

Daily Stock Market Review – 07 July 2017

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MSE Share Index retreats from over 3-month high

The **MSE Share Index** trended lower for the first time in the last three trading sessions as it slipped by 0.13% to 4,723.692 points from its highest level in over three-months of 4,729.757 points. The declines in the share prices of IHI (-1.6%), BOV (-0.4%) and Farsons (-0.4%) outweighed the gains in HSBC (+0.05%), RS2 (+1.1%) and Malta Properties (+2.7%). Trading volumes remained relatively subdued today as €0.26 million worth of shares changed hands. The local equity index moved higher for the fifth consecutive week. During the past five trading sessions, it added 0.56% – the sharpest gain in four weeks.

Trading activity on the *Borza* continued to be dominated by **RS2 Software plc** as the equity registered its thirteenth consecutive daily uplift with a further gain of 1.1% to a near twelve-month high of €1.85 on healthy volumes totalling 70,205 shares.

HSBC Bank Malta plc continued to trade within a tight range as it trended minimally higher to the €2.071 level across 8,884 shares. The Bank is due to reveal its interim financial results on 31 July.

Malta Properties Company plc gained 2.7% to the €0.534 level on trivial volumes.

Very low trading activity also took place in the equity of **International Hotel Investments plc** which fell by 1.6% to an over twenty-eight-month low of €0.60 albeit on just 2,000 shares. Last week, IHI published an updated Financial Analysis Summary, providing also the forecasts for the financial year ending 31 December 2017.

Bank of Valletta plc eased by 0.4% back to the €2.19 level across 9,121 shares. Yesterday, BOV announced that it will be convening an Extraordinary General Meeting on Thursday 27 July 2017 whereby shareholders will be asked to consider and approve a number of important resolutions regarding the structure of its Board of Directors and the share capital.

Simonds Farsons Cisk plc retreated by 0.4% from its record high of €7.73 reached yesterday to the €7.70 level on two deals totalling 2,762 shares.

GO plc (6,000 shares) and **Malta International Airport plc** (10,251 shares) maintained the €3.47 and €4.15 levels respectively. This morning, the airport operator announced that its Board of Directors is scheduled to meet on Wednesday 26 July to consider and approve the interim financial statements for the six-month period ended 30 June 2017. The Directors will also consider the payment of an interim dividend.

PG plc held on to the €1.30 level on light volumes totalling 5,740 shares. The Company's financial year ended on 30 April and PG is expected to publish its first set of financial statements by the end of August.

Trading in **GlobalCapital plc** was very volatile today albeit on trivial volumes. The equity recorded a new all-time low of €0.29 (-14.7%) before recovering to close unchanged at €0.34.

On the bond market, the **RF MGS Index** extended its negative streak for the seventh consecutive day as it dropped by a further 0.53% - the sharpest drop in the last six days – to a near four-month low of 1,112.908 points. The surge in euro zone sovereign yields continued today amid increased conviction that the era of ultra-cheap money is gradually drawing closer to an end. The 10-year and 20-year benchmark German Bund yields climbed to fresh eighteen-month highs of 0.58% and 1.108% respectively. On the economic front, fresh data on German, French and Spanish industrial production in May was buoyant as it beat expectations as well as the performance in the previous month both by a wide margin. Following last week's worst weekly performance since mid-March 2017 (-1.11%), the RF MGS Index fell by a further 0.93% during the last five days.

Trading in the newly listed 3.75% **Tumas Investments plc** 2027 bonds can commence on Monday.

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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.