

Daily Stock Market Review – 3 November 2017

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Further declines in MSE Equity Price Index

The **MSE Equity Price Index** moved lower for the third consecutive trading session as it slipped by a further 0.03% to yet another ten-month low of 4,581.747 points. Overall, the declines in the share prices of BOV (-3.2%) and PG (-1.3%) marginally outweighed the gains in RS2 (+6.4%), IHI (+1.8%) and HSBC (+0.3%). Meanwhile, GO, Lombard and MPC closed the day unchanged. Week-on-week, the MSE Equity Price Index tumbled by 1.54% – the sharpest weekly decline in nearly sixteen months.

Most of the trading activity on the local *Borża* continued to take place in the equity of **Bank of Valletta plc** which shed another 3.2% today to a near thirty-three-month low of €1.80 after failing to hold to an intra-day high of €1.88 (+1.1%). A total of 82,402 shares changed hands. On Wednesday, 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.

PG plc retreated by 1.3% from its all-time high of €1.50 to the €1.48 level on two deals totalling 5,000 shares.

In contrast, **RS2 Software plc** surged by 6.4% from its over four-month low of €1.55 to the €1.649 level albeit on thin volumes.

Also among the large companies, **International Hotel Investments plc** closed 1.8% higher at the €0.631 level after touching a nine-month high of €0.64. A total of 11,000 shares traded. On Wednesday, 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.

HSBC Bank Malta plc moved 0.3% higher to regain the €1.89 level across 5,850 shares.

Meanwhile, **GO plc** held on to the €3.55 level on two deals totalling 4,000 shares.

Lombard Bank Malta plc and **Malta Properties Company plc** retained the €2.20 and €0.51 levels on low volumes.

Yesterday, **MIDI plc** revealed its revised master plan for the restoration and redevelopment of Manoel Island. This master plan has been submitted to the Planning Authority ("PA") for its consideration and to the Environmental and Resources Authority ("ERA") for Environmental Impact Assessment evaluation. A period of public consultation will now commence with both the PA and the ERA.

Yesterday's drop of 0.12% following four consecutive daily gains was short-lived as the **RF MGS Index** rebounded by 0.22% to a near two-month high of 1,129.011 points today.

Euro zone sovereign yields resumed their downward trend as US President Donald Trump yesterday nominated Mr Jerome H. Powell as the next chairman of the Federal Reserve. If confirmed by the Senate, Mr Powell would begin serving in February as the sixteenth Fed chairperson. President Trump's nomination was widely interpreted as a sign of continuation over the philosophy and policies adopted by the current Fed chairperson Ms Janet Yellen (who is widely seen as a centrist). Mr Powell has been serving on the Federal Reserve Board of Governors since 2012.

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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.