

Daily Stock Market Review – 19 July 2017

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Low trading volumes persist

The **MSE Share Index** extended yesterday's decline by a minimal 0.03% to 4,730.191 points as low trading volumes continued to dominate the local equity market with only €0.13 million worth of shares changed hands.

Plaza Centres plc commenced the interim reporting season today, revealing a 16.9% surge in EBITDA to a record (at interim stage) of €1.22 million, reflecting the inclusion of Tigne' Place which was acquired in September 2016. However, overall occupancy of both Plaza Shopping Centre and Tigne' Place declined to 93% from 99% as at 30 June 2016 as a result of the current refurbishment works being undertaken within Tigne' Place (to be completed before the end of 2017) and the renegotiation of new lease agreements. Looking ahead, the Directors noted that occupancy levels for the second half of 2017 are expected to remain in line with that as at 30 June 2017. Plaza reported that it continues to explore further investment opportunities and is also considering carrying out a refurbishment at the Plaza Shopping Centre. Plaza's equity remained inactive today.

Bank of Valletta plc eased by 0.7% to an over seven-week low of €2.16 on activity of 12,415 shares. The Bank is scheduled to hold an Extraordinary General Meeting on Thursday 27 July 2017 ahead of a €150 million rights issue.

In the property segment, **MIDI plc** slipped 0.3% to the €0.314 level across 50,000 shares whilst **Malta Properties Company plc** rebounded by 4.3% to the €0.528 level on two deals totalling 4,500 shares.

Low trading activity also took place in the equities of **HSBC Bank Malta plc** and **PG plc** which advanced by 0.1% and 1.5% to the €2.052 and €1.32 levels respectively. HSBC is due to reveal its interim financial results on 31 July.

Malta International Airport maintained the €4.15 level across 10,410 shares. Last week, the airport operator revealed that during the first six months of 2017, passenger movements increased by 20.9% over the first half of last year. MIA is due to reveal its six-month financial performance on 26 July.

RS2 Software plc also closed flat today at the €1.85 level across 13,448 shares whilst **Santummas Shareholdings plc** held on to its all-time high of €2.14 on volumes of 3,850 shares.

On the bond market, the **RF MGS Index** continued to recover from its recent slump as it moved higher for the seventh consecutive day, with a gain of 0.24% – the sharpest daily uplift in nearly four weeks – to a two-week high of 1,121.368 points. The 10-year and 20-year German Bund yields fell below the 0.54% and 1.02% levels respectively for the first time in over a week amid mounting political uncertainty in the US as well as renewed doubts on whether the Federal Reserve will raise interest rates again later this year. Furthermore, the Governor of the Bank of France was reported as saying that the European Central Bank needs to keep a loose monetary policy since although deflationary risks seem to have withered away, inflation remains below the 2% target.

Simonds Farsons Cisk plc announced that its Board of Directors resolved to redeem the outstanding €15 million 6% bonds on 13 September 2017. The Directors also resolved to

submit an application to the Listing Authority of the Malta Financial Services Authority in connection with a new €20 million unsecured bond issue maturing in 2027.

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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.