

Daily Stock Market Review – 4 August 2017

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BOV touches new 2017 low

The **MSE Share Index** extended yesterday's decline of 0.94% by a further 0.15% to a seven-week low of 4,652.407 points on rising trading activity €0.83 million. However, just under 75% of the total value traded took place in just two equities – HSBC and GO.

Week-on-week, the MSE Share Index shed 1.3% – the sharpest weekly drop since December 2016 – largely reflecting the notable weekly declines in the share prices of BOV (-3.3%), HSBC (-3%) and RS2 (-3%) as their total market capitalisation shrunk by over €62 million.

During today's session, **Bank of Valletta plc** slipped 2.9% lower to a fresh 2017 low of €2.04 before partially recovering to close 1% lower at the €2.078 level across a total of 46,480 shares. Last week, BOV held an Extraordinary General Meeting ahead of a planned €150 million rights issue.

Similarly, **HSBC Bank Malta plc** eased minimally lower back to the €2.00 level on heightened activity totalling 78,656 shares. Shareholders as at the close of trading on 10 August 2017 will be eligible to receive a net interim dividend of €0.03 per share, payable on 11 September 2017.

Two deals totalling 3,898 shares forced the equity of **MaltaPost plc** to drop by 0.9% to the €2.00 level whilst **Malita Investments plc** retreated by 3.3% to the €0.74 level across 50,000 shares.

On the other hand, **GO plc** recaptured its 2017 high of €3.60 (+0.6%) on strong volumes totalling 128,000 shares. This morning, the quad-play telecoms operator revealed its financial performance for the six-month period ended 30 June 2017, showing a 9% surge in EBITDA to €32.6 million from €29.9 million in the first six months of 2016 as both the Group's operations in Malta and Cyprus reported improved results. Going forward, GO explained that its growth strategy is based on a number of initiatives aimed at improving the experience of its customers (namely through strategic investments), maximise revenues and implementing cost controls. GO also noted that in spite of the significant and intense competition as well as shrinking profitability in the telecommunications industry, it continues to outperform the sector, increase its total customer connections and achieve improved levels of profitability.

Also among the large companies by market capitalisation, **Malta International Airport plc** advanced by a further 0.4% to the €4.225 level across 14,282 shares. Shareholders as at the close of trading on 21 August will be entitled to a net interim dividend of €0.03 per share, payable by not later than 22 September 2017.

Malta Properties Company plc gained 0.2% to the €0.515 level across 11,800 shares. Today, the Company announced that it has entered into a promise of sale agreement for the sale of the St. Paul's Bay Old Exchange for a total consideration of €3.75 million (compared to a book value of €3.2 million). The Company further explained that the promise of sale agreement is valid and effective up to 31 January 2019 and the sale proceeds are earmarked towards funding other development projects and/or any acquisition opportunities. MPC is due to reveal its interim results next Monday 7 August.

Also in the property segment, two deals totalling 25,000 shares lifted the equity of **MIDI plc** 1.6% higher to the €0.31 level. This morning, MIDI announced that its Board of Directors is scheduled to meet on 29 August to consider and approve the half-year financial statements covering the six-month period ended 30 June 2017.

On the bond market, the **RF MGS Index** climbed 0.19% to a five-week high of 1,127.484 points as euro zone sovereign yields extended their recent slide despite the issuance of further encouraging economic data showing growth in German factory orders and Italian retail sales in June. Following last week's decline of 0.33%, during the past five days the RF MGS Index rebounded by 0.47%, broadly mirroring the declines across euro zone sovereign yields.

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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.