

Daily Stock Market Review – 28 November 2017

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RS2 share price surges 10%

The **MSE Equity Price Index** trended higher for the first time in the last three trading sessions as it rebounded by 0.77% today from its thirteen-month low of 4,410.647 points to 4,444.589 points. The gain in the local equity index mostly reflects the 10% jump in the equity of RS2 whilst only **PG plc** inched lower with a drop of 0.7% to the €1.44 level on two deals totalling 4,659 shares. Yesterday, PG announced that its Board of Directors is scheduled to meet on Monday 4 December 2017 to consider the declaration of an interim dividend to be paid on 11 December 2017 to shareholders as at close of trading tomorrow. Meanwhile, PG is expected to reveal its interim financial results on 20 December 2017.

RS2 Software plc rallied by 10% from its six-month low of €1.50 to the €1.65 level across 71,140 shares. Yesterday, RS2 issued a very detailed Interim Directors' Statement explaining the Group's current and prospective international expansion strategy. RS2 made reference to the new offices in Asia and the US as these are now fully operational and working to support the core team in Malta. The Group managed to form an alliance with a large corporation that provides 42% of the global travel market to offer their client processing services and consolidation of their business. Moreover, RS2 revealed that it is working on securing multi-million Euro processing deals for its managed services company in different regions. These deals could be closed by end of Q1 and Q2 2018. Meanwhile, the Group is in advanced stages of completing the implementation for customers in Canada and Columbia (translating these businesses into recurring income starting in 2018) and also completed a significant licence implementation project of one of its largest clients in the UK in July 2017. In addition, during Q3 2017, RS2 concluded an agreement with a Middle Eastern company, which provides online credit card processing and online payments, for a licence sale and its subsequent implementation. Overall, RS2 is expecting revenues for the current financial year ending 31 December 2017 to remain stable and comparable to 2016. Furthermore, the Group is expecting to maintain, and possibly marginally improve its profitability, over 2016. In conclusion, the Group noted that its sales pipeline across the different regions and across the two business lines remains very healthy and conducive to successfully implementing the Group's expansion strategy.

Also among the large companies by market capitalisation, **Bank of Valletta plc** (165,862 shares) and **GO plc** (5,000 shares) advanced by 0.1% and 0.9% to the €1.801 and €3.53 levels respectively.

MaltaPost plc gained 2% to a new all-time high of €2.12 albeit on just 5,000 shares. The postal operator is due to publish its interim financial results on 11 December 2017.

In the property segment, **MIDI plc** advanced by 1.5% to a near nine-month high of €0.345 on light trading volumes and **Tigne' Mall plc** recaptured the €0.97 level (+1%) on three deals totalling 22,500 shares.

Meanwhile, **Medserv plc** maintained the €1.15 level after recovering from a new 2017 low of €1.10 (-4.3%). A total of 42,298 shares traded. Last week, 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.

Four deals totalling 15,848 shares left the equity of **HSBC Bank Malta plc** at the €1.851 level.

The **RF MGS Index** eased by 0.11% to 1,127.139 points. Euro zone sovereign yields trended mostly lower today amid doubts over the successful implementation of expansionary tax reforms in the US as well as fresh geo-political tensions on the Korean peninsula.

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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.