

Daily Stock Market Review – 23 November 2017

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BOV share price surges over 5%

Following the declines registered in the previous two trading sessions, the **MSE Equity Price Index** rebounded by 0.48% today to 4,479.941 points as the gains in four equities outweighed the declines in six other shares. Meanwhile, **GO plc** and **Simonds Farsons Cisk plc** closed the day unchanged at the €3.60 and €8.76 levels respectively on light trading volumes.

The equity of **Bank of Valletta plc** climbed 5.3% to recapture the €1.90 level across 112,810 shares.

Also in the banking sector, **FIMBank plc** rallied by 5% from its 2017 low of USD0.60 to the USD0.63 level on a single deal of 20,000 shares.

Malta International Airport plc gained 1.5% to the €4.59 level after opening at a low of €4.501. Only 1,150 shares traded.

In the property segment, **MIDI plc** advanced by 2.7% to an over eight-month high of €0.339 across 15,000 shares.

In contrast, **Malta Properties Company plc** retreated by 1.4% to an over three-month low of €0.50 on six deals totalling 62,948 shares.

RS2 Software plc eased by a further 0.1% to a fresh six-month low of €1.523 across 15,246 shares and **HSBC Bank Malta plc** moved back to the €1.86 level (-0.7%) on activity of 30,056 shares. On Monday, HSBC issued an Interim Directors' Statement in which it warned the market on continued downward pressure on its profitability levels. On the other hand, the Bank reiterated that its regulatory capital ratios strengthened further and remain above the fully-loaded capital requirements. In this respect, the Bank has now commenced a review to assess how best to deploy this capital moving forward.

The equity of **International Hotel Investments plc** plunged by 6.3% to the €0.581 level albeit on insignificant volumes.

Medserv plc lost 4.7% to the €1.205 level on two deals of just 4,500 shares. Yesterday, the company issued an Interim Directors' Statement whereby it noted that earnings for the second half of the current financial year ending 31 December 2017 are lower than forecasted. However, the projected growth for the period between 2018 and 2020 remains strong based on drilling projects as well as workover programs already contracted and expected to come to fruition in the coming three years. Furthermore, the Medserv Group is aiming to penetrate two new geographic markets by 2018.

Mapfre Middlesea plc dropped by 2% to an over two-year low of €1.78 across 9,633 shares.

The **RF MGS Index** trended lower for the first time in four days as it eased by 0.05% to 1,128.402 points. Both the European Central Bank and the US Federal Reserve published the minutes of their recent monetary policy meetings. The minutes of the ECB meeting showed that whilst there was consensus among ECB policyholders for the central bank to extend its asset-purchase programme, disagreement arose with respect to indications for

the end of the QE scheme. In fact, the minutes noted that "*an end date was viewed (by a few) to be well justified in anticipation of further progress towards a sustained adjustment in the path of inflation on the basis of the better than expected growth momentum, diminishing risks and continued favourable financing conditions for the real economy.*" Meanwhile, minutes of the Federal Reserve's meeting showed that most FOMC members agree that the central bank should raise interest rates again next month. However concerns remain on further rate hikes in the future amid disappointing inflationary trends.

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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.