

Daily Stock Market Review – 17 May 2018

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MPC share price surges over 8%

The **MSE Equity Price Index** resumed its recent upward trend as it rebounded by 0.15% to a three-week high of 4,323.027 points, on the back of the gains in the share prices of seven equities which outweighed the drops in three large cap equities. Meanwhile, Mapfre Middlesea, Farsons and Trident closed the day unchanged.

Malta Properties Company plc surged by 8.5% to the €0.51 level across 87,445 shares. Today, the company announced that it is entering into discussions with SmartCity (Dubai) FZLLC which, in turn, is a wholly-owned subsidiary of Dubai Holding LLC ("Dubai Holding"), for the possible acquisition by MPC of Dubai Holding's majority shareholding in SmartCity (Malta) Limited. MPC explained that it is in the initial stage of evaluating this potential opportunity through appropriate due diligence and will adhere to all applicable legal requirements throughout the process. Any eventual agreement that may be reached between MPC and Dubai Holding would be subject to general meeting approval, various terms and conditions, satisfactory due diligence and regulatory approvals.

Within the same segment, **Malita Investments plc** regained the €0.86 level (+2.4%) across 5,900 shares whilst ten deals totalling 214,300 shares lifted the equity of **MIDI plc** by 2.2% to a fresh 2018 high of €0.38. Shareholders of MIDI as at close of trading on 24 May will be entitled to a final net dividend of €0.007 per share.

GO plc added 0.6% to the €3.48 level across 5,782 shares.

GlobalCapital plc and **Malta International Airport plc** also performed positively today albeit on light volumes. GlobalCapital climbed 6.3% to the €0.34 level whilst MIA advanced 1.2% to recapture the €4.96 level. Last Friday, the airport operator published upbeat key financial performance indicators for the first three months of the current financial year. The Directors also expressed their optimism for the rest of 2018.

Bank of Valletta plc climbed 0.3% to the €1.75 level across 9,750 shares whilst **HSBC Bank Malta plc** slipped by 0.6% to the €1.74 level after partially recovering from an intra-day low of €1.69 (-3.4%). A total of 24,069 HSBC shares changed hands today.

A single deal of 50,000 shares forced the equity of **International Hotel Investments plc** 0.8% lower back to the €0.625 level. IHI is scheduled to hold its AGM on 5 June.

RS2 Software plc shed 1.7% to the €1.18 level albeit on just two deals totalling 1,573 shares. Today, the equity started trading without the entitlement to the recently declared final net dividend of €0.0146 per share.

Meanwhile, **Simonds Farsons Cisk plc** maintained its 2018 low of €6.70 across 2,545 shares. Yesterday, the food and beverages company published its financial results for the year ended 31 January 2018. Farsons reported a 21.5% surge in net profits to €14.4 million, reflecting robust growth across all of its operating segments. The Directors are recommending the payment of a final net dividend of €0.0866 per share. This is payable on 22 June to shareholders as at close of trading on 18 May subject to shareholders' approval during the AGM which is scheduled for 21 June.

Two deals totalling 1,552 shares left the equity of **Trident Estates plc** at the €1.54 level. The company is due to publish its 2017/18 financial results on Wednesday 23 May.

Likewise, **Mapfre Middlesea plc** also traded flat at the €2.04 level across 3,800 shares.

Yesterday, **MaltaPost plc** published its interim results covering the six-month period ended 31 March 2018. The postal operator reported a near 28% drop in net profits to €0.86 million, largely due to a substantial increase in operating costs. In their commentary, the Directors noted that local letter mail volumes continued to decline, thus rendering the whole delivery process less cost-effective. On the other hand, the company explained that there exists scope of further potential growth in the packet and parcel business, although the competitive environment remains highly challenging. The equity remained inactive today.

The **RF MGS Index** extended its recent downward trend as it slumped by 0.26% to an 11-week low of 1,111.014 points, as euro zone sovereign yields continued to move higher in view of the uncertainties related with the formation of a new government in Italy. Moreover, movements in euro yields were also influenced by the continued rise in US treasury yields, on the back of higher inflationary expectations and strong economic momentum. In fact, the 10-year US treasury yield touched a multi-year high of 3.122% today before partially retreating.

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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.