points. Euro zone sovereign yields maintained their downward trend ahead of the Federal Reserve monetary policy meeting that will come to an end today. The Fed is expected to leave interest rates unchanged, but bond markets will be watching for any indications about further rate hikes and the respective timings.

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Stock markets are volatile and subject to fluctuations which cannot be reasonably foreseen. Past performance is not necessarily indicative of future results.