

Daily Stock Market Review – 11 May 2018

Edward Rizzo

Director

Rizzo, Farrugia & Co (Stockbrokers) Limited

MSE Equity Price Index rebounds from 32-month low

The **MSE Equity Price Index** bounced back by 0.83% today from yesterday's 32-month low of 4,252.045 points, reflecting the gains in five equities whilst a further six shares closed the day unchanged. Despite today's rebound, the index still posted a weekly drop of 0.41%, largely driven by the declines in RS2, HSBC, IHI and FIMBank.

After the equity of **Bank of Valletta plc** yesterday slid to its lowest level since September 2014, it regained the €1.75 level (+2.9%) albeit on trivial volumes. Today, the bank announced that the total number of new shares subscribed for under the Scrip Dividend Programme amounted to 5,772,064 shares. This represents a take-up of 35.25% and is equivalent to a further capital increase of €9.62 million.

Within the same sector, a single deal of 10,909 shares lifted the equity of **HSBC Bank Malta plc** 0.6% higher to the €1.69 level.

Medserv plc surged by 4.8% from its 2018 low of €1.05 to the €1.10 level across 8,500 shares. Today, the oil and gas services company published an updated Financial Analysis Summary containing financial forecasts for the current year ending 31 December 2018. Medserv is expecting to generate an EBITDA of €6.81 million. However, after accounting for depreciation and amortisation as well as net finance costs, the Group is anticipating a pre-tax loss of €5.67 million compared to a pre-tax loss of €8.04 million suffered in 2017. The AGM of Medserv is scheduled for 28 May.

In the property segment, **Malta Properties Company plc** recaptured the €0.47 level (+3.1%) across 21,860 shares whilst a single deal of 27,000 shares lifted the equity of **MIDI plc** 0.5% higher to a new 2018 high of €0.37. Shareholders of MIDI as at close of trading on 24 May will be entitled to a final net dividend of €0.007 per share.

In contrast, **Malita Investments plc** retained the €0.84 level across 4,000 shares.

Low trading activity also took place in the equity of **GlobalCapital plc** which traded flat at the €0.32 level on 4,500 shares.

RS2 Software plc held on to the €1.23 level after recovering from an intra-day low of €1.19 (-3.3%). A total of 8,250 shares changed hands. Shareholders of RS2 as at close of trading on 16 May will be entitled to a net dividend of €0.0146 per share.

Three deals totalling 12,500 shares left the equity of **Simonds Farsons Cisk plc** at its 2018 low of €6.70. Farsons is due to publish its 2017/18 financial results on 16 May. The Board of Directors will also consider recommending the payment of a final dividend.

Lombard Bank Malta plc and **PG plc** maintained the €2.32 and €1.31 levels respectively on single deals.

Today, **Malta International Airport plc** revealed that during the first three months of 2018, it generated an EBITDA of €6.03 million, representing an increase of 3.6% over the same period last year. Similarly, profit after tax increased by 6.3% to €2.62 million when compared to Q1 2016. Overall, the Directors noted that the favourable start to the summer

season together with the projection of further growth in passenger numbers, provides an optimistic outlook for the rest of 2018.

The **RF MGS Index** extended yesterday's gains as it added a further 0.11% to 1,118.008 points. On the international front, the ECB President Mr Mario Draghi was quoted as saying that the single currency block now needs a common "fiscal instrument" designed at helping weaker countries in times of turbulence.

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.