

## **Daily Stock Market Review – 26 July 2017**

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### **MSE Share Index climbs to over 4-month high**

Following the minimal declines registered in the previous two trading sessions, the **MSE Share Index** rebounded by 0.35% today to an over four-month high of 4,744.232 points as the gains in the share prices of six equities outweighed the small dip in GO plc. However, trading volumes were weak as only €0.13 million worth of shares changed hands.

Ahead of the publication of its interim financial results due this afternoon, **Malta International Airport plc** advanced 0.2% to a near four-month high of €4.21 on volumes totalling 5,800 shares. The airport operator is also expected to provide an updated guidance for 2017.

Also among the large companies by market capitalisation, **HSBC Bank Malta plc** (13,743 shares) and **Bank of Valletta plc** (16,015 shares) each gained 0.4% to €2.06 and €2.169 respectively. Tomorrow, BOV is scheduled to hold an Extraordinary General Meeting ahead of a €150 million rights issue.

BOV's insurance associate – **Mapfre Middlesea plc** – was the best performing equity today with a jump of 3.7% to the €1.94 level after recovering from an intra-day low of €1.75 (-6.4%). Only 3,390 shares traded. On Monday, the Company published its 2016 half-year results revealing a 24% improvement in pre-tax profits to €7.02 million largely due to a recovery in the Group's non-life insurance business as well as increased investment income.

Two deals totalling 30,000 shares lifted the equity of **Malta Properties Company plc** 0.4% higher to the €0.505 level whilst **MaltaPost plc** climbed by 2% back above the €2.00 mark to the €2.019 level albeit on just 1,000 shares.

**GO plc** eased 0.1% to the €3.595 level on a single deal of 1,000 shares.

Low trading activity also took place in the equities of **Medserv plc** and **PG plc** which maintained the €1.25 and €1.34 levels respectively.

Similarly, **RS2 Software plc** closed the day unchanged at the €1.85 level across 8,347 shares.

Further to the announcement made last week, this morning **Simonds Farsons Cisk plc** stated that it submitted an application to the Listing Authority with respect to a new €20 million bond issue mainly earmarked for the refinancing of the outstanding €15 million 6% bonds which will be redeemed on 13 September 2017. The equity remained inactive today.

Following the minimal changes in the previous two days, the **RF MGS Index** slumped by 0.38% today (the sharpest decline in over two weeks) to a four-day low of 1,121.588 points as the indicative opening bid prices of the Central Bank of Malta (CBM) for all Malta Government Stocks (MGS's) declined significantly from yesterday. In particular, the bid prices for the seven longest dated MGS's – i.e. those maturing between 2033 and 2041 – lost between 86 and 108 basis points. Euro zone sovereign yields increased (bond prices fell) following yesterday's publication of a surprise jump in consumer confidence in the US which many international financial analysts interpreted as a sign of relief amid disappointing inflationary data and heightened political uncertainty. Today, the monetary

policy meeting of the Federal Open Market Committee comes to an end. Bond markets are largely expecting the US Federal Reserve to keep interest rates unchanged.

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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.*