

Daily Stock Market Review – 28 September 2017

Edward Rizzo

Director

Rizzo, Farrugia & Co (Stockbrokers) Limited

MSE Equity Price Index climbs to over 5-week high

Positive sentiment across the local equity market continued unabated as the **MSE Equity Price Index** trended higher for the fifth consecutive day with an increase of a further 0.15% to 4,688.117 points - its highest level in over five weeks. Trading activity was spread across nine equities – five posted gains, another three closed the day unchanged whilst only RS2 Software plc finished in negative territory. Total volumes improved to €0.35 million, of which over half took place in the equity of Farsons.

Simonds Farsons Cisk plc reached yet another new record high of €9.501 across 20,000 shares. Yesterday, Farsons published its interim financial statements for the six-month period ended 31 July 2017 showing a 7.5% increase in Group turnover to €49.2 million and a profit after tax of €5.7 million (+3.9%). The Directors declared an unchanged net interim dividend of €0.0333 per share to those shareholders as at close of trading on Monday 2 October. With respect to the spin-off of the company's shareholding in Trident Estates Limited, it was stated that the necessary formalities for the transfer of the properties, the allotment of shares to existing Farsons shareholders, and the listing of the Trident Estates shares on the Malta Stock Exchange are all at an advanced stage, and are expected to be completed by the end of this year.

Similarly, **PG plc** jumped 5.3% to a new high of €1.50 on volumes totalling 14,488 shares.

Malta International Airport plc advanced 0.9% to a fresh 2017 high of €4.45 across 4,500 shares whilst **Bank of Valletta plc** recaptured the €2.10 level on 28,310 shares.

Three deals totalling 9,275 shares lifted the equity of **International Hotel Investments plc** 0.2% higher back to the €0.605 level.

Also among the large companies by market capitalisation, **HSBC Bank Malta plc** maintained the €1.91 level after retreating from an intra-day high of €1.92 (+0.5%). A total of 21,727 shares traded.

In the property segment, **Plaza Centres plc** (10,000 shares) and **MIDI plc** (3,500 shares) retained the €1.05 and €0.31 levels respectively.

Meanwhile, **RS2 Software plc** lost 2% to the €1.70 level albeit on light volumes totalling 3,000 shares.

The **RF MGS Index** suffered its sharpest decline in two months today as it slumped by 0.32% to an eleven-week low of 1,114.613 points. Euro zone sovereign yields surged to multi-week highs amid heightened expectations that US President Donald Trump will find the required support among legislators to introduce pro-business tax reforms. Meanwhile, the international financial media reported that a number of leading German economic institutes urged the ECB to prepare unwinding its ultra-loose monetary policy in view of the evident economic upturn within the single currency area.

www.rizzofarrugia.com



Stock markets are volatile and subject to fluctuations which cannot be reasonably foreseen. Past performance is not necessarily indicative of future results.