

Daily Stock Market Review – 30 October 2017

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High trading volumes in BOV

The **MSE Equity Price Index** kicked-off this week in negative territory as it slipped by 0.2% to 4,644.293 points. Trading activity was spread across twelve equities, however most of today's trading volumes took place in the equity of **Bank of Valletta plc** which maintained the €2.00 level after recovering from an intra-day low of €1.959. A total of 332,721 BOV shares changed hands, representing 84% (or €0.66 million) of the total value of equities traded today. Last Friday, BOV published its financial results for the twelve-month period ended 30 September 2017. The Bank registered a 1.3% drop in net interest income largely reflecting tighter interest margins. BOV also reported a 6.7% drop in non-interest income as the growth registered in net fee and commission income (+4.2%) and foreign exchange activities (+2%) were offset by the unfavourable fair value movements and lower net gains made on investment securities. On the expenditure side, total operational costs surged by 6.4% reflecting higher regulatory and compliance costs as well as investments in IT. BOV's results were boosted by a reversal of impairment charges amounting to €7.51 million as well as a much higher contribution from its insurance associate undertakings. Overall, the Group's pre-tax profits stood at €143.9 million which is 21.6% higher than the adjusted pre-tax profits recorded during the previous twelve-month period.

Simonds Farsons Cisk plc maintained its record high of €9.65 across 2,188 shares whilst a single deal of just 1,540 shares left the equity of **Medserv plc** at the €1.26 level.

Very low trading activity also took place in the equities of **MIDI plc** and **HSBC Bank Malta plc** which gained 0.3% and 0.1% to the €0.32 and €1.86 levels respectively.

GO plc edged 0.2% higher to close at the €3.596 level across 5,000 shares.

MaltaPost plc approached its all-time high of €2.08 as the equity gained 1.4% to the €2.079 level on two deals totalling 4,225 shares. The postal operator is due to reveal its FY2016/17 financial results on 11 December 2017.

After surging by 6.7% to an eight-month high of €0.80 last week, the equity of **Malita Investments plc** slumped by 6.1% back to the €0.751 level during today's trading session. A total of 30,000 shares traded.

Both **Malta International Airport plc** (6,260 shares) and **RS2 Software plc** (8,851 shares) lost 0.6% to the €4.76 and €1.59 levels respectively.

Meanwhile, **Lombard Bank Malta plc** shed 4.3% to the €2.201 level whilst **Mapfre Middlesea plc** retreated by 0.4% back to the €1.92 level on trivial volumes.

The **RF MGS Index** added a further 0.23% to 1,124.530 points as euro zone sovereign yields continued to drift lower following last Thursday's European Central Bank monetary policy meeting. On the economic front, a survey gauging the level of business and consumer confidence across the whole of the single currency area rose for the fifth consecutive month to the highest level since early 2001. On the other hand, inflationary data in Germany disappointed.

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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.