

Daily Stock Market Review – 26 October 2017

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MIA reaches all-time high

Following yesterday's drop of 1.64%, the **MSE Equity Price Index** lost a further 0.44% to a ten-month low of 4,600.373 points. Trading activity was spread across only five equities. On the one hand, BOV and IHI trended lower whilst MIA and Medserv posted gains. Meanwhile, **MIDI plc** finished the day unchanged at the €0.319 level on a single deal of just 6,800 shares.

After falling by 7.3% yesterday, the equity of **Bank of Valletta plc** slipped by a further 2.6% to the €1.85 level on volumes totalling 54,340 shares. Yesterday, the Bank revealed the details of the upcoming rights issue. Eligible shareholders (i.e. shareholders until the close of trading on 24 October 2017) will be offered 1 new ordinary share for every 4 ordinary shares held at a price of €1.43. BOV's Board of Directors was scheduled to meet today to consider and approve the second interim financial statements covering the twelve-month period from 1 October 2016 to 30 September 2017.

A single deal of 300,000 shares pulled the equity of **International Hotel Investments plc** 0.8% lower back to the €0.61 level.

Also among the large companies, **Malta International Airport plc** climbed 0.8% to a new record high of €4.80 across 5,000 shares.

Medserv plc advanced by 3.1% to the €1.299 level albeit on trivial volumes.

The **RF MGS Index** extended yesterday's decline by a further 0.08% to a near three-week low of 1,119.329 points. Euro zone sovereign yields trended higher this morning ahead of the European Central Bank's monetary policy meeting held today. As largely expected, the ECB extended its quantitative easing programme by nine months to September 2018 but at reduced monthly bond purchases of €30 billion from the current level of €60 billion. Furthermore, the ECB left its deposit facility rate at negative 0.4% whilst noting that its key interest rates are expected "to remain at present or lower levels for an extended period of time, and well past the horizon of the net asset purchases." In reaction, euro yields fell sharply (bond prices gained) this afternoon with the 10-year and the 20-year benchmark German Bund yields dropping to a low of 0.431% and 0.96% respectively from a high of 0.489% and 1.017%.

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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.