

Daily Stock Market Review – 17 August 2017

Edward Rizzo

Director

Rizzo, Farrugia & Co (Stockbrokers) Limited

MSE Share Index climbs to 2-week high

The **MSE Share Index** extended yesterday's rebound of 0.67% by a further 0.25% to a fresh two-week high of 4,697.641 points. Trading activity was spread across nine equities: four trended higher, three closed the day unchanged whilst only PG and Plaza Centres registered losses. Trading volumes continued to improve as €0.33 million worth of shares changed hands.

Bank of Valletta plc advanced for the fourth consecutive trading session as it added a further 0.2% to an over two-week high of €2.145 across ten deals totalling 18,678 shares.

Simonds Farsons Cisk plc reached a new record high of €7.80 (+0.5%) albeit on trivial volumes.

Low trading activity also took place in the equities of **Mapfre Middlesea plc** and **Malta Properties Company plc** which advanced by 4.5% and 1% to €1.939 and €0.515 respectively.

Among the large companies by market capitalisation, a single deal of just 2,000 shares left the equity of **International Hotel Investments plc** unchanged at the €0.618 level.

On the other hand, strong trading volumes were recorded in **HSBC Bank Malta plc** which also finished flat at the €1.94 level across 110,134 shares.

Malta International Airport plc maintained the €4.20 level on four deals totalling 6,832 shares.

Meanwhile, **PG plc** eased by 0.1% from its all-time high of €1.40 to the €1.399 level across 3,000 shares whilst **Plaza Centres plc** dropped 2% to the €1.078 level across 29,000 shares.

Following yesterday's 0.3% decline (the sharpest drop in nearly three weeks), the **RF MGS Index** edged marginally higher today to 1,127.759 points today. Euro zone sovereign yields retreated after minutes of the US Federal Reserve monetary policy meeting held last month and published yesterday evening produced mixed signals on the likely path to be adopted by the world's most influential central bank in the coming months. Indeed, the minutes stated that "*some [FOMC] participants expressed concern about the recent decline in inflation*" and also "*observed that the Committee could afford to be patient under current circumstances in deciding when to increase the federal funds rate further*". On the other hand, "*some other participants were more worried about risks arising from a labour market*" and "*cautioned that a delay in gradually removing policy accommodation could result in an overshooting of the Committee's inflation objective*". Movements in bond markets were also influenced by the publication of the minutes of the European Central Bank monetary policy held on 20 July 2017. These revealed growing concerns amongst Governing Council members about the strength of the euro against other major currencies which could ultimately impact negatively the current progress of economic recovery.

Last Monday, **Grand Harbour Marina plc** announced the allocation policy with respect to the recently issued €15 million 4.5% unsecured bonds maturing in 2027. In total, the Company received 1,285 applications for an aggregate value of just over €15.8 million.

Interest on the new bonds will commence on 22 August 2017. The new bonds are expected to be admitted to listing on the Malta Stock Exchange on 22 August 2017 and trading is expected to commence on 23 August 2017.

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.