



# THE SCOUT

Wealth Management & Financial Services

## MONTHLY INVESTMENT NEWSLETTER JULY 2022

**5**

Issues

**\$104M**

Raised

**5**

Issues  
Oversubscribed

**6**

Equity Issuers with  
Trading Activity

**\$143.83**

ECSE  
Share Index

GRENADA CO-OPERATIVE BANK LIMITED  
CELEBRATES



**YEARS OF NATIONAL PRIDE**  
CELEBRATING OUR PAST, INSPIRING OUR FUTURE  
1932-2022

## ISSUER ACTIVITIES

### 1. DEBT SECURITIES

#### a. Securities issued:

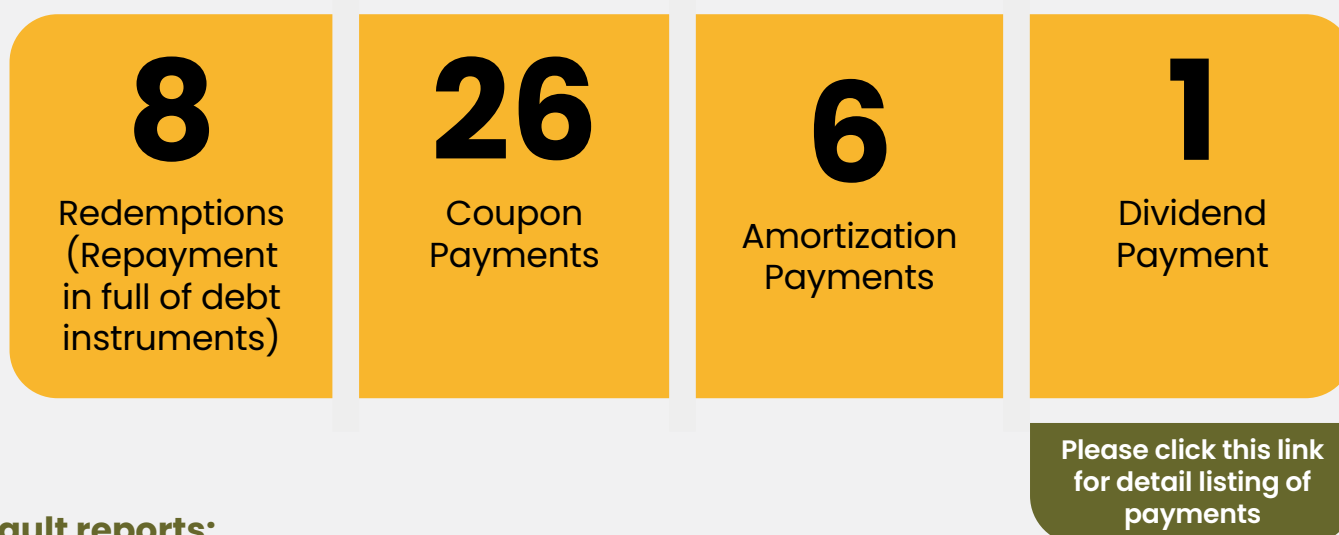
1. The Debt Market featured 5 issues originating from 4 Governments of the 8 ECCU territories, compared to:
  - a. 7 issues during the same period in 2021 by 4 issuers.
  - b. 5 issues last month.
2. ECCU Governments raised a total of ECD \$104M.  
  
All five Issues were oversubscribed with \$36.24M in unsatisfied bids.
3. Four (4) issues closed below the maximum rate offered, with a 2-percentage point variance being the widest margin between offered and closing rate.  
  
The Government of Antigua & Barbuda's 180-Day Treasury Bill (AGB210123) 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 180 days.

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

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	CLOSING RATE	MAX RATE	SUBSCRIPTION
20/07/2022	LCB170123	Government of St. Lucia	180-Day Treasury Bill	\$25,000,000	17/01/2023	3.50%	4.00%	Oversubscribed
21/07/2022	GDB211022	Government of Grenada	91-Day Treasury Bill	\$15,000,000	21/10/2022	1.50%	3.50%	Oversubscribed
22/07/2022	AGB210123	Government of Antigua & Barbuda	180-Day Treasury Bill	\$20,000,000	21/01/2023	4.00%	4.00%	Oversubscribed
25/07/2022	VCB251022	Government of St. Vincent and the Grenadines	91-Day Treasury Bill	\$28,000,000	25/10/2022	2.00%	3.50%	Oversubscribed
28/07/2022	LCB281022	Government of St. Lucia	91-Day Treasury Bill	\$16,000,000	28/10/2022	2.50%	3.50%	Oversubscribed

## B. Payments during the month:

Issuers made (through the Eastern Caribbean Securities Exchange) 41 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.

## 2. EQUITY SECURITIES

### a. The Equities Market now host 14 issuers of securities.

- On July 7<sup>th</sup>, the securities market welcomed the West Indies Oil company as the 14<sup>th</sup> listed issuer of equity securities.
- Details of this listing can be found in the news release [below](#).

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

SYMBOL	TRADE VOLUME	HIGH PRICE	LOW PRICE	CLOSING PRICE	CHANGE IN CLOSING PRICE (COMPARED TO JUNE 30 <sup>TH</sup> , 2022)
BON	100	\$3.75	\$3.75	\$3.75	\$0.00
BOSV	3,001	\$9.00	\$9.00	\$9.00	\$0.00
GCBL	200	\$8.88	\$8.88	\$8.88	\$0.00
GESL	600	\$10.50	\$10.00	\$10.50	\$0.45 ↓
SKNB	3,850	\$2.80	\$2.80	\$2.80	\$0.00
TDC	2,277	\$1.25	\$1.25	\$1.25	\$0.05 ↓

**Table 3: Closing Prices of Equities as at July 31<sup>st</sup>, 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.	\$ 9.00
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.	\$ 10.50
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.	\$ 1.25
WIOC	The West Indies Oil Company Limited	\$ 60.00

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

- i. There were no equity issuers with financial year-end in July.

**c. Material Change Disclosures:**

- i. 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>

**d. Dividend Payments:**

- i. On July 22nd, 2022, the West Indies Oil Company Limited (WIOC) made dividend payment to its shareholders at a rate of \$ \$2.09 per share.

## **ISSUER HIGHLIGHTS**

### **1. DEBT ISSUERS**

#### **a. Grenadian Government Wants Strategic Partner for GRENLEC**

Grenada's sole electricity provider, GRENLEC, continues to operate independently even though most of its shares were reacquired by the Government under the previous administration. The newly formed Government has signaled its intention to seek a strategic partner to help finance the operations of the company.

In January 2021, the previous government led by Dr. Keith Mitchell made an announcement that it has regained control of GRENLEC from American company WRB Enterprise, the operator of a renewable energy development company in the Caribbean and Latin America called WRB Energy.

In an exclusive interview with WPG TV, Prime Minister Dickon Mitchell announced that it is possible for the strategic partner to be onboarded within the next year.

#### **b. St Kitts-Nevis returning to the polls on August 5, 2022**

The people of Saint Kitts and Nevis will return to the polls on August 5th, 2022. This announcement was made by Prime Minister Dr. Timothy Harris during the People's Labour Party rally on Sunday, July 17<sup>th</sup>.

This general election comes just two years into the Prime Minister's second term in office. Nomination day was held on July 26<sup>th</sup>.

#### **c. Grenada Government to Begin Paying Pension to Public Sector Workers by November**

The Government of Grenada said by November, it intends to begin payment of pension to eligible public sector workers who retired as far back as 1985. Prime Minister Dickon Mitchell says a plan must be formulated as to whether the retroactive payment of EC\$60 million will be paid in full or over a period.

"We reiterated our commitment to pay the pensions and we indicated to them we are not fighting legal entitlements, and, in that regard, we indicated that we want to address the retroactive part of the pension because we felt those persons would be the one most disadvantaged having not had the pensions paid at all," Mitchell said, following weekend talks with trade union representatives on the issue.

In April this year, the former government, said it had appointed the former president of the Caribbean Court of Justice (CCJ), Sir Dennis Byron, to a five-member committee to provide technical advice and general guidance following the High Court ruling that resulted in the government having to pay a significant amount to public servants.

The workers were disqualified from receiving a pension following the enforcement of the Pension Disqualification Act (PDA) in 1983 and their representative trade union bodies took the government to court challenging the PDA.



## 2. EQUITY ISSUERS

### i. The West Indies Oil Company Limited Listed on ECSE

The West Indies Oil Company Limited, the first listed energy company and the first listed company from Antigua and Barbuda, was listed on the Eastern Caribbean Securities Exchange (ECSE) on July 7<sup>th</sup>, 2022, becoming the fourteenth company to do so. The company's stock will be identified on the market by the ticker symbol WIOC.

The company, which is involved in the storage and distribution of petroleum products, only recently received an injection of capital after going public when the government divested 10 percent of its 51 percent shareholding, with the expectation of raising nearly EC\$18 million.

Antigua & Barbuda's Information Minister, Melford Nicholas, said the WIOC's most recent decision to list on the ECSE should serve as a model for other businesses with a similar business model.

The West Indian Oil Company (WIOC) Research Report

**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	\$1.25	\$3.69	\$0.15	\$0.07	8.12	5.20%
WIOC (Unaudited)	\$17,803	\$ 253,092	5,920	\$60.00	42.75	\$3.00	\$2.09	20.00	3.00%

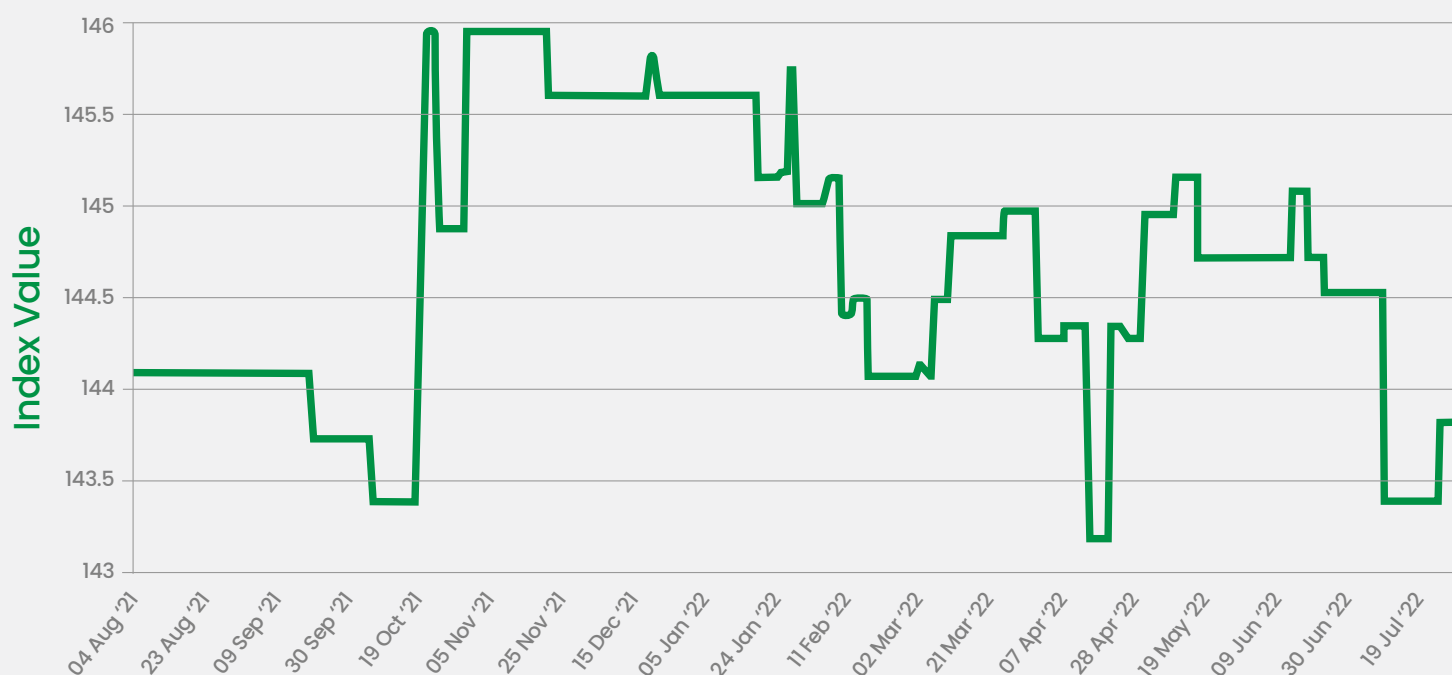
**Please be reminded that a company's past performance does not signal future behavior.**

*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 29<sup>th</sup>, 2021 to July 31<sup>st</sup>, 2022**



The ECSE Share Index, which stood at 144.53 at the end of June, decreased 0.70 points or 0.48% to close the month at 143.83.

The month started slowly with no trading activity; however, on July 8<sup>th</sup>, the index fell by 1.13 points or 0.78%. This was mainly attributable to the trading of GRENLEC's shares at \$10.00 per share; a \$0.95 or 8.70% decrease from its previous closing price.

On July 22<sup>nd</sup>, the Index increased by 0.43 points or 0.30% to close the month at 143.83. This increase was driven by the trading of GRENLEC shares at \$10.50 per share. A \$0.50 or 5% increase from its previous closing price.

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

## UPCOMING OFFERS:

**Table 5: Upcoming Offers – August to October 2022**

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	MAX RATE
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%
24/10/2022	GDB240123	Government of Grenada	91-Day Treasury Bill	\$15,000,000	24/01/2023	3.50%
24/10/2022	GDB251023	Government of Grenada	365-Day Treasury Bill	\$10,000,000	25/10/2023	5.00%
28/10/2022	VCB300123	Government of St. Vincent & the Grenadines	91-Day Treasury Bill	\$28,000,000	30/01/2023	3.50%

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



## **INVESTMENT EDUCATION CORNER:**

### **Bull Market Vs. Bear Market**

#### **Definitions:**

##### ***Bull Market***

A bull market occurs when investment prices are rising or expected to rise for sustained periods without falling more than 20% from its previous 52-week peak.

##### ***Bear Market***

A bear market occurs when stock prices broadly decline by 20% and keep trending lower.

#### **Example:**

##### ***Bull Market***

The longest bull market in history is believed to be the 2009-2020 bull market. After plunging as a result of the 2008 financial crisis, the S&P 500 bottomed out in March 2009 and then proceeded to climb until early 2020 when the COVID-19 pandemic sent stocks crashing.

##### ***Bear Market: The Great Depression***

The Great Depression was a severe worldwide economic depression between 1929 and 1939 that began after a major fall in stock prices in the United States. The economic contagion began around September 4, 1929, and became known worldwide on "Black Tuesday", the stock market crash of October 29, 1929.

**Table 6: Bull Market Vs. Bear Market**

CHARACTERISTICS	BULL MARKET	BEAR MARKET
Supply & Demand	High demand - Low Supply	Low Demand - High supply
Market Scenario	High Gross Domestic Product (GDP)	Low Gross Domestic Product (GDP)
Impact on Economy	Strong Economy, more trading	Weak Economy, less trading
Investor Outlook	High Confidence	Low Confidence
Investment Principle	Sell High	Buy Low
Stock Price	Sustained Highs	Sustained Lows
International Investments	International investments are encouraged	International investments are discouraged
Liquidity	High Liquidity	Low Liquidity
Job Market	Low Unemployment Rate	High Unemployment Rate

## **How to Invest during a bear vs bull market**

Growth stocks in bull markets tend to perform well, while value stocks are usually better buys in bear markets. Value stocks are generally less popular in bull markets based on the perception that, when the economy is growing, “undervalued” stocks must be cheap for a reason.

How you invest in stocks in bull and bear markets depends mainly on your time horizon. If you do not need the money for decades, then it matters little whether the market is currently bullish or bearish. As a buy-and-hold investor, you probably shouldn’t change your investing strategy based on prevailing market conditions.

The stock market can be bearish even while bull markets are occurring in other asset classes and vice versa. If the stock market is bullish and you’re concerned about price inflation, then allocating a portion of your portfolio to gold or real estate may be a smart choice. If the stock market is bearish, then you can consider increasing your portfolio’s allocation to bonds or even converting a portion of your portfolio into cash. You can also consider geographically diversifying your holdings to benefit from bull markets occurring in other regions of the world.

Regardless of the current state of the stock market, it’s important to stay focused on the long-term prospects of the companies in which you are invested. Companies with great business fundamentals are likely to produce significant returns for your portfolio over time.

### **Bull Vs Bear Market: What’s The Difference?**

### **Worried About a Recession? Heed the Lessons from the Bulls and Bears**

### **How should you invest in a bull vs. bear market?**

#### **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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