

Daily Stock Market Review – 29 December 2017

Edward Rizzo

Director

Rizzo, Farrugia & Co (Stockbrokers) Limited

MSE Share Index ends the year at just above 4,500 points

On the last day of trading this year, the **MSE Equity Price Index** gained 0.79% to finish 2017 at 4,508.997 points – representing an annual decline of 2.6%. Trading activity on the local *Borza* was spread across nine shares today – seven posted gains whilst **Lombard Bank Malta plc** and **Malta International Airport plc** remained unchanged at the €2.30 and €4.70 levels respectively on thin volumes. The total value of equities traded improved to €0.42 million today. Nonetheless, most of the activity took place in just two equities – Tigne' Mall and BOV.

Tigne' Mall plc surged by 8.9% to the €1.089 level on eight deals totalling 187,000 shares.

Bank of Valletta plc recaptured the €1.80 level (+1.1%) across 72,592 shares. Last Wednesday, the international rating agency Standard and Poor's assigned a 'BBB+' rating to BOV coupled with a stable outlook.

Likewise, **HSBC Bank Malta plc** gained 1.1% to the €1.784 level on just 2,671 shares.

Also among the large companies by market capitalisation, **RS2 Software plc** closed the day 0.8% higher at the €1.54 level after recovering from an intra-day low of €1.48 (-3.1%). A total of 33,746 shares changed hands.

In the property segment, **MIDI plc** inched 0.9% higher to regain the €0.35 level across 70,000 shares and **Malita Investments plc** rose 9.3% to €0.82 on shallow volumes.

Medserv plc jumped by 10.4% to the €1.259 level albeit on a single deal of 1,000 shares only.

Yesterday, **GlobalCapital plc** issued an update on its intention to conduct a rights issue. In this respect, the company explained that during Q4 2017 it continued the process of redefining its business strategy. As the new business strategy is likely to affect GlobalCapital's optimum level of capital, the Board of Directors decided to postpone the proposed rights issue until such time as the capital plans underpinning its renewed business strategy, which is expected to be finalised in the first half of 2018, have been adequately defined in the light of the evolving business and regulatory environment. As such, the Board of Directors is now expecting the company to conduct the proposed rights issue during the course of 2018 and to raise such amount of capital as may be determined to be appropriate, subject to regulatory approval. The equity remained inactive today.

The **RF MGS Index** extended yesterday decline of 0.05% by a further 0.36% to a three-month low of 1,119.184 points as euro zone sovereign yields rose markedly (bond prices fell) following the publication of some very positive inflationary data in Germany for the month of December. In 2017, the RF MGS Index fell by just over 3% as volatility across international bond markets remained high amid various political developments and actions by the world's most influential central banks. In fact, the 10-year benchmark German Bund yield recorded a high of 0.643% (July) and a low of 0.152% (January) in 2017.

Trading on the Malta Stock Exchange resumes on Wednesday 3 January 2018.

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.