



Wealth Management & Financial Services

## MONTHLY INVESTMENT NEWSLETTER MAY 2022

**3**

Issues

**ECD \$64M**

Raised

**3**

Issues  
Oversubscribed

**6**

Equity Issuers  
with Trading  
Activity

**144.72**

ECSE  
Share Index

**Congratulations!**  
**RICHARD W.DUNCAN**

on being awarded the Most Excellent  
Order of the British Empire (O.B.E.) for  
services to the Banking Sector.





## **ISSUER ACTIVITIES**

### **1. Debt Securities**

#### **a. Securities Issued During the Month:**

- 1.** The Debt Market featured 3 issues originating from 3 Governments of the 8 ECCU territories, compared to:  
*a. 3 issues during the same period in 2021 by 2 issuers.*  
*b. 4 issues last month.*
- 2.** ECCU Governments raised a total of ECD \$64M.  
  
All three Issues were oversubscribed with \$29.83M in unsatisfied bids.
- 3.** All Issues closed below the maximum rate offered, with a 2-percentage point variance being the widest margin between offered and closing rate.
- 4.** The securities offered were short-term, ranging from 91 days to 365 days.

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

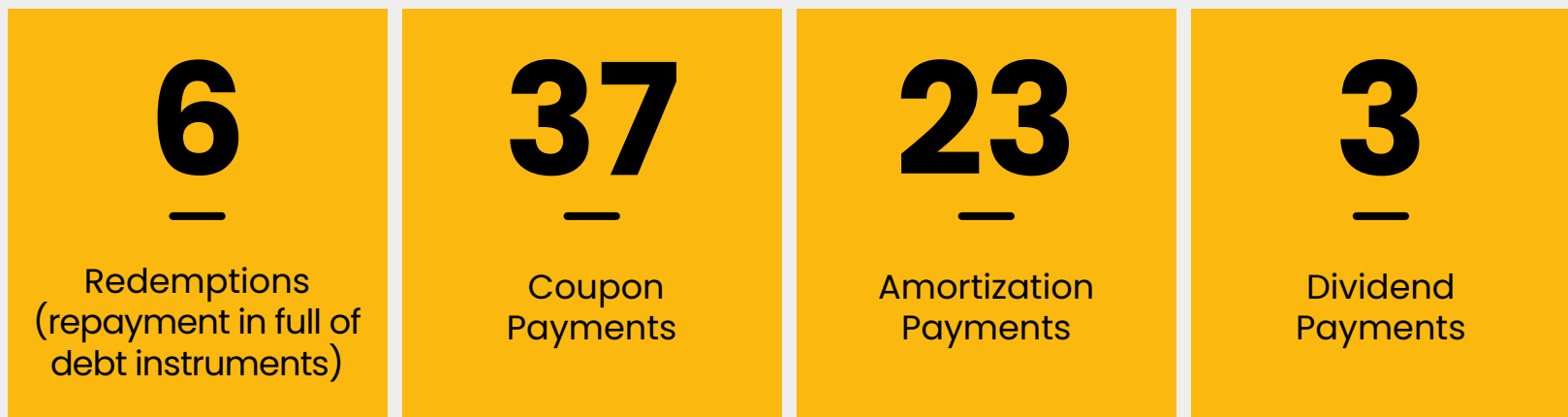
DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	CLOSING RATE	MAX RATE	SUBSCRIPTION
5/5/2022	LCB050822	Government of St. Lucia	91-day Treasury Bill	\$16,000,000	05/08/2022	2.50%	3.5%	Oversubscribed
12/5/2022	AGB130523	Government of Antigua and Barbuda	365-day Treasury Bill	\$20,000,000	13/05/2023	2.50%	4.5%	Oversubscribed
23/5/2022	VCB230822	Government of St. Vincent and the Grenadines	91-day Treasury Bill	\$28,000,000	23/08/2022	1.50%	3.5%	Oversubscribed





**b. Payments during the month:**

Issuers made (through the Eastern Caribbean Securities Exchange) 69 scheduled payments, as per the agreed terms and conditions for instruments, issued both publicly and privately, which comprised of:



**c. Default Reports:**

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

Please click this link  
for detailed listing of  
payments

## 2. Equity Securities

The Equities Market continues 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 April 30, 2022)
BON	86	\$3.75	\$3.75	\$3.75	\$0.00
CWKN	100	\$3.75	\$3.75	\$3.75	\$0.25 ↑
GCBL	25,976	\$8.88	\$8.88	\$8.88	\$0.63 ↓
GESL	912	\$10.95	\$11.00	\$10.95	\$0.05 ↓
SLES	3,000	\$20.00	\$20.00	\$20.00	\$0.00
TDC	69,177	\$1.35	\$1.35	\$1.35	\$0.05 ↑

**Table 3: Closing Prices of Equities as at May 31<sup>st</sup>, 2022**

SYMBOL	DESCRIPTION	CLOSING PRICE
BON	The Bank of Nevis Ltd.	\$3.75
BOSV	Bank of St. Vincent and the Grenadines Ltd.	\$9.00
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	\$8.88
GESL	Grenada Electricity Services Ltd.	\$10.95
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.	\$1.35

**a. There were no issuers with financial year ends during the period.**

**b. Material Change disclosures are filed by Issuers as changes occur within their entities.**

- For access to these disclosures refer to the Eastern Caribbean Securities Regulatory Commission.  
<https://www.ecsin.com/cms/Cmspages/details/198/category/ecsin-home-page>

**c. Three companies made dividend payments in the month of May:**

- Republic Bank (Grenada) Limited (RBGL) on May 16th at \$1.10 per share.
- S. L. Horsford & Co Limited (SLH) on May 16th at \$0.04 per share.
- St. Lucia Electricity Services Limited. (SLES) on May 20th at \$0.68 per share.

## **ISSUER HIGHLIGHTS**

### **1. Debt Issuers**

**a. Prime Minister Dr. Keith Mitchell announces June 23 as the election date for Grenada.**

On May 14th, 2022, Prime Minister Dr. Keith Mitchell announced June 23rd as the date for the general election, as his ruling New National Party (NNP) seeks a third consecutive term in office.

The last general election in Grenada was conducted in 2018 when the NNP won all 15 seats in Parliament. The political party also enjoyed a 'clean sweep' in 2013. Dr. Mitchell, 75, is one of the Caribbean's longest-serving leaders of government and has stated that this election will be his last as the party's leader. If the New National

Party wins this general election, it will be Dr. Mitchell's sixth term in office.

The New National Party will face a challenge from the main opposition, the National Democratic Congress (NDC), which is contesting the election with Dickon Michell, a young attorney, at the helm.

Nominations are scheduled to be held on June 1st, and police officers would have the opportunity to cast their votes on June 20th.





[Click the link for further details;](#)

★ [Prime Minister, Dr. Keith Mitchell announces June 23 as the election date for Grenada](#)

## **b. Government of St. Kitts and Nevis Implements Further Measures to Alleviate the Rising Cost of Living.**

Dr. the Honorable Timothy Harris, Prime Minister and Minister of Finance of St. Kitts and Nevis, announced on May 2nd that the Federal Government has adopted five short-term fiscal policy measures to be implemented immediately in response to rising inflationary pressures felt by citizens and residents.

The fiscal measures were as follows:

1. The revision of the price build-up for gasoline, which was granted by the Government on April 13th, 2022, where the excise tax on the importation of fuel was reduced from \$2.25 per gallon to \$0.95 per gallon. This reduction will be enforced until September 2022, along with a \$0.30 increase in Gas Station Dealers Margin.
2. The Fuel Subsidy Program extended for an additional six months, until September 2022, to mitigate the cost of fuel and to keep the cost of public transportation affordable.
3. The extension of the Income and Disability Support Programs for an additional three months, aimed at assisting workers who are unemployed, are on reduced wages, or have additional expenses from caring for children with disabilities.
4. Reintroduction of the duty-free allowance on the importation of food items by non-commercial importers, designed to assist persons on low incomes with high spending of their income on food.
5. Value Added Tax (VAT) and import duty were removed on items such as hygiene products, vegetables, fruits, fruit juices, cough and cold preparations and vitamin supplements and extended for an additional six months – July to December 2022.

[Click the link for further details;](#)

★ [Government of St. Kitts and Nevis Implements Further Measures to Alleviate the Rising Cost of Living](#)

## **c. St. Lucia to Revise National Policy for Older People to Provide Secure Livelihood.**

The Government of St. Lucia has initiated the process of reviewing and updating the country's National Policy for Older Persons. The policy was first created in 2003 and then amended in 2013.

The policy will ensure that the needs for healthy aging are met, and that seniors, regardless of age, gender, or socioeconomic status, live in dignity, security, free from exploitation and physical or mental abuse.

[Click the link for further details;](#)

★ [St. Lucia to Revise National Policy for Older People to Provide Secure Livelihood](#)

## **d. IMF Executive Board Concludes 2022 Article IV Consultation with Grenada.**

On May 04, 2022, the Executive Board of the International Monetary Fund (IMF) concluded the article IV consultation with Grenada.

The Executive Directors commended the authorities' timely response to the pandemic, facilitated by past fiscal prudence, that helped mitigate its impact on Grenada's tourism-dependent economy.



Directors stressed the importance of securing concessional financing and mobilizing domestic resources to strengthen resilience-building investments and welcomed the continuing efforts to increase spending efficiency and transparency. They also noted the potential fiscal risks from the recent court ruling on public pensions and underscored the need to ensure the system's sustainability.

[Click the link for further details;](#)

★ [2022 ARTICLE IV CONSULTATION.pdf](#)

## 2. Equity Issuers

**Table 4: Financial Statistics of Equity Issuers for the 2021 Financial Year.**

COMPANY SYMBOL	NET INCOME (LOSS) ('000)	SHAREHOLDERS EQUITY ('000)	NO. OF SHARES OUTSTANDING ('000)	LAST CLOSING MARKET PRICE (May 2022)	BOOK VALUE PER SHARE	EARNINGS (LOSS) PER SHARE	DIVIDEND PER SHARE	PRICE EARNINGS RATIO	DIVIDEND YIELD
BOSV	\$2,771	\$134,683	15,000	\$9.00	\$8.98	\$0.18	\$0.00	48.71	0.00%
DES	\$3,510	\$92,600	10,417	\$3.50	\$8.89	\$0.34	\$0.00	10.39	0.00%
ECFH	\$23,255	\$276,268	24,466	\$3.75	\$11.29	\$0.95	\$0.00	3.95	0.00%
GCBL	\$9,871	\$121,375	7,597	\$8.88	\$15.98	\$1.30	\$0.15	6.83	1.69%
RBGL	\$6,811	\$227,212	3,774	\$45.00	\$60.20	\$1.80	\$0.72	24.93	1.60%
SKNB	\$188,368	\$812,769	135,000	\$2.80	\$6.02	\$1.40	\$0.20	2.01	7.14%
SLES	\$40,542	\$382,991	22,920	\$20.00	\$16.17	\$1.77	\$1.03	11.31	5.15%
SLH	\$5,013	\$153,604	60,297	\$2.00	\$2.55	\$0.08	\$0.08	24.06	3.91%
TDC	\$8,007	\$191,911	52,000	\$1.35	\$3.69	\$0.15	\$0.07	8.77	4.81%

**Please be reminded that a company's past performance does not signal future behavior.**

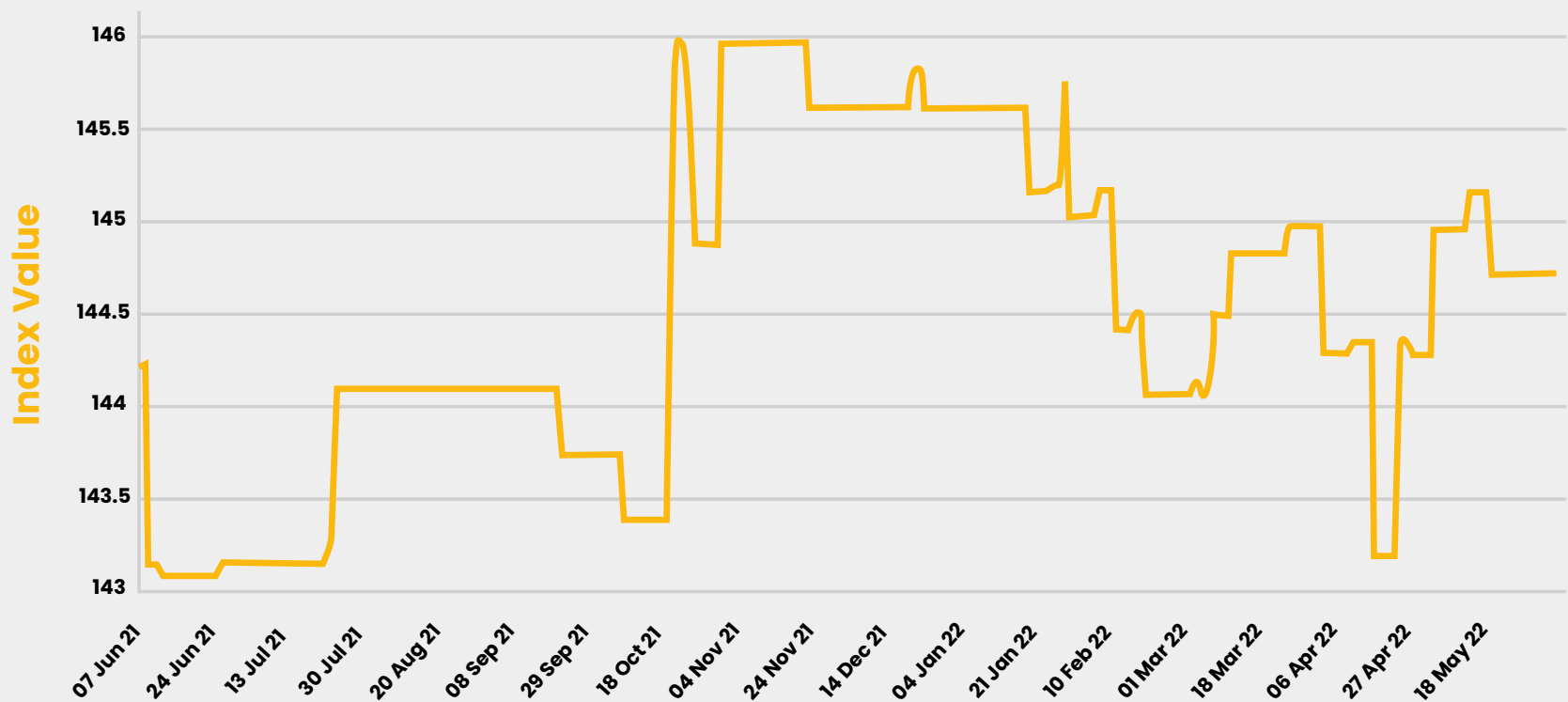
*Note that the statistics will be updated as Issuer information becomes available for the period.*



## **EASTERN CARIBBEAN SECURITIES MARKET REVIEW**

### **a. ECSE SHARE PRICE INDEX**

**Graph 1: ECSE Share Price Index June 8<sup>th</sup>, 2021, to May 31<sup>st</sup>, 2022**



The ECSE Share Index, which stood at 144.28 at the end of April, rose 0.44 points or 0.3% to close the month at 144.72.

The Index saw a 0.67 point or a 0.46% increase to begin the month at 144.95. This was attributed to the trading of CWKN shares at \$3.75, increasing \$0.25 or 7.14% from its previous closing price.

The Index maintained an upward trajectory until the third week where it experienced a sharp decrease of 0.43 points or 0.30% on May 18th, due primarily to the trading of GCBL and GESL shares, which fell by \$0.63 or 6.62% and \$0.05 or 0.45% respectively from their previous closing prices.

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



## UPCOMING OFFERS:

**Table 3: Upcoming Offers for the Next 3 months – June to August 2022**

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	MAXIMUM RATE
09/06/2022	AGB100623	Government of Antigua & Barbuda	365-day Treasury Bill	\$5,000,000 (+5M oversubscription)	10/06/2023	4.50%
10/06/2022	AGB111222	Government of Antigua & Barbuda	180-day Treasury Bill	\$10,000,000 (+5M oversubscription)	11/12/2022	4.00%
16/06/2022	VCB160922	Government of St. Vincent & 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%
20/07/2022	LCB170123	Government of St. Lucia	180-day Treasury Bill	\$15,000,000 (+10M oversubscription)	17/01/2023	4.00%
21/07/2022	GDB211022	Government of Grenada	91-day Treasury Bill	\$15,000,000	21/10/2022	3.50%
22/07/2022	AGB210123	Government of Antigua & Barbuda	180-day Treasury Bill	\$15,000,000 (+5M oversubscription)	21/01/2023	4.00%
25/07/2022	VCB251022	Government of St. Vincent and the Grenadines	91-day Treasury Bill	\$28,000,000	25/10/2022	3.50%
28/07/2022	LCB281022	Government of St. Lucia	91-day Treasury Bill	\$11,000,000 (+5M oversubscription)	28/10/2022	3.50%
03/08/2022	GDB040823	Government of Grenada	365-day Treasury Bill	\$25,000,000	04/08/2023	5.00%
08/08/2022	LCB081122	Government of St. Lucia	91-day Treasury Bill	\$11,000,000 (+5M oversubscription)	11/08/2022	3.50%
24/08/2022	AGN251123	Government of Antigua & Barbuda	15-month Treasury Note	\$10,000,000	25/11/2023	5.00%
24/08/2022	VCB241122	Government of St. Vincent & the Grenadines	91-day Treasury Bill	\$28,000,000	24/11/2022	3.50%
31/08/2022	AGB010923	Government of Antigua & Barbuda	365-day Treasury Bill	\$20,000,000 (+5M oversubscription)	01/09/2023	4.50%

Please note that upcoming offers may be updated during the period, as instruments become available or amended.

## INVESTMENT EDUCATION CORNER:

### Price Earnings Ratio

#### Definition:

The Price Earnings Ratio, also called the P/E ratio, is another metric that highlights the value of a company. That measures current share price relative to a company's earnings per share (EPS).

The P/E ratio is simply the stock price divided by the company's earnings per share for a specific time frame.

The ratio expresses how much investors are willing to pay per share in exchange for one dollar of earnings.

#### Example:

In table 4 above, GCBL's last closing price was \$8.88 and its recorded earning per share for the financial year was \$1.30.

This means that its price earnings ratio for the financial year ended September 30th, 2021, was 6.83 (\$8.88/\$1.30).

GCBL's investors are therefore willing to pay 6.83 for every dollar of earnings that the company generates.

Based on the 2021 financial data for Banks listed on the ECSE, the average P/E ratio is 20.62. Table 4 shows that BOSV and RBGL stocks are trading above the industry average, while GCBL's and SKNB's stocks are trading below. This information alerts investors to the possibility that both GCBL and SKNB shares may be undervalued.







The P/E ratio indicates investors' expectations of growth from the companies in which they invest.

- A high P/E ratio could mean that a company's stock is overvalued, or that investors are expecting high growth rates in the future.
- Lower P/E ratios show that growth has slowed, but this does not always imply that the company is failing; in fact, a lower P/E ratio could suggest that:
  1. the company has cemented its market share.
  2. the current stock price is low relative to earnings.
  3. a company is more mature and that it may grow more slowly.

The P/E multiple by itself is not helpful unless it is compared against the stock's industry group, a benchmark index, or the Company's historical P/E range. Investors must also consider future earnings power of a company in making their investment decisions. Similarly, a company's past performance does not signal future behavior.

No single ratio can tell all you need to know about a stock. Before investing, it is wise to use a variety of financial ratios to determine whether:

- a stock is fairly valued
- a company's financial health justifies its stock valuation
- it meets your risk appetite

#### [Price Earnings Ratio Definition](#)

#### [Price Earnings Ratio Interpretation](#)

#### **Disclaimer**

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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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