



# THE SCOUT

Wealth Management & Financial Services

## MONTHLY INVESTMENT NEWSLETTER MARCH 2022

**5**

Issues

**ECD \$73M  
USD \$6M**

Raised

**4**

Issues  
Oversubscribed

**9**

Equity Issuers  
with Trading  
Activity

**\$144.97**

ECSE  
Share Index



Issue No: 04/2022 Period: March 2022 Issue Date: April 5, 2022

## ISSUER ACTIVITIES

### 1. Debt Securities

#### a. Securities issued during the month:

1. The Debt Market featured 5 issues originating from 4 Governments of the 8 ECCU territories, this compared to:

a. 3 issues during the same period in 2021 by 3 issuers.

b. 6 issues last month.

2. ECCU Governments raised a total of ECD \$73M and USD \$5.95M.

4 of the 5 issues were oversubscribed with \$41.90M in unsatisfied bids.

The lone USD auction was undersubscribed by USD \$4.05M.

3. 4 issues closed below the maximum rate offered; with a 2 percentage point variance being the widest margin between offered and closing rate.

1 issue closed at the maximum rate offered.

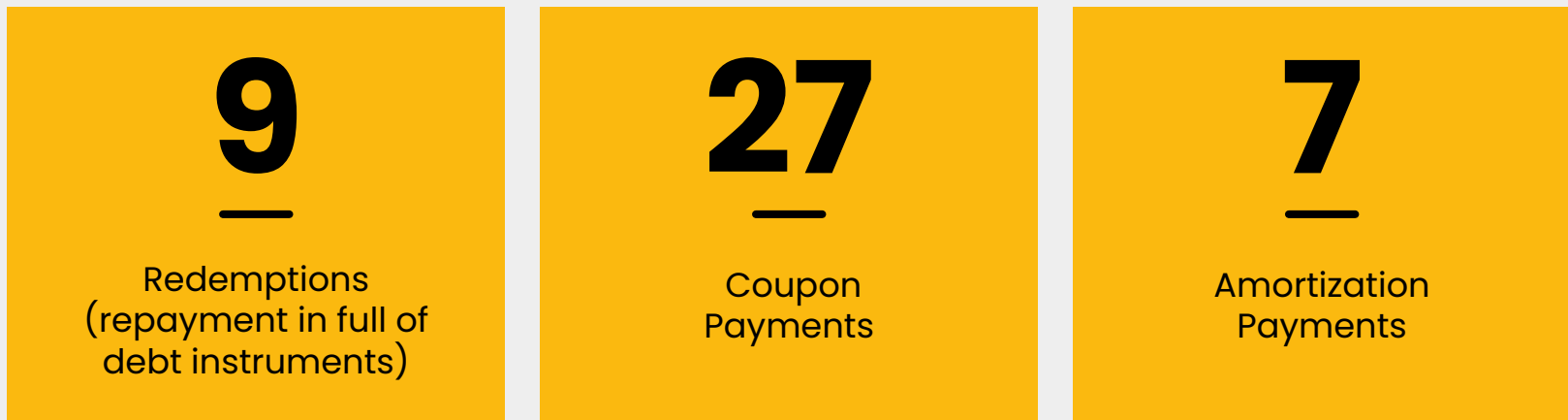
4. The securities offered ranged from short-term at 91 days to long-term at 10 years.

**Table 1: Debt Instruments Issued During March 2022**

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	CLOSING RATE	MAX RATE	SUBSCRIPTION
15/03/2022	VCB150622	Government of St. Vincent and the Grenadines	91-day Treasury Bill	\$28,000,000	15/06/2022	1.98%	3.50%	Oversubscribed
17/03/2022	AGB180323	Government of Antigua and Barbuda	365-day Treasury Bill	\$15,000,000	18/03/2023	3.00%	4.50%	Oversubscribed
21/03/2022	DMB210622	Government of the Commonwealth of Dominica	91-day Treasury Bill	\$20,000,000	21/06/2022	2.00%	4.00%	Oversubscribed
22/03/2022	LCG100332	Government of St. Lucia	10-year Bond	\$10,000,000	23/03/2032	6.99%	7.40%	Oversubscribed
25/03/2022	FLG060328	Government of St. Lucia	6-year USD Bond	\$5,954,000	28/03/2028	7.00%	7.00%	Undersubscribed

**b. Payments during the month:**

Issuers made (through the Eastern Caribbean Securities Exchange) 43 scheduled payments, as per the agreed terms and conditions for 29 instruments, issued both publicly and privately, which comprised of:



**c. Default Reports:**

There were no reports of default by issuers during the period.

**2. Equity Securities**

The Equities Market continued to host 13 issuers of securities.

**Table 2: Issuers with Trading Activity During the Month**

SYMBOL	TRADE VOLUME	HIGH PRICE	LOW PRICE	CLOSING PRICE	CHANGE IN CLOSING PRICE (COMPARED TO FEBRUARY 28, 2022)
BON	250	3.75	3.75	3.75	\$0.25 ↑
BOSV	6,680	9.06	9.01	9.01	-\$0.05 ↓
CWKN	1,000	3.75	3.75	3.75	\$0.00
ECFH	11,462	3.75	3.75	3.75	\$0.00
GCBL	18,741	9.51	8.88	9.51	\$0.63 ↑
GESL	5,354	11.00	10.95	11.00	\$0.05 ↑
SKNB	2,500	\$2.80	\$2.80	\$2.80	\$0.00
SLH	3,300	2.00	2.00	2.00	\$0.00
TDC	1,500	1.30	1.30	1.30	\$0.05 ↑

**Table 3: Closing Prices of Equities as at March 31, 2022**

<b>SYMBOL</b>	<b>DESCRIPTION</b>	<b>CLOSING PRICE</b>
BON	The Bank of Nevis Ltd.	\$3.75
BOSV	Bank of St. Vincent and the Grenadines Ltd.	\$9.01
CWKN	Cable and Wireless St. Kitts & Nevis Ltd.	\$3.75
DES	Dominica Electricity Services Ltd	\$3.50
ECFH	Eastern Caribbean Financial Holdings Company Ltd.	\$3.75
GCBL	Grenada Co-operative Bank Limited	\$9.51
GESL	Grenada Electricity Services Ltd.	\$11.00
GPCL	Grenreal Property Corporation Limited	\$5.40
RBGL	Republic Bank (Grenada) Limited	\$45.00
SKNB	St. Kitts Nevis Anguilla National Bank Ltd.	\$2.80
SLES	St. Lucia Electricity Services Ltd.	\$20.00
SLH	S. L. Horsford & Co Ltd.	\$2.00
TDC	St. Kitts Nevis Anguilla Trading & Development Company Ltd.	\$1.30

- a. There were no issuers with financial year ends during the period.**
- b. There were no Material Change disclosures issued during the period.**
- c. Republic Bank (Grenada) Limited (RBGL) held its Annual General Meeting on March 15, 2022, and paid a dividend in respect of the 2021 financial year.**

## **ISSUER HIGHLIGHTS**

### **1. Debt Issuers**

#### **a. PM Browne Calls for United Front on CBI Programmes**

Antigua and Barbuda Prime Minister, Gaston Browne, has called on the member countries of the OECS to provide a united front in a bid to stave off efforts by the European Union to derail the controversial Citizenship by Investment Programme (CBI).

“This represents a significant threat to our CBI programmes and I am of the view that we ought to come together as an OECS sub-region,” Browne said, adding “we do accept that there is some level of residual risk, in that no system is foolproof and from time to time you may have one or two rotten elements that may slip through.”

“But to date, there is no evidence that anyone has utilised any of our programmes to commit any act of terrorism and even the concerns about those

involved in financial crimes, the amount of money involved is negligible compared to the local of money laundering that is taking place in North America and Europe,” Browne told a webinar that discussed the CBI sector, under the theme “Fight or Flight: The Future of Citizenship by Investment”.

The United States has moved to decline visas to holders of passports obtained through the CBI programme and the European Union has passed a law giving countries three years to phase out the programme or face visa requirements for all its passport holders.

The EU Parliament has called for an EU “levy of a meaningful percentage on the investments made – until ‘golden passports’ are phased out, and indefinitely for ‘golden visas’” within the block.





Click the link for further details:

★ <https://www.nationnews.com/2022/03/24/browne-calls-united-front-cbi-programmes/>

## **b. Grenada Government Denies it has Decided to Appeal High Court Ruling**

The Government of Grenada is denying reports that it has decided to appeal a High Court ruling of 29 March 2022, that could result in the Government having to pay billions to public servants who were considered to be disqualified to receive a pension directly from the Government, following the enforcement of the Pension Disqualification Act in 1983.

The Judge in the matter is yet to provide a written judgment. However, in the oral judgment, the Judge ruled that the Pensions (Disqualification) Act Cap 230A as amended, is unconstitutional, null and void, insofar as it sought to modify pre-independence/ constitution pension laws.

“As such, the Court held that the pre-independence pension laws continue to be the pension scheme applicable for the payment of pension to public officers joining the service after February 1985,” said a statement from Government.

The Act, which came into enforcement on 4 April 1983 states that any person who is appointed to a post in the service of the Government of Grenada on or after the appointed day shall not be entitled to any pension gratuity or other allowance. It applied to Pensions Ordinance; Pensions (Prison Officers) Ordinance; Pensions (School Teachers) Ordinance and Police Pensions Ordinance.

Click the link for further details:

★ <https://www.nowgrenada.com/2022/03/government-denies-it-has-decided-to-appeal-high-court-ruling/>

## **2. Equity Issuers**

### **a. Dominica Regains Majority Ownership of DOMLEC**

Prime Minister Hon. Roosevelt Skerit has announced that Government has regained majority shares in the Dominica Electricity Services Company (DOMLEC).

The final agreement is set to be signed on Thursday, March 31, 2022 between the Government of Dominica and Emera Incorporated.

Prime Minister Skerit made this announcement while addressing the nation on Wednesday, March 30, saying that although there has been a marked improvement in DOMLEC’s services since Emera Inc. acquired majority shares in April 2013, it has always been the desire of this Dominica Labour Party Government to regain ownership of DOMLEC.

“We have enjoyed over the years a solid, professional relationship with Emera Inc. that has been defined by mutual trust and respect. This has categorized

our discussions over the last several months as we have been in negotiations to acquire their shares in DOMLEC. I now have the privilege to announce that the Government of the Commonwealth of Dominica will on March 31, 2022 sign an agreement with Emera Inc. to purchase its 52% stake in DOMLEC. This means that from April 1, 2022, (and this is not an April Fool’s joke), the Government and People of Dominica will once more hold controlling interest in DOMLEC,” Hon. Roosevelt Skerit stated.

He further explained that twenty-one percent of the shares will continue to be held by the Dominica Social Security and the remaining twenty-seven percent owned by private investors, mainly Dominicans.

PM Skerit noted that this acquisition falls in line with Government’s plan to build a climate resilient nation.

Click the link for further details:

★ <https://news.gov.dm/news/5440-government-acquires-52-majority-shares-of-domle>

## b. Eastern Caribbean Securities Exchange (ECSE) Signs Master Agreement with Blockstation to Launch Regulated Digital Asset Platform

The ECSE set to become the first regulated exchange in the Western Hemisphere to enable Tokenized Initial Public Offers (IPOs).

March 29, 2022, The Eastern Caribbean Securities Exchange Ltd (ECSE) announced the signing of a Master Agreement with Canadian FinTech Blockstation, to launch a new blockchain-driven tokenized securities market.

The ECSE, a regional exchange representing eight Caribbean economies, will leverage the Blockstation Ecosystem to attract a new class of issuer that is technology savvy, eager to tokenize their securities and raise capital on the open market. A Tokenized IPO can reduce time and cost when compared to traditional workflows, driving efficiencies for all parties and positioning the ECSE as an innovation leader among regulated stock exchanges.

“By embracing tokenization of securities on the Blockchain, we send a strong signal to issuers and investors everywhere that we are ready for the next evolution in capital markets,” says Trevor Blake, ECSE’s Managing Director. “Our partnership with Blockstation will ensure our ability to provide a safe, secure, and highly efficient on-ramp for issuers to conduct Tokenized IPOs, raise capital, and attract the investors they need to grow and thrive.”

This Master Agreement follows a successful pilot of the Blockstation platform, which involved the ECSE, the Eastern Caribbean Central Securities Depository Ltd, First Citizens Investment Services Ltd, the Bank of St. Lucia Ltd, and the Grenada Co-operative Bank Ltd in 2021. The pilot confirmed the suitability of Blockstation to provide end-to-end functionality for all stakeholders to list, trade, clear and settle tokenized securities as well as manage the compliant onboarding of issuers and investors in a regulated environment.

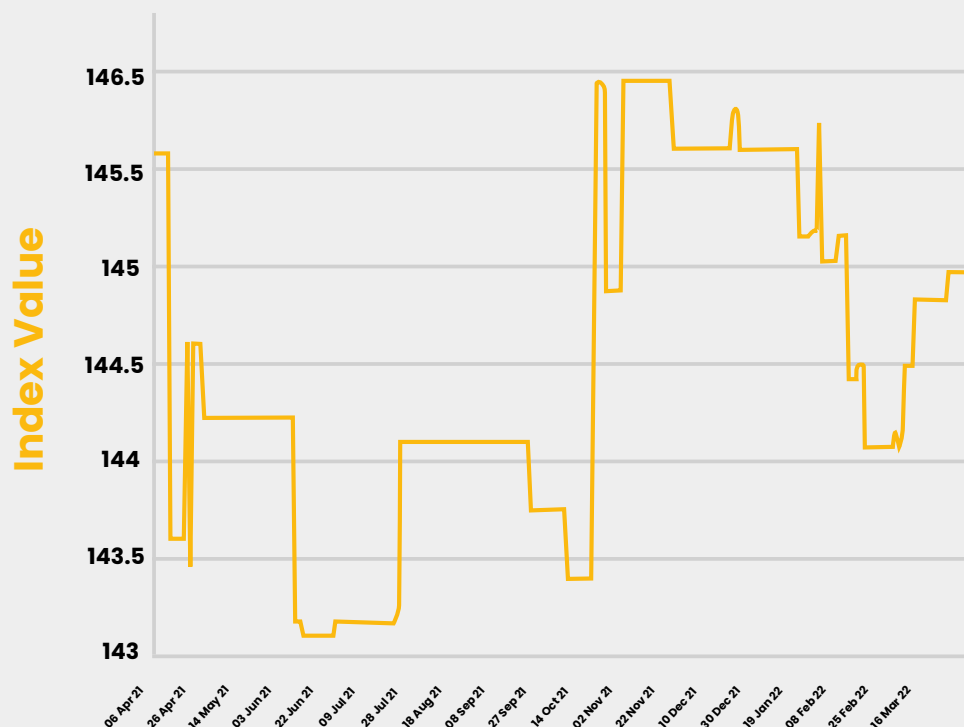
Click the link for further details:

★ <https://www.ecseonline.com/blockstation-press-release/>

## EASTERN CARIBBEAN SECURITIES MARKET REVIEW

### a. ECSE SHARE PRICE INDEX

**Graph 1: ECSE Share Price Index April 06, 2021, to March 31, 2022**



The ECSE Share Price Index stood at \$144.97, as at close of market on March 31<sup>st</sup>, 2022. This represents an increase of \$0.90 when compared to the value at the end of February 2022.

The Index maintained a general upward trajectory during the month. The lone decrease was recorded during the first week of March when the index fell from \$144.14 to \$144.07 on March 3<sup>rd</sup>. The Index recorded a period high of \$144.97 on March 24<sup>th</sup>, which it maintained until close of market on March 31<sup>st</sup>. The largest increase for the period, of 35 cents, was recorded on March 7<sup>th</sup>.

Please refer to Table 2 above for activities contributing to the movement of the Index.

## UPCOMING OFFERS:

**Table 4: Upcoming Offers for the next 3 months – April to May 2022**

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	MAXIMUM RATE
13/04/2022	LCB111022	Government of St. Lucia	180-day Treasury Bill	\$10,000,000 (+10M oversubscription)	11/10/2022	4.0%
15/04/2022	GDB180722	Government of Grenada	91-day Treasury Bill	\$15,000,000	18/07/2022	3.5%
20/04/2022	VCB210722	Government of St. Vincent and the Grenadines	91-day Treasury Bill	\$28,000,000	21/07/2022	3.5%
26/04/2022	LCB270722	Government of St. Lucia	91-day Treasury Bill	\$11,000,000 (+5M oversubscription)	27/07/2022	3.5%
05/05/2022	LCB050822	Government of St. Lucia	91-day Treasury Bill	\$11,000,000	05/08/2022	3.5%
12/05/2022	AGB130523	Government of Antigua and Barbuda	365-day Treasury Bill	\$15,000,000 (+5M oversubscription)	13/05/2023	4.5%
23/05/2022	VCB230822	Government of St. Vincent and the Grenadines	91-day Treasury Bill	\$28,000,000	23/08/2022	3.5%
09/06/2022	AGB100623	Government of Antigua and Barbuda	365-day Treasury Bill	\$5,000,000 (+5M oversubscription)	10/06/2023	4.50%
10/06/2022	AGB111222	Government of Antigua and Barbuda	180-day Treasury Bill	\$10,000,000 (+5M oversubscription)	11/12/2022	4.00%
16/06/2022	VCB160922	Government of St. Vincent and the Grenadines	91-day Treasury Bill	\$28,000,000	16/09/2022	3.50%
22/06/2022	DMB220922	Government of the Commonwealth of Dominica	91-day Treasury Bill	\$20,000,000	22/09/2022	4.00%
28/06/2022	LCB261222	Government of St. Lucia	180-day Treasury Bill	\$15,000,000 (+10M oversubscription)	26/12/2022	4.00%

Please note that the upcoming offers may be updated during the course of the period as instruments become available are amended.

## INVESTMENT EDUCATION CORNER:

### Insider Trading

#### Definition:

The trading of a company's shares or other securities by investors with access to confidential or non-public information about the company. Taking advantage of this privileged access is considered a breach of the investor's fiduciary duty.

[https://www.law.cornell.edu/wex/insider\\_trading#:~:text=Insider%20trading%20is%20the%20trading,of%20the%20individual's%20fiduciary%20duty.](https://www.law.cornell.edu/wex/insider_trading#:~:text=Insider%20trading%20is%20the%20trading,of%20the%20individual's%20fiduciary%20duty.)

#### Example:

In September 2017, former Amazon.com Inc. (AMZN) financial analyst, Brett Kennedy was charged with insider trading. Authorities said Kennedy gave fellow University of Washington alumni, Maziar Rezaekhani, information on Amazon's 2015 first-quarter earnings before the release. Rezaekhani paid Kennedy \$10,000 for the information. In a related case, the SEC said Rezaekhani made \$115,997 trading Amazon shares based on the tip from Kennedy.

<https://www.investopedia.com/terms/i/insidertrading.asp>

Facts about a public company's strategies, transactions, finances, cashflows and performance, that have not yet been revealed to shareholders are examples of insider information.





**Besides being illegal, insider trading impedes the fairness and integrity of the securities market thereby eroding investor's confidence.**

**Investors and Issuers of securities should employ all measures necessary to avoid involvement in or the appearance of insider trading.**

**Issuers/ Companies can implement:**

1. Black-out periods during which the trading of the company's shares by Directors, employees and designated persons is not permitted.
2. Insider trading policies to ensure controls to deter insider trading.
3. Procedures for managing and communicating sensitive information.
4. Reporting and investigating suspicions.
5. Development of an insider trading education programme.

**Officers of companies should** exercise due care with sensitive non-public information especially in social settings.

**Investors should** assess the sensitivity and materiality of information available to them in making trading decisions, bearing in mind the source or means of obtaining this information.

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**Disclosure**

We, Grenada Co-operative Bank Limited, hereby declare that we are an issuer of securities on the Eastern Caribbean Securities Exchange.

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