

# Curmi and Partners : Local Market commentary

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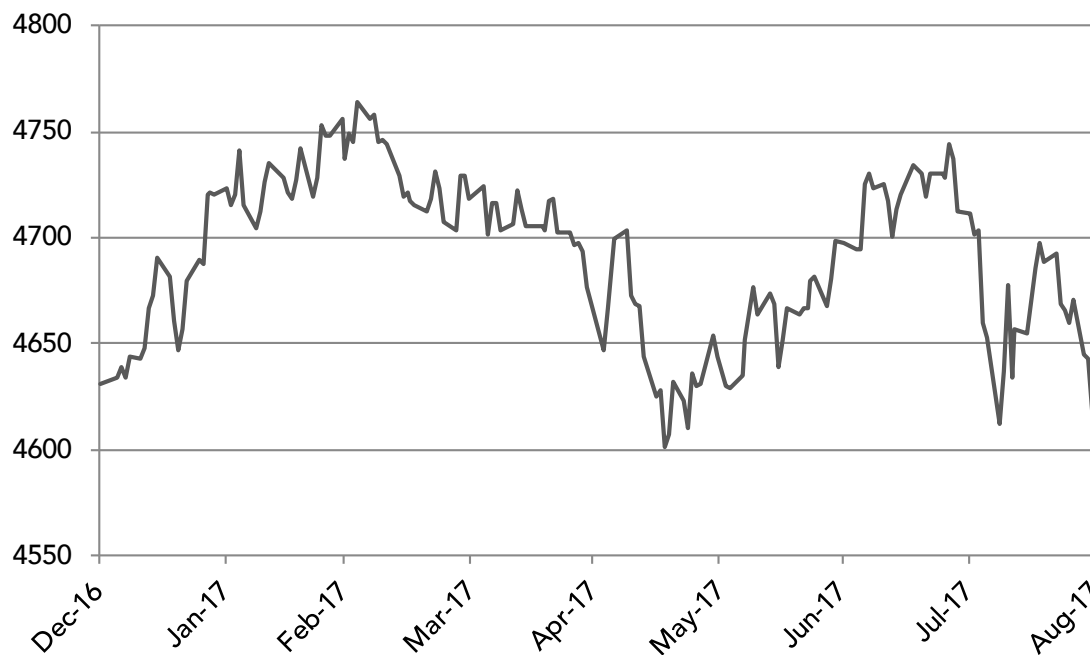
Local Market Update  
Week ending 1<sup>st</sup> September 2017

## MSE Performance Vs International Markets

Index	30/12/2016	25/08/2017	01/09/2017	YTD	Week %
EURO STOXX 50	3290.52	3438.55	3444.46	4.7%	0.2%
Deutsche Boerse AG	11481.06	12167.94	12142.64	5.8%	-0.2%
CAC 40	4862.31	5104.33	5123.26	5.4%	0.4%
S&P 500	2238.83	2443.05	2438.21	8.9%	-0.2%
FTSE 100 Index	7142.83	7401.46	7438.50	4.1%	0.5%
MSE Price Index	4630.88	4670.54	4647.57	0.4%	-0.5%
MSE Total Return Index	8798.58	8981.79	8936.27	1.6%	-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 4652.2. Volumes were relatively low with €0.9 million worth of shares traded this week.

## Local Market – Main Movers

- Global Capital plc was this week's best performer, increasing 32.9% to €0.40 over just 4,090 shares. The Group reported their results for the first six months of 2017 this week
- Simonds Farsons Cisk plc rallied to a new 52-week high to €8.0 on low volumes totalling 715 shares
- Malta Properties Company plc was this week's worst performer, dropping 4.3% to €0.51.
- Plaza Centres plc fell 3.5% from €1.08 to €1.04 this week across 60,663 shares
- The two major banks both retreated by over 1% this week. Bank of Valletta was the most liquid share this week with 162,766 shares traded. The share price fell by 1.08% closing at €2.10 this week. HSBC Malta plc lost 1.03% closing at €1.92 over 25,890 shares.

## Local Market Overview – Equities

Security	Trade Volume	Trade Value	25.08.2017	01.09.2017	Week % Change
Bank of Valletta plc	162,766	340,221	2.12	2.10	-1.08%
Fimbank plc	6,000	4,560	0.75	0.76	1.33%
Global Capital plc	4,090	1,560	0.30	0.40	32.89%
GO plc	22,623	80,460	3.60	3.57	-0.81%
HSBC Bank Malta plc	25,890	49,639	1.94	1.92	-1.03%
International Hotel Investments plc	19,812	12,076	0.62	0.61	-0.81%
Malta International Airport plc	16,850	70,432	4.17	4.20	0.72%
Malita Investments plc	2,000	1,500	0.75	0.75	0.00%
Mapfre Middlesea plc	3,000	5,640	1.94	1.88	-3.04%
Malta Properties Company plc	25,023	12,673	0.53	0.51	-4.32%
PG Group plc	38,965	54,551	1.39	1.40	0.72%
Plaza Centres plc	60,663	63,090	1.08	1.04	-3.53%
RS2 Software plc	19,420	34,463	1.78	1.78	0.00%
Simonds Farsons Cisk plc	715	5,720	7.80	8.00	2.56%
Santumas Shareholdings plc	4,000	8,564	2.15	2.14	-0.46%
Tigne Mall plc	157,828	142,966	0.98	0.98	-0.20%

Source: Malta Stock Exchange

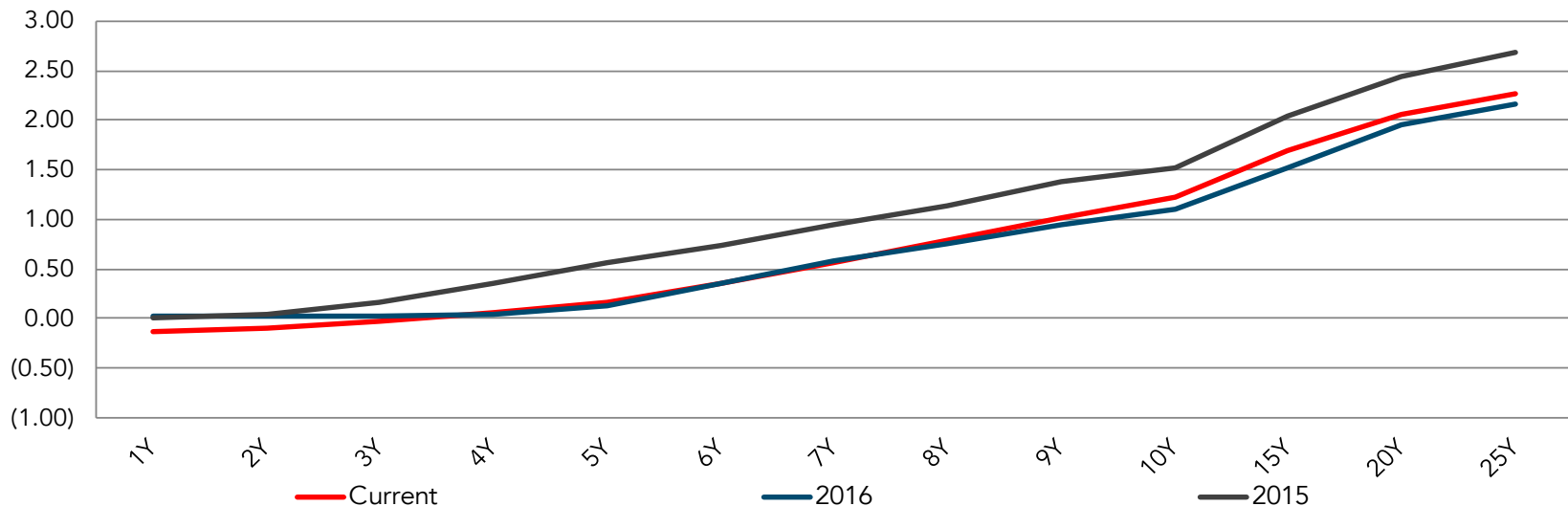
## Malta Government Stocks

### Malta vs. German Sovereign Yields Summary

Years to Maturity	MGS Yield (%)	German Yield (%)	Spread (bps) 31-Dec-16	Spread (bps) 01-Sep-17
2	(0.10)	(0.73)	83	63
5	0.16	(0.32)	67	48
7	0.57	(0.08)	86	65
10	1.23	0.39	90	84
15	1.69	0.58	107	110
20	2.07	0.87	127	120
25	2.27	1.07	128	120

- 1.50% MGS 2027 (G27A) was the most actively traded MGS this week closing at €102.67 and a YTM of 1.21%.
- The 2.1% MGS 2039 and 3.0% MGS 2040 were also liquid this week

### MGS Yield Curve



## Local Market Overview – Corporate Bonds

Security	Trade Volume	Trade Value	25.08.2017	01.09.2017	Week % Change
BV18A	20,900	21,137	101.50	100.99	-0.50%
BV19A	4,000	4,112	103.00	102.80	-0.19%
BV19B	20,000	20,802	104.01	104.01	0.00%
BV20A	12,000	12,250	102.00	102.10	0.10%
BV30A	63,300	62,288	98.50	99.00	0.51%
BV30B	21,000	20,056	95.50	95.51	0.01%
CB21A	8,000	8,281	106.00	103.51	-2.35%
CB25A	18,800	19,411	103.25	103.25	0.00%
CB27A	10,000	10,075	101.99	100.75	-1.22%
CF26A	8,100	8,384	103.50	103.50	0.00%
DF26A	10,000	10,595	106.00	105.95	-0.05%
EF27A	114,600	118,506	102.70	103.50	0.78%
GF21A	3,000	3,141	104.70	104.70	0.00%
GH27A	151,100	156,113	103.00	103.00	0.00%
GP23A	10,000	10,259	102.95	102.50	-0.44%
HB18A	24,900	26,021	104.50	104.50	0.00%
HM24A	9,700	10,010	103.20	103.20	0.00%

Source: Malta Stock Exchange

## Local Market Overview – Corporate Bonds

Security	Trade Volume	Trade Value	25.08.2017	01.09.2017	Week % Change
HP25A	9,400	9,828	105.40	104.55	-0.81%
IG24A	10,000	10,941	108.50	109.80	1.20%
IH21A	14,700	15,481	106.50	106.50	0.00%
IH25A	500	528	105.57	105.58	0.01%
IH26A	33,900	34,980	103.00	103.00	0.00%
IH26B	28,000	28,790	103.00	103.00	0.00%
MD26A	11,300	11,766	102.10	104.50	2.35%
MF24A	44,000	46,838	106.450	106.450	0.00%
MI22A	40,600	42,310	104.250	104.500	0.24%
MS23A	2,500	2,656	106.010	106.250	0.23%
PC26A	175,400	180,436	102.790	103.000	0.20%
PG20A	10,000	10,500	105.000	105.000	0.00%
PG22A	9,500	10,260	110.000	108.000	-1.82%
PT24A	294,000	301,075	102.000	104.000	1.96%
SD27A	72,100	74,163	103.000	103.000	0.00%
VH24A	25,000	24,993	99.970	99.970	0.00%

Source: Malta Stock Exchange



## Local Market Company Announcements

- **International Hotel Investments plc** (the “Merger”) and **Island Hotels Group plc** have announced that both Board of Directors have agreed to merge companies. More details are to be communicated in a circular that will be sent to respective shareholders and bondholders of the companies.
  
- **Island Hotels Group plc** also reported results for the first 6-months of 2017 with an EBITDA of €1.8 million and a loss before tax of €971,291
  - Revenue increased by 91% to €17.7 million in H1 2017, as a result of increased revenue across all operating segments particularly from catering operations in Malta; Hotel Malta (+11%), Catering Malta (+25%) and Catering Spain (+14%).
  - Despite improvements in revenue generated from the catering segment in Spain, the operation remains challenging with losses of €1.2 million incurred in the first half of 2017
  - Administrative expenses fell by 20.8% to €2.3 million (2016: €2.9 million) whilst depreciation and amortisation increased by 5% to €2.0 million (2016: €1.9 million) resulting in an operating loss of €209,878 (2016:€1.3 million)
  - Weaker results from joint ventures were reported, with the share of profits from joint ventures decreasing by 53% to €957,378
  
- **PTL Holdings plc** reported improved results in the first half of 2017
  - Revenue increased by 6% to €42.9 million and administrative expenses retreated by 6%. Operating profit amounted to €0.5 million in comparison to a €0.2 million loss in H1 2016
  - PTL reported a loss before tax of €0.7 million (H1 2016: €1.5 million loss)

## Local Market Company Announcements

- **Hili Properties plc** reported a loss before tax of €1.1 million for the first six months of 2017, during which the Group acquired a business centre in Romania for €30m. The 61% reduction from the profit of €0.5 million generated in the same period last year was attributed to the costs incurred in relation to the acquisition of the new property in Romania.
  - Revenue and operating profit increased by 16% to €2.8 million and 17% to €1.8 million respectively. This improvement was also attributed to the rental income generated from the property in Romania acquired on the 5<sup>th</sup> of May this year.
  - The Group incurred investment losses of €0.4 million and a 24% increase in administrative expenses.
  - Bank loans increased from €21.4 million in H1 2016 to €42.4 million in H1 2017. This increase reflects a €22.6 million bank loan obtained to finance the property in Romania.
  
- **Premier Capital plc** reported positive results for the first 6-months of 2017 with EBITDA and PBT improving by 37% and 101% respectively. During this period, the Group opened their 24<sup>th</sup> restaurant in Greece, operating a total of 134 restaurants in six different countries.
  - Revenue rose by 20% in 1H17 to €123.6 million. Operations in all six countries reported improvements over the previous year; Romania (+25%), Greece (+19%), Malta (+15%), Estonia (+12%), Lithuania (+12%) and Latvia (+11%),
  - Administrative expenses increased by 7% to €8.8 million whilst finance costs increased by 31% to €2.4 million
  - Profit before tax amounted to €7.7 million (2016: €3.8 million)
  
- **Global Capital plc** reported results for the first 6-months of 2017. Operating profit fell by 57% primarily as a result of a loss of €0.6 million from business of insurance. Net investment return of €1.6 million contributed to an improved profit before tax of €2.4 million (H1 2016: €1.9 million)

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