

Daily Stock Market Review – 31 July 2017

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GlobalCapital share price slumps nearly 12%

The **MSE Share Index** extended last Friday's decline by a further 0.03% to an over two-week low of 4,711.035 points as the declines in the share prices of four equities outweighed the 3.2% gain in IHI.

Most of today's trading activity took place in **GlobalCapital plc** as nearly 1.52 million shares traded having a market value of €0.46 million (representing over 70% of the total value of equities traded). The equity closed 11.8% lower at the €0.30 level.

HSBC Bank Malta plc shed 0.6% back to the €2.05 level across 18,396 shares. This morning, HSBC published its half-year results showing a 15.1% drop in adjusted pre-tax profits to €25.9 million (i.e. excluding the one-off gain of €10.8 million posted in the first half of FY2016 made on disposal of shares held in Visa Europe). The Directors declared an interim net dividend of €0.031 per share, representing a 33.8% drop from the dividend declared in respect of the 2016 interim results. This dividend will be paid on 11 September to all shareholders as at the close of trading on 10 August 2017. In his commentary, HSBC Malta's CEO made reference to the Bank's robust capital buffers and liquidity position which allow it to sustain a dividend payout ratio of 65%. Looking ahead, the CEO also noted that HSBC is making good progress to enhance its customer propositions for both business and personal customers. In this respect, a number of notable announcements related to new and enhanced services will be made in the second half of 2017.

Also among the large companies by market capitalisation, **GO plc** retreated by 1.1% to the €3.549 level albeit on light volumes totalling 1,200 shares. The company is due to reveal its six-month financial results on 4 August.

In the property segment, **MIDI plc** dropped 4.7% to the €0.305 level whilst **Malta Properties Company plc** and **Tigne' Mall plc** closed the day flat at €0.51 and €0.97 respectively. Trading volumes in the three equities were insignificant. Tigne' is due to reveal its six-month financial results on 10 August. The Directors will also consider the payment of an interim dividend.

Bank of Valletta plc maintained the €2.15 level across 55,866 shares whilst a single deal of 3,000 shares left the equity of **Mapfre Middlesea plc** unchanged at the €1.90 level. Last Thursday, BOV held an Extraordinary General Meeting ahead of a planned €150 million rights issue.

The only positive performing equity today was **International Hotel Investments plc** which advanced by 3.2% to the €0.619 level on activity of just 1,463 shares.

This morning, **Medserv plc** announced that its Board of Directors is scheduled to meet on 23 August to consider and approve the Group's half-year financial statements covering the six months ended 30 June 2017. The equity remained inactive today.

On the bond market, the **RF MGS Index** eased by a marginal 0.01% to 1,122.110 points as euro zone sovereign yields retreated despite the issuance of further positive economic data. Indeed, retail sales in Germany expanded by a better-than-expected 1.1% in June over the previous month whilst core inflation in the single currency area increased by 1.2%

year-on-year. Meanwhile, the unemployment rate in the euro zone slipped to a multi-year low of 9.1%.

Simonds Parsons Cisk plc announced that it obtained regulatory approval for the issuance of €20 million 3.5% unsecured bonds maturing in 2027.

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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.