



Wealth Management & Financial Services

## MONTHLY INVESTMENT NEWSLETTER JUNE 2022

**5**

Issues

**\$94M**

Raised

**4**

Issues  
Oversubscribed

**4**

Equity Issuers  
with Trading  
Activity

**\$144.53**

ECSE  
Share Index

Issue No: 06/2022 ■ Period: June 2022 ■ Issue Date: July 5, 2022

## ISSUER ACTIVITIES

### 1. DEBT SECURITIES

#### a. Securities issued:

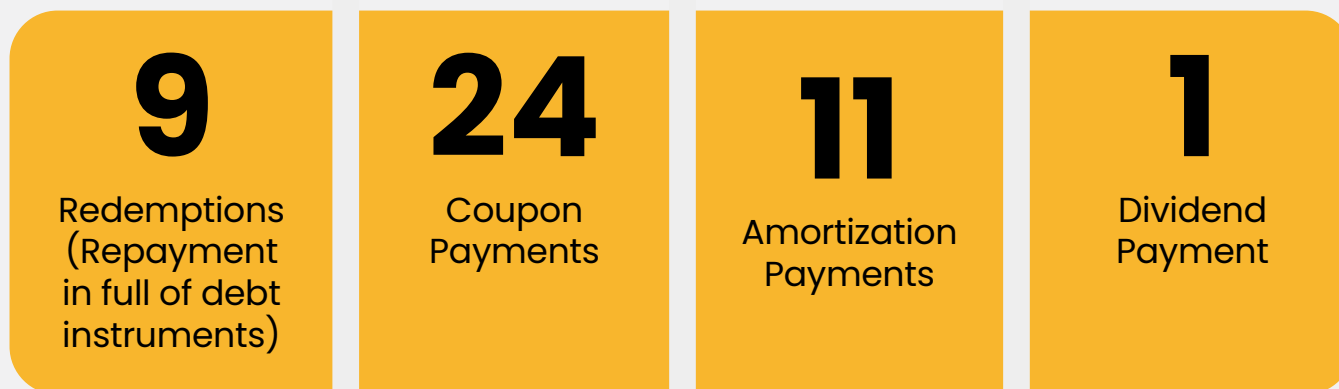
1. The Debt Market featured 5 issues originating from 4 Governments of the 8 ECCU territories, compared to:
  - a. 5 issues during the same period in 2021 by 4 issuers.
  - b. 3 issues last month.
2. ECCU Governments raised a total of ECD \$93.95M.  
Four of the five issues were oversubscribed with \$20.88M in unsatisfied bids.
3. Four issues closed below the maximum rate offered, with a 2.0 percentage point variance being the widest margin between offered and closing rate.  
  
The Government of St. Lucia's 180-Day Treasury Bill (LCB261222) was the only issue that closed at its maximum rate of 4.00%
4. The securities offered were short-term, ranging from 91 days to 365 days.

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

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	CLOSING RATE	MAX RATE	SUBSCRIPTION
09/06/2022	AGB100623	Government of Antigua & Barbuda	365-Day Treasury Bill	\$10,000,000	10/06/2023	3.00%	4.00%	Oversubscribed
10/06/2022	AGB101222	Government of Antigua & Barbuda	180-Day Treasury Bill	\$15,000,000	11/12/2022	3.00%	4.00%	Oversubscribed
17/06/2022	VCB190922	Government of St. Vincent & the Grenadines	91-Day Treasury Bill	\$28,000,000	19/09/2022	1.50%	3.50%	Oversubscribed
22/06/2022	DMB220922	Government of the Commonwealth of Dominica	91-Day Treasury Bill	\$20,000,000	22/09/2022	2.50%	4.00%	Oversubscribed
28/06/2022	LCB261222	Government of St. Lucia	180-Day Treasury Bill	\$25,000,000	26/12/2022	4.00%	4.00%	Undersubscribed

## B. Payments during the month:

Issuers made (through the Eastern Caribbean Securities Exchange) 45 scheduled payments, as per the agreed terms and conditions for instruments, issued both publicly and privately, which comprised of:



Please click this link for detail listing of payments

## C. Default reports:

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

## 2. EQUITY SECURITIES

### a. 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 MAY 31 <sup>ST</sup> , 2022)
GCBL	23,180	\$9.51	\$8.88	\$8.88	\$0.00
SKNB	11,793	\$2.80	\$2.80	\$2.80	\$0.00
SLH	2,800	\$2.00	\$2.00	\$2.00	\$0.00
TDC	200	\$1.30	\$1.30	\$1.30	\$0.05↓

**Table 3: Closing Prices of Equities as at June 30<sup>th</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.	\$1.30

**b. Equity Issuers with financial year ends during the period:**

- Bank of Nevis (BON)
- St. Kitts Nevis Anguilla National Bank Limited (SKNB)

**c. Material Change Disclosures:**

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>

**d. Dividend Payments:**

- On June 3rd, 2022 Grenada Electricity Services Limited (GESL) made dividend payment to its Shareholders.

## **ISSUER HIGHLIGHTS**

### **1. DEBT ISSUERS**

#### **a. Grenada elects Dickon Mitchell as new Prime Minister**

The National Democratic Congress (NDC) won nine (9) out of the fifteen (15) seats in the House of Representatives in the Grenada general elections held on June 23<sup>rd</sup>, 2022.

According to the results issued by the Parliamentary Elections Office (PEO), the NDC obtained 52% of the votes compared with 48% for Dr. Keith Mitchell's New National Party (NNP).

On the afternoon of June 24<sup>th</sup>, Dickon Mitchell was sworn in by Governor-General Dame Cécile La Grenade as Prime Minister for the period 2022 – 2027. In his inauguration speech, Hon. Dickon Mitchell expressed his gratitude to the people for their overwhelming support and vowed to strengthen democracy and work together with the opposition for the benefit of the nation.

The newly elected Prime Minister has pledged to improve health care, decrease unemployment and poverty, build affordable housing and boost education.

Former Prime Minister, Dr. Keith Mitchell, was the longest-serving Prime Minister in Grenada. He became Prime Minister in 1995 and served until 2008, then won again in 2013 & 2018 both in a landslide victory.

#### **b. Ground Broken for New US\$46 Million Port in Montserrat**

The construction phase of the US\$46m Montserrat Port Development Project, which will increase accessibility and improve trade opportunities for the island's residents, is now underway, following the official groundbreaking on June 22, 2022.

The project is being financed with £28.3m (US\$36.8m) in grant funding from UK aid through the United Kingdom Caribbean Infrastructure Fund (UKCIF), which is administered by the Caribbean Development Bank, and US\$9.2m from the Government of Montserrat.

The Project involves the development of climate-resilient port facilities, which is expected to enhance the delivery of port services, increase accessibility to the island and improve the country's connectivity with the rest of the world. Montserrat will also benefit from better access to goods and services, expanded economic activity and increased trade.

#### **c. New Cabinet of Ministers Sworn In**

Prime Minister Hon. Dickon Mitchell named an 11-member Cabinet on Thursday 30<sup>th</sup> June, one week after his National Democratic Congress (NDC) won the general election in Grenada. The Ministers were sworn in by Governor General, Dame Cécile La Grenade at the Kirani James Athletic Stadium before hundreds of supporters.

## 2. EQUITY ISSUERS

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

COMPANY SYMBOL	NET INCOME (LOSS) ('000)	SHARE-HOLDERS EQUITY ('000)	NO. OF SHARES OUT-STANDING ('000)	CLOSING MARKET PRICE (June 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	\$1.30	\$3.69	\$0.15	\$0.07	8.44	5.00%

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

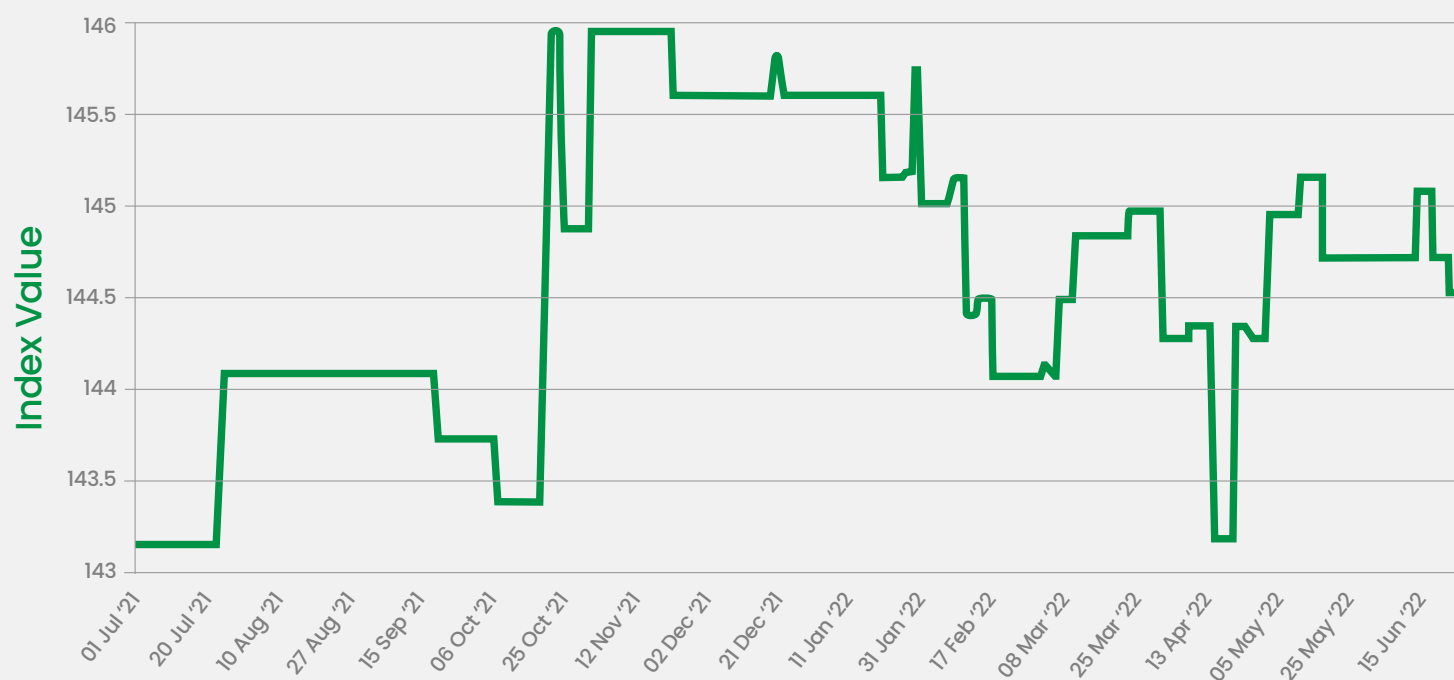
*Note that the statistics will be updated as Issuer information becomes available for the period.*



## **EASTERN CARIBBEAN SECURITIES MARKET REVIEW**

### **a. ECSE Share Price Index**

**Graph 1: ECSE Share Price Index July 1<sup>st</sup>, 2021 to June 30<sup>th</sup>, 2022**



The ECSE Share Index, which stood at 144.72 at the end of May, decreased 0.19 points or 0.13% to close the month at 144.53.

The month started slowly with no trading activity; however, on June 14<sup>th</sup> the Index rose by 0.36 points or 0.25%. This increase was short-lived as by June 17<sup>th</sup> the Index decreased to its value at the beginning of the month.

By the close of the month the Index decreased further by 0.19 points or 0.13% settling at 144.53.

Please refer to [Table 2](#) above for activities contributing to the movement of the Index.

## UPCOMING OFFERS:

**Table 5: Upcoming Offers – July to September 2022**

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	MAX RATE
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%
02/09/2022	AGN190925	Government of Antigua & Barbuda	365-Day Treasury Bill	\$20,000,000 (+5M oversubscription)	05/09/2023	4.50%
16/09/2022	AGN190925	Government of Antigua & Barbuda	3-Year Treasury Note	\$20,000,000 (+5M oversubscription)	19/09/2025	6.25%
20/09/2022	VCB211222	Government of St. Vincent & the Grenadines	91-Day Treasury Bill	\$28,000,000	21/12/2022	3.5%
26/09/2022	DMB300323	Government of The Commonwealth of Dominica	91-Day Treasury Bill	\$20,000,000	31/03/2023	4.0%

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



## **INVESTMENT EDUCATION CORNER:**

### **Growth Stock vs. Value Stock**

#### **Definitions:**

Growth and value are two fundamental approaches or styles in investing in stocks/ shares.

Growth stocks are considered by analysts to have the potential to outperform either the overall markets or a specific subsegment of the market.

Value stocks are usually stocks in larger, more well-established companies that are trading below the price that analysts feel the stock is worth, depending upon the financial ratio or benchmark that it is being compared to, undervalued by the market, and/or trading for less than their intrinsic values.

#### **Example:**

##### **Growth Stock:**

The S&P 500 has grown by roughly 15% over the past year, while the Dow Jones has grown by nearly 7%. By contrast, Amazon — perhaps the most prominent growth stock today — has risen by 66%. Likewise, Apple has grown by 63% and Google by 20%. These stocks have outperformed the overall market and thus, they are considered as growth stocks by analysts.

##### **Value Stock:**

Assume that the book value of a company's stock is \$25.00 per share, based on the number of shares outstanding divided by the company's capitalization.

If this stock is trading at \$20.00 per share, then this may be considered a good value stock.

In other words, the Investor will capitalize on the opportunity to purchase the stocks when they are undervalued, after understanding the fundamentals, strategy, and ability/ future performance of the company, in anticipation of a gain in stock price when the market eventually matches company value.

Investors in value stocks attempt to capitalize on inefficiencies in the market, since the price of the underlying equity may not match the company's performance.

It is important to remember that a stock can be undervalued for several reasons. In some cases, public perception can push the price down, such as if a key Senior Manager/ Director is caught in a scandal or the company is found to be engaged in unethical practices. However, if the company's financials are still relatively solid, then value-seekers may see this as an ideal entry point. A value stock may need some time to emerge from its undervalued position. The risk of investing in a value stock is that this emergence may never materialize, or it will take time to do so.

History has shown that:

- Growth stocks have the potential to perform better when interest rates are falling, and company earnings are rising. However, they may also be the first to be punished when the economy is cooling.
- Value stocks are often stocks of cyclical industries and may do well early in an economic recovery but are typically more likely to lag in a market with sustained rises in overall stock process.

When investing long term, some individuals combine growth and value stocks for the potential of high returns with less risk. This approach allows investors to, in theory, diversify their portfolio and gain throughout economic cycles in which the general market situations favor either the growth or value investment style, smoothing any returns over time.

**Table 6: Value vs. Growth Stocks**

	<b>Value Stocks</b>	<b>Growth Stocks</b>
Price	Currently undervalued.	Currently overvalued.
P/E Ratio	Generally low P/E ratios.	Above-average P/E ratios.
Dividends	Generally high dividend yields.	Low dividend yields (or no dividend).
Risk	May not appreciate as much as expected.	Relatively high volatility.

**Value or Growth Stocks: Which Is Better?**

**Growth vs. value: two approaches to stock investing**

**Growth vs. Value Stock Investing: Understanding the Differences**

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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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