

## **Daily Stock Market Review – 12 January 2018**

**Edward Rizzo**

Director

Rizzo, Farrugia & Co (Stockbrokers) Limited

### **MIA issues positive 2018 forecasts**

The **MSE Equity Price Index** eased by a minimal 0.01% to a new 2018 low of 4,475.344 points as the gains in four equities were slightly outweighed by the declines in another five shares. Trading volumes continued to be largely driven by activity in BOV whilst the highlight for today was the publication of the 2017 traffic results and the 2018 forecasts by **Malta International Airport plc**. MIA revealed that it registered a 17.5% increase in passenger movements in 2017 to a record of 6.01 million movements after posting double-digit growth in each month last year. The airport operator also provided its 2018 forecasts. These show that MIA is expecting to welcome around 6.5 million passengers (representing a growth of between 7% and 9% over 2017), largely on the back of the introduction of 16 new summer routes. As a result, MIA is anticipating to generate an EBITDA of over €52 million which should translate into a net profit of over €28 million.

**Bank of Valletta plc** moved 0.8% higher to regain the €1.82 level on volumes totalling 146,743 shares whilst BOV's insurance subsidiary – **Mapfre Middlesea plc** – advanced by 1.1% to the €1.84 level albeit on just 1,500 shares.

**GO plc** (2,242 shares) and **HSBC Bank Malta plc** (6,098 shares) each added 0.6% to the €3.52 and €1.76 levels respectively. This morning, GO announced that further to the Board of Directors' decision in October 2016 not to participate in the convertible bond issue of Forthnet S.A., its shareholding in Forthnet has now been diluted to 15.19% of Forthnet's total issued share capital from 22.605% prior to the conversion of part of the convertible bonds.

Also among the large companies by market capitalisation, **RS2 Software plc** retreated by 0.7% to the €1.49 level across 6,400 shares.

**Simonds Farsons Cisk plc** tumbled by 5.3% to the €8.05 level on just 598 shares.

Low trading activity also took place in the equities of **MaltaPost plc** and **Plaza Centres plc**. MaltaPost traded first the first time since turning ex-dividend last Monday as it dropped by 3.8% to the €2.04 level whilst Plaza lost 0.9% to €1.10.

A single deal of 150,000 shares pulled the equity of **MIDI plc** 1.7% lower back to the €0.34 level whilst **PG plc** retained the €1.40 level across 4,070 shares.

Yesterday's rebound of 0.03% in the **RF MGS Index** was short-lived as it plunged by 0.26% today to 1,113.8 points. Euro zone sovereign yields continued to register strong gains (bond prices fell) following the publication of the minutes of the most recent ECB monetary policy meeting yesterday which hinted that the central bank might end its quantitative easing programme in September 2018 amid a "*solid, broad-based and increasingly self-sustaining economic expansion.*" On the other hand, however, the minutes also warned that "*underlying price pressures remained muted overall and had yet to show convincing signs of a sustained upward trend*". Such conflicting messages make it more difficult for market analysts to anticipate the monetary policy moves to be adopted by the ECB in the coming months.

[www.rizzofarrugia.com](http://www.rizzofarrugia.com)



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