

Curmi and Partners : Local Market commentary

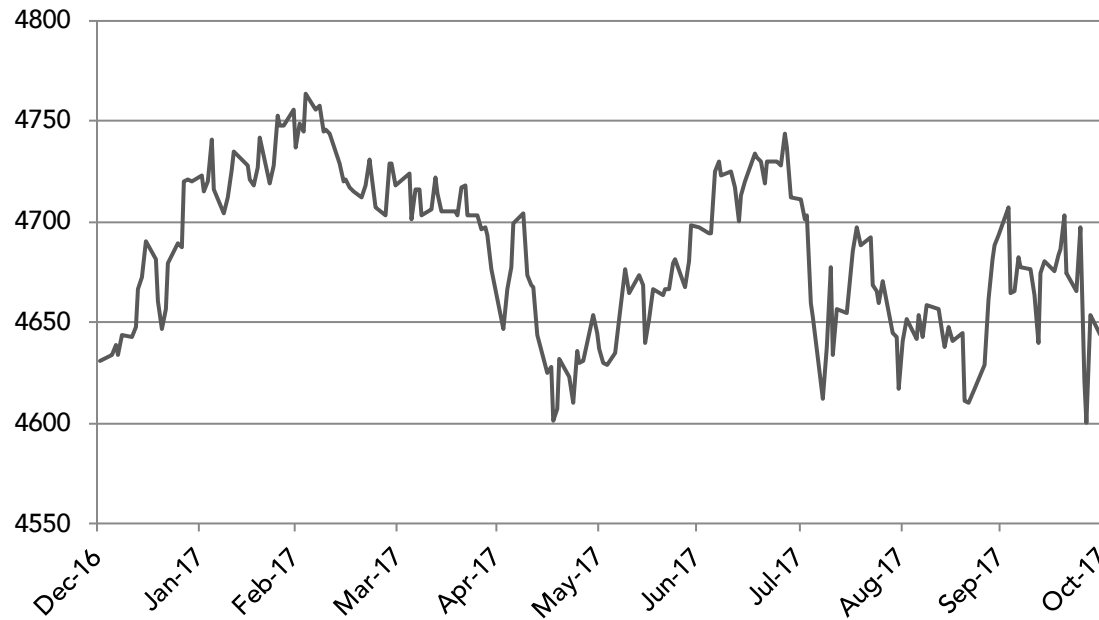
Local Market Update
Week ending 3rd November 2017

MSE Performance Vs International Markets

Index	30/12/2016	27/10/2017	03/11/2017	YTD	Week %
EURO STOXX 50	3290.52	3652.23	3679.01	11.81%	0.73%
Deutsche Boerse AG	11481.06	13217.54	13451.18	17.16%	1.77%
CAC 40	4862.31	5494.13	5501.32	13.14%	0.13%
S&P 500	2238.83	2581.07	2579.06	15.20%	-0.08%
FTSE 100 Index	7142.83	7505.03	7551.53	5.72%	0.62%
MSE Price Index	4630.88	4653.37	4581.75	-1.06%	-1.54%
MSE Total Return Index	8798.58	8937.08	8804.57	0.07%	-1.48%

Source: Bloomberg; Malta Stock Exchange

MSE Price Index Performance YTD



Source: Malta Stock Exchange

- The MSE Index closed in the negative for the third consecutive week. The index dropped to 4581.75 points, losing 1.54% this week. The largest drop this week was incurred on Wednesday as the index lost 1.10% over the previous day, largely due to a 5% drop in Bank of Valletta's share price. A total of 0.9 million shares worth €1.8 million were traded this week. Bank of Valletta was the most liquid stock this week, generating 69.3% of total shares traded.

Local Market – Main Movers

- International Hotel Investments plc closed 3.4% higher this week over 8 trades totalling 32,178 shares. The Company issued an Interim Director's Statement which set a positive tone, highlighting improvements in performance over the previous year. It was also noted that results may be impacted by exchange differences upon consolidation.
- RS2 Software plc gained some of last week's losses, increasing by 3.06% this week over 81,101 shares. The stock closed at €1.65.
- Contrary to the trend in the banking industry this week, HSBC gained 1.67%, closing at €1.89.
- Bank of Valletta plc dragged the index lower, contracting by 10.0% this week to €1.80, down to its 52-week low. A total of 646,685 shares with a value of €1.3 million were traded this week, 69.3% of the total shares traded on the MSE. This depreciation in BOV's share price caused its market capitalisation to contract by €84 million.
- Lombard Bank plc also closed lower at €2.20, retreating by 4.35% this week over 21,998 shares.
- Malita plc, lost all of last week's gains as its closed 6.13% lower this week at €0.75.
- GO plc lost 1.1% this week closing at €3.55 over 5 trades.

Local Market Overview – Equities

Security	Trade Volume	Trade Value	27.10.2017	03.11.2017	Week % Change
Bank of Valletta plc	646,685	1,264,920	2.00	1.80	-10.00%
Global Capital plc	10,000	3,570	0.36	0.36	-0.83%
GO plc	23,000	81,854	3.59	3.55	-1.11%
HSBC Bank Malta plc	23,434	43,938	1.86	1.89	1.67%
International Hotel Investments plc	32,178	19,870	0.61	0.63	3.44%
Lombard Bank plc	21,998	48,518	2.30	2.20	-4.35%
Midi plc	3,000	960	0.32	0.32	0.31%
Medserv plc	3,500	4,410	1.26	1.26	0.00%
Malta International Airport	22,505	106,894	4.790	4.750	-0.84%
Malita Investments plc	32,200	25,093	0.800	0.751	-6.13%
Mapfre Middlesea plc	900	1,728	1.927	1.920	-0.36%
Malta Properties Company plc	20,775	10,580	0.507	0.510	0.59%
Maltapost plc	4,225	8,784	2.050	2.079	1.41%
PG Group plc	5,000	7,400	1.500	1.480	-1.33%
RS2 Software plc	81,101	129,272	1.600	1.649	3.06%
Simonds Farsons Cisk plc	2,188	21,114	9.650	9.650	0.00%

Source: Malta Stock Exchange

Local Market Overview – Equities

Company Name	Market Cap	Shares in Issue	EPS	P/E Ratio	Interim Div	Final Div	LTM Div	LTM Div Yield
Bank of Valletta plc	€ 756,000,000	420,000,000	0.24	7.41	€ 0.045	€ 0.079	€ 0.124	6.90%
HSBC Bank Malta plc	€ 680,978,527	360,306,099	0.11	16.88	€ 0.047	€ 0.041	€ 0.088	4.66%
International Hotel Investments plc	€ 388,497,185	615,684,920	-0.01	-	€ -	€ -	€ -	-
Malta International Airport plc	€ 385,604,953	81,179,990	0.16	30.63	€ 0.046	€ 0.108	€ 0.154	3.24%
GO plc	€ 359,652,232	101,310,488	0.18	19.51	€ -	€ 0.110	€ 0.110	3.10%
Simonds Farsons Cisk plc	€ 289,500,000	30,000,000	0.40	23.86	€ 0.033	€ 0.080	€ 0.113	1.17%
RS2 Software plc	€ 282,849,044	171,527,619	0.00	412.25	€ -	€ 0.010	€ 0.010	0.61%
FIMBank plc	€ 220,135,142	314,478,774	0.02	43.48	€ -	€ -	€ -	-
Mapfre Middlesea plc	€ 176,640,000	92,000,000	0.05	38.40	€ -	€ 0.038	€ 0.038	1.99%
PG plc	€ 159,840,000	108,000,000	0.35	4.23	€ -	€ -	€ -	-
Lombard Bank Malta plc	€ 97,191,411	44,177,914	0.11	20.56	€ -	€ 0.040	€ 0.040	1.82%
MaltaPost plc	€ 78,284,163	37,654,720	0.06	34.65	€ -	€ 0.062	€ 0.062	2.96%
MIDI plc	€ 68,531,175	214,159,922	-0.01	-	€ -	€ 0.007	€ 0.007	2.19%
Medserv plc	€ 67,717,950	53,744,405	0.06	21.36	€ -	€ -	€ -	-
Tigné Mall plc	€ 54,144,000	56,400,000	0.04	26.45	€ 0.013	€ 0.013	€ 0.025	2.64%
Malta Properties Company plc	€ 51,668,349	101,310,488	0.03	17.00	€ -	€ -	€ -	-
Plaza Centres plc	€ 31,320,378	28,242,000	0.04	24.70	€ -	€ 0.045	€ 0.045	4.06%
Malita Investments plc	€ 22,530,000	30,000,000	0.04	17.30	€ 0.013	€ 0.023	€ 0.036	4.74%
Grand Harbour Marina plc	€ 14,520,000	20,000,000	0.02	42.71	€ -	€ -	€ -	-
GlobalCapital plc	€ 10,710,000	30,000,000	0.07	5.03	\$ -	\$ -	€ -	-
Santummas Shareholdings plc	€ 9,973,773	4,432,788	0.36	6.28	€ -	€ -	€ -	-
Loqus Holdings plc	€ 5,582,325	31,899,000	0.01	21.88	€ -	€ -	€ -	-

Source: Malta Stock Exchange; Curmi and Partners Ltd

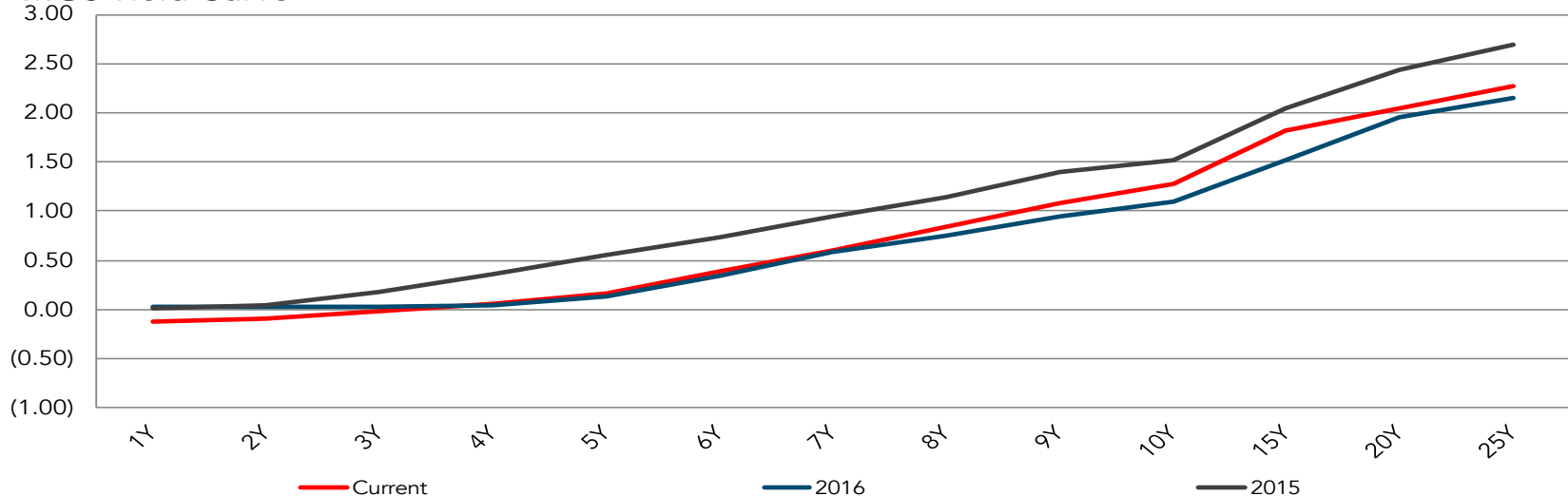
Malta Government Stocks

Malta vs. German Sovereign Yields Summary

Years to Maturity	MGS Yield (%)	German Yield (%)	Spread (bps) 31-Dec-16	Spread (bps) 03-Nov-17
2	(0.09)	(0.76)	83	67
5	0.16	(0.35)	67	51
7	0.60	(0.09)	86	70
10	1.28	0.36	90	91
15	1.81	0.59	107	122
20	2.05	0.90	127	115
25	2.27	1.07	128	120

- A total of 24 local sovereign bonds were traded this week. The 2.10% 2039 I was the most actively traded MGS, closing at €105.52 with a YTM of 2.01%
- German yields continued to fall this week with the ten-year Bund down to 0.36% this week. On the other hand, MGS yields remained relatively unchanged week on week.

MGS Yield Curve



Local Market Overview – Corporate Bonds

Security	Trade Volume	Trade Value	27.10.2017	03.11.2017	Week % Change
BV18A	15,000	15,105	101.60	100.70	-0.89%
BV19A	9,100	9,355	102.80	102.80	0.00%
BV19B	40,000	41,500	104.25	103.75	-0.48%
BV20A	22,500	23,067	102.51	102.52	0.01%
BV30A	210,800	211,215	100.00	100.50	0.50%
BV30B	110,000	107,194	97.99	97.99	0.00%
CB21A	3,000	3,120	103.51	104.00	0.47%
CB27A	17,000	17,375	102.50	101.50	-0.98%
CF26A	10,000	10,400	102.00	104.00	1.96%
EF27A	126,500	130,189	102.10	103.00	0.88%
GC21A	36,900	36,068	98.00	97.75	-0.26%
GH27A	12,000	12,554	104.50	104.50	0.00%
GP23A	41,300	42,201	102.00	102.00	0.00%
HB18A	12,500	12,938	103.50	103.50	0.00%
HM24A	4,900	5,097	104.01	104.10	0.09%
HP25A	2,400	2,496	104.00	104.00	0.00%
IB25A	85,500	90,630	106.00	106.00	0.00%
IG24A	18,600	19,809	106.50	106.50	0.00%
IH21A	6,000	6,375	106.00	106.25	0.24%
IH26A	14,800	15,210	102.99	102.51	-0.47%
MB19A	11,000	11,825	109.00	107.50	-1.38%
MB24A	40,000	41,604	104.00	104.01	0.01%

Source: Malta Stock Exchange

Local Market Overview – Corporate Bonds

Security	Trade Volume	Trade Value	27.10.2017	03.11.2017	Week % Change
MB27A	25,000	25,620	102.50	102.48	-0.02%
MD26A	9,400	9,650	102.95	102.50	-0.44%
MF24A	29,000	30,787	107.00	106.01	-0.93%
MI20A	3,000	3,105	103.72	103.50	-0.21%
MI21A	82,000	83,968	102.30	102.40	0.10%
MI22A	10,100	10,465	103.50	103.50	0.00%
MM26A	54,000	56,430	104.50	104.50	0.00%
MS23A	1,500	1,605	107.20	107.01	-0.18%
MS26A	10,000	10,350	103.50	103.50	0.00%
PC26A	100,700	103,898	103.25	102.91	-0.33%
PG20A	72,000	74,959	104.11	104.11	0.00%
PG22A	10,000	10,610	105.00	106.10	1.05%
PT24A	31,000	32,085	103.50	103.50	0.00%
SD27A	540,100	556,090	103.00	102.80	-0.19%
SF27A	50,300	52,790	104.50	105.50	0.96%
ST27A	301,000	306,969	100.00	102.25	2.25%
TI27A	7,000	7,315	104.50	104.50	0.00%
VH24A	31,000	30,845	98.90	99.50	0.61%
TI24A	181,600	194,312	107.00	107.00	0.00%
TI27A	9,200	9,614	104.50	104.50	0.00%
TI24A	181,600	194,312	107.00	107.00	0.00%
TI27A	9,200	9,614	104.50	104.50	0.00%

Source: Malta Stock Exchange

Local Market Company Announcements

- **Santumas Shareholdings plc** held its 45th Annual General Meeting during which all resolutions proposed were approved. A bonus issue of 2,216,394 ordinary shares of a nominal value of €0.275 per share (1 bonus share for every 2 held) will be allotted to members appearing in the Register of Members of the Malta Stock Exchange as at 4th December 2017. The issued share capital will increase from 4,432,788 shares to 6,649,182 shares.
- **Loqus Holdings plc** have approved the company's financial statements for the year ended 30th June 2017. Revenue decreased by 10.7%. The fall in revenue did not affect the bottom line as costs decreased at a faster pace as a result of a cost reduction programme was implemented in back-office processing.

Year	2016	2017	% Change
Revenue (€ mn)	3.5	3.9	-10.7%
EBITDA (€ mn)	1.0	0.7	+43.4%
Profit before tax (€ mn)	0.5	0.3	+80.2%
Earnings per share	1c5	0c8	

Full report [here](#).

- Malta International Airport plc have announced that a new concession agreement has been signed with Dufry, a leading travelling retailer, for the operation of the terminal's duty free store on Level 1 for the period January 2019 to December 2026.
- International Hotel Investments have published an Interim Director's Statement in which they communicated that Group operations have been performing well. Revenue and operating profits have improved in comparison to the previous year and ahead of forecasts. These results may be impacted upon consolidation by exchange differences.

- **GO plc** announced that Forthnet SA, an associate company in which GO has 22.6% shareholding, has issued a statement regarding the convertible bond loan issued in October 2016. The detail regarding the exercised conversion rights can be found [here](#).
- **SD Finance plc** announced that the Board of Directors will be meeting on the 16th of November 2017 to approve the interim financial statements for the period ended 30th September 2017.
- **Midi plc** communicated that they have submitted a proposed 'Masterplan' for the restoration and redevelopment of Manoel Island to the Planning Authority and Environment and Resources Authority. The works include €50 million in restoration of historical buildings and the total investment has been estimated at €400 million. More information can be found [here](#).

Local Financial Events Calendar

Date	Event
14 th November	Grand Harbour Marina plc Extraordinary General Meeting
16 th November	SD Finance Board meeting to approve Interim Financial Statements for the period ended 30 th September 2017
11 th December	Malta Post plc Board meeting to approve Financial Statements for the year ended 30 September 2017

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