

Daily Stock Market Review – 28 July 2017

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BOV share price drops to a near 6-month low

The **MSE Share Index** shed 0.52% as it retreated a two-week low of 4,712.325 points today, largely reflecting the declines in the share prices of IHI (-3.2%) and BOV (-0.5%). Trading volumes were weak as only €0.2 million worth of shares changed hands. Following last week's gain of 0.3%, during the past five trading sessions the local equity index fell by 0.38%.

Most of today's trading activity took place in the equity of **Bank of Valletta plc** which retreated by 0.5% to a near six-month low of €2.15 across 73,342 shares. Yesterday, BOV held an Extraordinary General Meeting ("EGM") in relation to changes to its governance structure and the share capital in line with new regulatory requirements. The changes will also allow the Bank to undertake the planned €150 million rights issue.

Ahead of the publication of its six-month financial results next Monday 31 July, **HSBC Bank Malta plc** eased by 0.4% to the €2.062 albeit on light volumes totalling 4,842 shares.

Two deals totalling just 1,320 shares forced the equity of **Malta International Airport plc** 0.2% lower back to the €4.20 level. Yesterday, MIA published its interim financial statements covering the six months ended 30 June 2017, showing a 26.7% surge in EBITDA to €20.9 million and a net profit of €11 million (+34.8%). The Directors declared an unchanged gross interim dividend of €0.0462 (net: €0.03) per share. MIA also issued its revised passenger and financial projections for 2017 showing a marked increase in expected profitability on the back of continued growth in passenger movements and aircraft traffic.

International Hotel Investments plc moved back to the €0.60 level (-3.2%) across 16,889 shares whilst **Malta Properties Company plc** dropped 3.8% to the €0.51 level on 5,129 shares.

Meanwhile, **PG plc** maintained its record high of €1.34 across 5,400 shares.

Mapfre Middlesea plc also closed unchanged at the €1.90 level on trivial volumes. On Monday, the insurance specialist 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.

On the bond market, the **RF MGS Index** dropped by 0.08% to 1,122.207 points as euro zone sovereign yields rallied following the publication of upbeat economic data. In Germany, the harmonised index of consumer prices ("HICP") increased by a better than-expected 1.5% year-on-year whilst in Spain it grew by +1.7% whereas in France it stayed at +0.8%. Within the whole euro zone area, economic sentiment unexpectedly rose for the third consecutive month in July to a new 10-year high, mainly driven by heightened optimism in the services sector. Week-on-week, the RF MGS Index dropped by 0.33% as the declines registered on Monday (-0.11%), Wednesday (-0.38%) and today outweighed the gains posted on Tuesday (+0.1%) and Thursday (+0.14%).

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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.