

Daily Stock Market Review – 21 February 2018

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MSE Equity Price Index retreats from 6-week high

Following yesterday's surge of 0.79%, the **MSE Equity Price Index** lost 0.33% to 4,477.578 points today, reflecting the declines in the share prices of HSBC, MIA and Medserv which outweighed the gains in three other shares. Meanwhile, BOV, GO and Trident all closed the day unchanged.

Ahead of the publication of the 2017 annual financial statements, the equity of **Malta International Airport plc** retreated by a minimal 0.4% to the €4.96 level across 18,045 shares. Some parts of the media today reported that the Outline Development Permit application for a master plan at MIA is set to be discussed by the Planning Authority Board on Thursday and the Case Officer recommended that the proposal is approved.

HSBC Bank Malta plc trended 2.1% lower back to the €1.85 level after opening at a high of €1.90 (+0.5%). A total of 12,345 shares changed hands. Yesterday, the bank reported a 9.5% drop in adjusted pre-tax profits to €55.6 million, reflecting downward pressures on revenues as well as higher operating costs. Nonetheless, the Directors of the bank are recommending an ordinary gross dividend of €0.0386 per share (€0.0251 per share net of tax) as well as a special gross dividend of €0.0854 per share (€0.0555 net of tax). The total net final dividend of €0.0806 per share will be paid on 19 April 2018 to all shareholders as at close of trading on Friday 9 March 2018. In this respect, HSBC explained that its strong capital position enables it to sustain a payout ratio at 65% and also to pay an extraordinary dividend out of retained earnings.

The other negative performing equity today was **Medserv plc** which fell by 3.4% to an over two-month low of €1.12 on four deals totalling 18,000 shares.

In contrast, **RS2 Software plc** rebounded by 1.6% from its 28-month low of €1.28 to regain the €1.30 level across 14,613 shares.

In the property segment, **Malita Investments plc** recaptured the €0.83 level (+1.2%) across 9,500 shares and **Malta Properties Company plc** added 0.4% to the €0.488 level on three deals totalling 15,000 shares.

Meanwhile, **Trident Estates plc** maintained the €1.91 level on trivial volumes.

GO plc held on to the €3.54 level after recovering from an intra-day low of €3.30 (-6.8%) on a total of 5,720 shares.

Bank of Valletta plc continued to trade within a tight range as the equity retained the €1.83 level across 31,099 shares.

The **RF MGS Index** recovered by 0.9% to 1,107.745 points today as euro zone sovereign yields drifted lower following the publication of disappointing readings of indices gauging the level of confidence among purchasing managers within the single currency area. Meanwhile, in the UK, the Bank of England Governor Mr Mark Carney was reported as saying that interest rates are likely to rise three times in the next three years as inflation is expected to remain above the central bank's target of 2% unless the BoE implements proper monetary policy tightening.

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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.