

Daily Stock Market Review – 22 February 2018

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MIA announces approval of Master Plan

The **MSE Equity Price Index** extended yesterday's decline of 0.33% by a further 0.45% to 4,457.252 points as most active equities moved lower. Meanwhile, HSBC was the only positive performer whilst **RS2 Software plc** closed the day flat at the €1.30 level on a single deal of just 3,050 shares.

Despite yesterday reporting record financial results for 2017, the equity of **Malta International Airport plc** retreated by 1.2% back to the €4.90 level across 8,400 shares. The results showed a 21.5% increase in EBITDA to €48.6 million and a net profit of €24.2 million. The Directors are recommending an unchanged final gross dividend of €0.107692 per share (€0.07 net of tax), which is payable by not later than Friday 25 May 2018 to all shareholders as at the close of trading on Wednesday 4 April 2018. Meanwhile, MIA today announced that the Planning Authority approved the master plan for the further upgrading and redevelopment of MIA's terminal infrastructure and the surrounding airport campus. This €100 million project will be executed in three major phases and will principally entail: (i) the construction of three mixed-used commercial blocks including also a business hotel; (ii) the expansion/extension of the various existing terminal facilities; and (iii) the construction of a multi-storey car park providing more than 1,300 parking spaces which is expected to commence in Q4 2018.

FIMBank plc plunged by 8.8% back to the USD0.62 level albeit on just 7,674 shares.

MIDI plc lost 4.5% to the €0.34 level across 109,000 shares whilst a single deal of 2,071 shares pulled the equity of **MaltaPost plc** 0.5% lower to the €1.95 level.

In the retail banking sector, **Bank of Valletta plc** trended 0.3% lower to the €1.825 level on 11,802 shares.

On the other hand, **HSBC Bank Malta plc** erased some of yesterday's declines as it added 1.1% to the €1.87 level albeit on insignificant volumes. On Tuesday, 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 **RF MGS Index** slipped by 0.22% to its lowest level in over three years of 1,105.328 points. Euro zone sovereign yields advanced as minutes of the latest US Federal Reserve monetary policy meeting published yesterday evening showed that "*almost all*" Fed policymakers think that inflation will rise to the central bank's 2% target over the "*medium term*" and that "*a stronger outlook for economic growth raised the likelihood that further gradual policy firming would be appropriate*". Meanwhile, the European Central Bank also published the minutes of its most recent monetary policy meeting today. These showed that although the ECB is now more confident on the return to a sustainable path towards an inflation rate of 2%, any changes to the ECB's forward guidance communication might be premature at this stage. On the other hand, the central bank expressed concern over

“the recent volatility in the exchange rate of the euro” which the ECB said requires “monitoring with regard to its possible implications for the medium-term outlook for price stability”.

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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.