

Daily Stock Market Review – 31 August 2017

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BOV share price halts 5-day negative streak

Following the declines registered in the previous three trading sessions, the **MSE Share Index** rebounded by 0.51% to 4,641.064 points today, mainly reflecting the gains in the share prices of BOV (+2.3%), GO (+1.8%) and FIMBank (+1.3%) which outweighed the declines in three other shares. Trading was broad as twelve equities were active. However, volumes remained subdued as only €0.15 million worth of shares changed hands.

Bank of Valletta plc moved higher for the first time in a week as it gained 2.3% to the €2.097 level albeit on relatively light volumes totalling 13,950 shares.

Two deals amounting to 13,800 shares lifted the equity of **GO plc** 1.8% higher to the €3.57 level.

The two other positive performing equities today were **FIMBank plc** and **GlobalCapital plc**. The trade finance specialist advanced 1.3% to the USD0.76 level whilst GlobalCapital spiked 9.6% to the €0.33 level, both on low trading volumes. Yesterday, GlobalCapital published its 2017 interim financial statements revealing a net profit of €1.38 million compared to €0.87 million in the corresponding period last year. The improvement in profitability largely reflects the increase in the value of in-force business at the Group's life insurance subsidiary as well as the higher levels of investment income. Subject to regulatory approval, the Directors intend to proceed with a rights issue in respect of an amount of shares not exceeding €15 million in nominal value by the end of this year. The rights issue is intended to support the Group's growth strategy going forward.

HSBC Bank Malta plc and **Tigne' Mall plc** both dropped to their respective 2017 lows. HSBC lost 1% to the €1.90 level on just 1,222 shares whilst five deals totalling 22,828 shares pulled Tigne' Mall 1.6% lower back to the €0.90 level. Tigne' Mall today settled the recently declared net interim dividend of €0.0128 per share.

Santum Shareholdings plc also performed negatively today with a drop of 0.5% to the €2.141 level across 4,000 shares.

Meanwhile, five equities traded unchanged on low trading volumes. Amongst the large companies, **International Hotel Investments plc** and **Malta International Airport plc** maintained the €0.61 and €4.17 levels respectively. Last week, IHI reported an improved EBITDA (including the 50% contribution from the London and the Golden Sands hotels) of €25.8 million which is over 17% higher than the corresponding figure of the first six months last year. IHI also noted that the general business outlook for its hotels and catering business remains positive and that its hotel management arm remains very active at growing the business as it expects to conclude other hotel management agreements this year.

In the property segment, two single deals of 12,000 shares and 3,800 shares left the equities of **MIDI plc** and **Plaza Centres plc** flat at €0.31 and €1.04 respectively. Last Monday, MIDI published its condensed interim financial statements covering the six-month period ended 30 June 2017. The Group reported a net loss of €1.66 million, reflecting the lack of apartments available for delivery to their respective owners. MIDI explained that the profits made on the sale of the Q2 apartments will be realised in FY2018. Meanwhile, development works on the "The Centre" office block are now approaching completion with

commencement of rental operations earmarked for Q4 2017. Following the sale of one whole floor, MIDI noted that all of the remaining floors are now practically rented out.

PG plc held on to its all-time high of €1.40 across 6,640 shares.

Grand Harbour Marina plc also published its 2017 interim financial statements covering the six months ended 30 June 2017. The Company reported a 6.4% decline in EBITDA to €0.74 million reflecting the novation fees earned in the corresponding period last year which were not repeated this year as well as increases in electricity costs. Meanwhile, political uncertainty in Turkey dented the results of GHM's 45%-owned associate as it reported lower profits. Furthermore, IC Cesme was also adversely impacted by unfavourable exchange movements. Overall, GHM posted a net profit of €0.08 million, representing a 56.6% drop from the previous corresponding figure. Looking ahead, the Directors noted that they will continue focusing on sustaining the operating efficiency of the marinas whilst also seeking new investment opportunities to enhance the Group's profitability.

The **RF MGS Index** moved lower for the second consecutive day as it slipped by a further 0.09% to a near two-week low of 1,128.041 points. Euro zone sovereign yields continued to trend higher today, mainly driven by preliminary data showing that consumer prices within the single currency area rose by a better-than-expected 1.5% year-on-year in August – the fastest rate of increase in the last seven months. On the other hand, however, July retail sales in Germany and Spain disappointed. Meanwhile, the unemployment rate in Germany and in the whole of the euro zone remained unchanged at 5.7% and 9.1% respectively, whilst in Italy it rose to 11.3%.

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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.