

Curmi and Partners : Local Market commentary

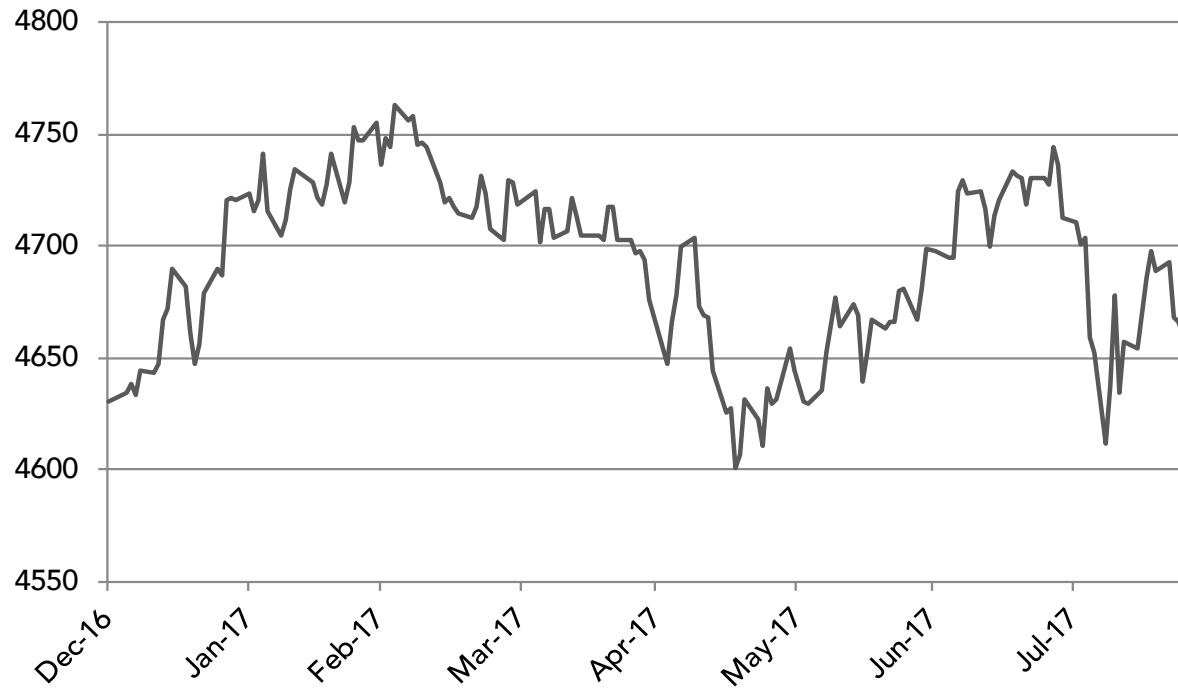
Local Market Update
Week ending 25th August 2017

MSE Performance Vs International Markets

Index	30/12/2016	18/08/2017	25/08/2017	YTD	Week %
EURO STOXX 50	3290.52	3446.03	3438.55	4.5%	-0.2%
Deutsche Boerse AG	11481.06	12165.19	12167.94	6.0%	0.0%
CAC 40	4862.31	5114.15	5104.33	5.0%	-0.2%
S&P 500	2238.83	2425.55	2438.21	8.9%	0.5%
FTSE 100 Index	7142.83	7323.98	7401.46	3.6%	1.1%
MSE Price Index	4630.88	4688.60	4670.54	0.9%	-0.4%
MSE Total Return Index	8798.58	9028.80	8981.79	2.1%	-0.5%

Source: Bloomberg; Malta Stock Exchange

MSE Price Index Performance YTD



Source: Malta Stock Exchange

•The MSE Price Index fell by 0.39% this week to 4670.54 following last week's gain of 0.78%. This decline was mainly a result of the 6.1% drop in Fimbank's share price.

Local Market – Main Movers

- Tigne Mall plc was this week's best performer, increasing 8.6% to €0.98 over just 2,500 shares.
- HSBC Malta plc improved by 1.6% to €1.94, following last week's 2.3% decline.
- Fimbank plc was the most liquid share this week with 156,141 shares traded. FIM's share price fell by 6.13% this week to \$0.75
- Bank of Valletta plc also retreated this week to €2.12 over 114,539 shares.
- Santumas Shareholding plc fell 2.23% to €2.15 this week on 19,856 shares.

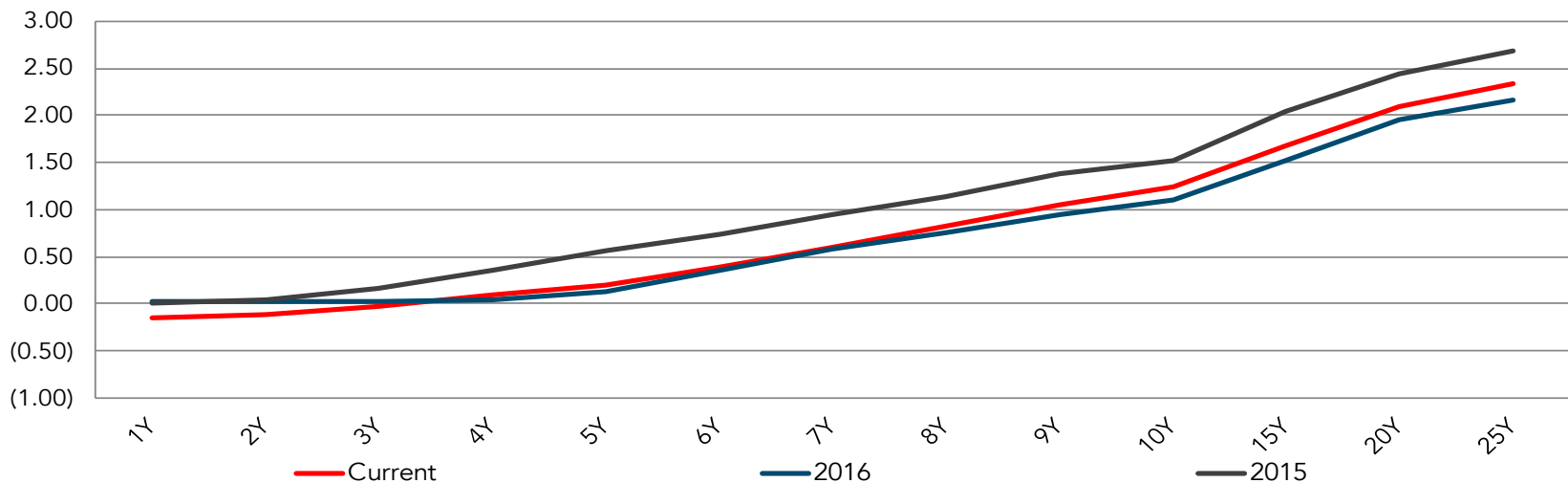
Malta Government Stocks

Malta vs. German Sovereign Yields Summary

Years to Maturity	MGS Yield (%)	German Yield (%)	Spread (bps) 31-Dec-16	Spread (bps) 25-Aug-17
2	(0.11)	(0.74)	83	63
5	0.20	(0.32)	67	52
7	0.60	(0.08)	86	68
10	1.250	0.38	90	87
15	1.670	0.56	107	111
20	2.094	0.84	127	125
25	2.341	1.03	128	131

- 2.10% MGS 2039 was the most actively traded bond this week closing at €99.49 and a YTM of 2.13%
- 62+ Government Savings Bond to be issued on the 4th of September.
 - Coupon: 3% (Payable semi-annually)
 - Maturity: 5 year
 - Max subscription: €10,000
 - Min subscription: € 500
 - Eligible investors: individuals born in 1955 or earlier

MGS Yield Curve



Local Market Overview – Equities

Security	Trade Volume	Trade Value	18.08.2017	25.08.2017	Week % Change
Bank of Valletta plc	114,539	244,976	2.15	2.12	-1.26%
Fimbank plc	156,141	117,106	0.80	0.75	-6.13%
GO plc	35,800	128,632	3.60	3.60	0.00%
HSBC Bank Malta plc	37,107	70,888	1.91	1.94	1.57%
International Hotel Investments plc	3,000	1,814	0.62	0.62	-0.49%
Lombard Bank Malta plc	1,200	2,832	2.36	2.36	0.00%
Malta International Airport plc	88,401	371,195	4.20	4.17	-0.71%
Malita Investments plc	41,500	31,125	0.76	0.75	-1.19%
Malta Properties Company plc	54,926	29,183	0.53	0.53	0.57%
Maltapost plc	1,900	3,754	1.98	1.98	0.00%
PG Group plc	34,385	47,936	1.40	1.39	-0.71%
RS2 Software plc	87,646	156,008	1.79	1.78	-0.50%
Santum Shareholdings plc	19,856	43,186	2.20	2.15	-2.23%
Tigne Mall plc	2,500	2,446	0.90	0.98	8.56%

Source: Malta Stock Exchange

Local Market Overview – Corporate Bonds

Security	Trade Volume	Trade Value	18.08.2017	25.08.2017	Week % Change
AX24A	6,000	6,688	112.00	111.21	-0.71%
BV18A	26,000	26,407	102.60	101.50	-1.07%
BV19A	4,700	4,839	103.00	103.00	0.00%
BV19B	33,700	35,051	104.00	104.01	0.01%
BV20A	40,200	41,014	102.00	102.00	0.00%
BV30A	75,000	73,724	98.00	98.50	0.51%
BV30B	65,000	62,893	98.00	95.50	-2.55%
CB21A	10,000	10,600	104.90	106.00	1.05%
CB27A	5,000	5,100	101.99	101.99	0.00%
CF26A	3,900	4,037	103.50	103.50	0.00%
EF27A	15,000	15,405	102.50	102.70	0.20%
GC21A	10,000	9,900	99.00	99.00	0.00%
GF21A	1,200	1,256	104.70	104.70	0.00%
GH27A	380,100	391,503	100.00	103.00	3.00%
GP23A	10,000	10,295	102.95	102.95	0.00%
HM24A	1,000	1,032	103.01	103.20	0.18%
HP25A	3,700	3,898	105.30	105.40	0.09%
IG24A	7,400	7,973	106.01	108.50	2.35%

Source: Malta Stock Exchange

Local Market Overview – Corporate Bonds

Security	Trade Volume	Trade Value	18.08.2017	25.08.2017	Week % Change
IH25A	3,900	4,117	105.57	105.57	0.00%
IH26A	45,500	46,830	102.50	103.00	0.49%
MB19A	33,000	34,981	105.75	106.01	0.25%
MB24A	65,000	66,946	100.00	103.00	3.00%
MD26A	12,000	12,297	102.000	102.100	0.10%
MF24A	20,000.00	21,236	105.760	106.450	0.65%
MI21A	9,300.00	9,695	104.250	104.250	0.00%
MI22A	10,000.00	10,425	103.250	104.250	0.97%
MS23A	5,000.00	5,301	106.150	106.010	-0.13%
PC26A	74,800.00	76,911	101.560	102.790	1.21%
PG22A	500.00	550	110.000	110.000	0.00%
PT24A	60,000.00	61,193	102.000	102.000	0.00%
SD27A	19,500.00	20,084	102.970	103.000	0.03%
TI24A	29,500.00	31,765	106.380	106.800	0.39%
TI27A	35,000.00	36,211	103.750	103.010	-0.71%
VH24A	35,000.00	34,848	99.990	99.970	-0.02%

Source: Malta Stock Exchange

Local Market Company Announcements

- **Grand Harbour Marina plc's** €15 million 2.5% 2027 new issue was admitted to listing on Tuesday 22nd August. Trading commenced on Wednesday 23rd August.

- **Tumas Investments plc** reported results for the first 6-months of 2017, during which the company issued a 3.75% 2027 bond, which financed the early redemption of the 6.2% 2017-2020 Bond.
 - Finance income and finance costs came in at €1.5 million and €1.4 million respectively, in line with the same period last year.
 - Administrative expenses increased by 30% to €64k as a result of increased overheads
 - Tumas Investments reported a profit before tax of €53

- **RS2 Software plc** H1 results were approved by the Board of Directors this week.
 - During the first 6 months of 2017, RS2 's subsidiary in Manila Philippines commenced its support services and development operations to the Malta headquarters
 - Revenue increased by 9.2% to €10.6 million in H1 2017, as a result of increased revenue from services and managed services.
 - Administrative expenses increased significantly to €2.0 million (+33.7%) which management attributed to the Group's efforts to strengthen their administrative operations to support their planned international growth
 - Profit before tax improved to €2.5 million from €1.8 million (+37.9%) benefitting from lower exchange losses (-52%) in comparison to the previous year.
 - The Directors did not declare an interim dividend.

Local Market Company Announcements

- **Medserv plc** reported weak 1H17 results million highlighting the struggles the struggles oil service companies are facing in the current oil price environment.
 - Revenue fell 21.3% in 1H17 to €13.6million with the Integrated logistic support services segment reporting a 45.6% decline whilst the Oil Country Tubular Goods segment reported revenues 17.2% higher to €7.5million.
 - Adjusted EBITDA came in significantly lower than the previous year to €1.6 million (-54%) and EBITDA margin fell 870 basis points to 11.8%
 - Medserv reported a loss of €3.2 million compared to a profit of €0.3million a year earlier
 - No dividend was recommended

- **Lombard Bank plc** reported results for the first 6-months of 2017
 - Lombard reported net income of €3.1million in 1H17 compared to €2.9million a year earlier (+1.9) as a result of an increase in loan to customers of 13.8% to €390.9million
 - Fees and commission income grew 38.2% to €1.6million in 1H17 which was attributed to higher levels of credit activity.
 - Net impairment losses decreased from €2.1 million in 1H16 to €0.8 million in 1H17
 - Postal sales and other revenues increased by 26.5% to €17 million as international mail services, registered mail and parcel volumes continued to experience positive trends.

- **International Hotel Investments plc** reported results for the first 6-months of 2017
 - Revenue increased by 62.9% to €115.3 million whilst direct costs and other operating costs increased by 63.6% and 46.2% respectively.
 - Results from operating activities increased to €10.0 million from €4.1 million, however IHI reported a loss before tax of €2.3 million .

Local Financial Events Calendar

Date	Event
29 th August	Midi plc, Hili Properties plc, PTL plc , Premier Capital plc and Island Hotels Group plc approval of Interim Accounts
30 th August	Grand Harbour Marina plc approval of Interim Accounts

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