

Daily Stock Market Review – 6 November 2017

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MSE Equity Price Index posts 4-day negative streak

The **MSE Equity Price Index** moved lower for the fourth consecutive trading session as it slipped by a further 0.86% to a near eleven-month low of 4,542.494 points. Overall, the declines in the share prices of RS2 (-5.7%), MIA (-1.5%), BOV (-1.1%) and HSBC (-1.1%) outweighed the gains in Farsons (+0.4%) and Malita (+0.1%).

Most of the trading activity on the local *Borża* continued to take place in the equity of **Bank of Valletta plc** which shed another 1.1% to a fresh thirty-three-month low of €1.78 across 69,050 shares. Last week, 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.

Within the same sector, **HSBC Bank Malta plc** also retreated by 1.1% back to the €1.87 level on two deals of just 3,313 shares.

Among the large companies by market capitalisation, **RS2 Software plc** reversed most of last Friday's gains as the equity tumbled by 5.7% back to the €1.555 level on a single deal of 10,238 shares.

Malta International Airport plc dropped by 1.5% back to the €4.68 level across 5,370 shares. Last week, 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.

In contrast, **Simonds Farsons Cisk plc** climbed 0.4% to a new all-time high of €9.69 across 4,000 shares.

Malita Investments plc advanced by a minimal 0.1% to the €0.752 level on a single deal of 10,900 shares.

Also in the property segment, **MIDI plc** (33,900 shares) and **Malta Properties Company plc** (5,914 shares) traded unchanged at the €0.32 and €0.51 levels respectively. Last Thursday, MIDI revealed its revised master plan for the restoration and redevelopment of Manoel Island.

Lombard Bank Malta plc held on to the €2.20 level across 2,113 shares.

Likewise, **GO plc** also finished the day flat at the €3.55 level on volumes totalling 7,000 shares.

The **RF MGS Index** kicked-off this week in negative territory as it eased by 0.03% to 1,128.679 points. Euro zone sovereign yields drifted lower today as data related to the manufacturing and services sectors in Germany, France, Italy and Spain disappointed. On the other hand, however, investor confidence across the whole of the single currency area surged to a ten-year high. Meanwhile, ECB chief economist Mr Peter Praet was quoted as saying that last month's decision by the central bank to extend its monthly asset purchases

at reduced amounts was mainly driven by weak inflation. Furthermore, the ECB's decision "also anchors short-term interest rate expectations for a longer period, thereby reinforcing the Governing Council's forward guidance on policy rates".

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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.