



Wealth Management & Financial Services

MONTHLY INVESTMENT NEWSLETTER OCTOBER 2022

5

Issues

\$88M

Raised

4

Issues
Oversubscribed

5

Equity Issuers with
Trading Activity

143.88

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 five (5) issues originating from three (3) Governments of the eight (8) ECCU territories, compared to:
 - a. Five (5) issues during the same period in 2021 by four (4) issuers.
 - b. Three (3) issues last month.
2. ECCU Governments raised a total of ECD \$88.75M.

Four issues were oversubscribed with \$42.40M in unsatisfied bids.
3. Four of the five 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 St. Vincent and the Grenadines' 91-Day Treasury Bill (VCB300123) was the only issue closing at its maximum rate of 3.50%.
4. The securities offered were all short term, ranging from 91 days to 365 days.

Table 1: Debt Instruments Issued During October 2022

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	CLOSING RATE	MAX RATE	SUBSCRIPTION
17/10/2022	LCB160423	Government of St. Lucia	180-Day T-Bill	\$19,750,000	16/04/2023	2.50%	4.00%	Undersubscribed
24/10/2022	GDB240123	Government of Grenada	91-Day T-Bill	\$15,000,000	24/01/2023	1.50%	2.50%	Oversubscribed
24/10/2022	GDB251023	Government of Grenada	365-Day T-Bill	\$10,000,000	25/10/2023	2.50%	4.50%	Oversubscribed
28/10/2022	VCB300123	Government of St. Vincent and the Grenadines	91-Day T-Bill	\$28,000,000	30/01/2023	3.50%	3.50%	Oversubscribed
31/10/2022	LCB310123	Government of St. Lucia	91-Day T-Bill	\$16,000,000	31/01/2023	2.00%	2.50%	Oversubscribed

B. Payments during the month:

Issuers made (through the Eastern Caribbean Securities Exchange) 37 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 14 issuers of securities.

- There were trades from five (5) equity issuers in the market during the month of October.

Table 2: Issuers with Trading Activity During the Month

SYMBOL	TRADE VOLUME	HIGH PRICE	LOW PRICE	CLOSING PRICE	CHANGE IN CLOSING PRICE (COMPARED TO AUGUST 31, 2022)
BON	300	\$3.75	\$3.50	\$3.50	↓ \$0.25
CWKN	1,000	\$3.83	\$3.75	\$3.83	↑ \$0.08
SKNB	7,000	\$2.80	\$2.80	\$2.80	\$0.00
SLH	1,250	\$2.00	\$2.00	\$2.00	\$0.00
TDC	550	\$1.30	\$1.30	\$0.00	\$0.00

Table 3: Closing Prices of Equities as at October 31st, 2022

SYMBOL	DESCRIPTION	CLOSING PRICE
BON	The Bank of Nevis Ltd.	\$ 3.50
BOSV	Bank of St. Vincent and the Grenadines Ltd.	\$ 9.00
CWKN	Cable and Wireless St. Kitts & Nevis Ltd.	\$ 3.83
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.	\$ 1.30
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 ends in October.

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. S. L. Horsford and Company Limited (SLH) made an interim dividend payment on October 25, 2022.

ISSUER HIGHLIGHTS

1. DEBT ISSUERS

a. Dominica Selects TRON to Develop Its National Blockchain Infrastructure

The Commonwealth of Dominica has become the latest country to announce its intention to launch its cryptocurrency, the Dominica Coin (DMC), and has chosen to launch the coin on the TRON blockchain. This news follows the passage of the Virtual Asset Business Act by the Dominica Parliament earlier in the year.

The Prime Minister originally announced the partnership between Dominica and TRON via a press release on October 7, and TRON verified the collaboration on October 12.

According to the release from Dominica, the new partnership marks an essential step in the nation's push to enhance economic growth by embracing digital innovation "and appointing TRON Protocol as its designated national blockchain infrastructure."

Along with issuing DMC, the partnership has given Tron-based assets legal tender status in the nation, which means that Tron (TRX) BitTorrent Token (BTT), Just (JST) APENFT (APE), USDD, USDT, and TUSD are now accepted as a medium of exchange in Dominica.

The government has also indicated that it will accept Tron-native tokens for public payments, including tax. Businesses have been urged to receive Tron-native tokens for their services. The exchange rate between TRX and the East Caribbean Dollar (XCD) will be freely determined by the market, and transactions between the two assets will be free from capital gain tax.

b. Grenada Successfully Negotiates To Clear Debt Arrears Owed to Libya

The Government of Grenada successfully negotiated the settlement of US\$5 million in longstanding debt arrears owed to the State of Libya.

These debts were contracted in the 1980s by the People's Revolutionary Government (PRG).

Longstanding unresolved debt arrears to Libya, Algeria, and Trinidad and Tobago have adversely affected Grenada's credit rating, placing the country in the category of "Selected Default" or "SD."

The Government of Grenada says it will continue to make concerted efforts to resolve the remaining debt arrears to Algeria and Trinidad and Tobago, respectively, as regularization of these arrears will significantly assist in unlocking the financial resources needed to support the government's transformational agenda.

The settlement agreement was signed in Washington, D.C. on October 13, 2022, by Libya's Minister of Finance, Dr. Khalid Al Mabrouk Abdalla, and Grenada's Minister of Economic Development, Planning, Tourism, ICT, and the Creative Economy, Lennox Andrews, on behalf of Prime Minister and Minister of Finance, Dickon Mitchell.

c. Grenada Government To Discontinue Discount on Non-fuel Tax To Consumers

The Government of Grenada has announced the removal of all petrol price taxes, defined by law as diesel and gasoline, until December 2022.

As per a Petrol Tax Order issued in the Government Gazette on September 16, 2022, and signed by Finance Minister and Prime Minister Dickon Mitchell, the petrol tax rate for importers is zero dollars and zero cents.

The Minister issued the Order per Section 4 of the Petrol Tax Act. This clause grants the Minister of Finance the ability to change the gasoline tax rate without the legislature's agreement. According to the gasoline tax law, only importers must pay the gasoline tax. The retailers purchase gasoline at the wholesale price, which includes the gasoline tax, and then add their profit margin before selling to consumers.

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)	LAST CLOSING MARKET PRICE (SEPT 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%
GESL	\$14,768	\$109,755	19,000	\$10.50	\$5.78	\$0.78	\$0.52	13.51	4.95%
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	8.77	4.81%
WIOC (Unaudited)	\$17,803	\$253,092	5,920	\$60.00	\$42.75	\$3.00	\$2.09	20.00	3.00%

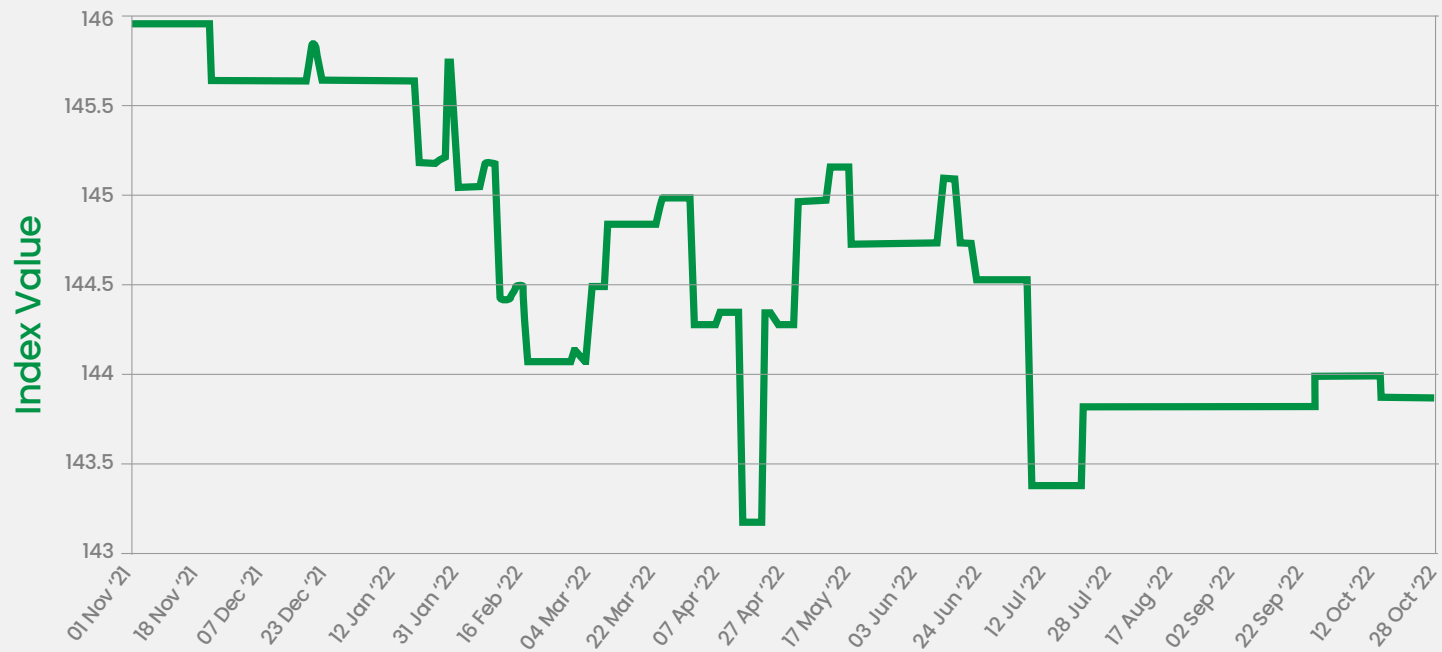
Please be reminded that a company's past performance does not signal future behavior.

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

EASTERN CARIBBEAN SECURITIES MARKET REVIEW

d. ECSE Share Price Index

Graph 1: ECSE Share Price Index November 01, 2021 – October 28, 2022



The ECSE Share Index, which stood at 144 at the end of September, decreased by 0.12 points or 0.08% to close the month at 143.88. This was mainly attributed to the trading of BON shares at \$3.50 per share; a \$0.25 or 6.66% decrease from its previous closing price.

UPCOMING OFFERS:

Table 5: Upcoming Offers

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	MAX RATE
02/11/2022	AGB071123	Government of Antigua & Barbuda	365-Day Treasury Bill	\$20,000,000 (+5M oversubscription)	03/11/2023	4.50%
09/11/2022	LCB090223	Government of St. Lucia	91-Day Treasury Bill	\$11,000,000 (+5M oversubscription)	09/02/2023	3.50%
17/11/2022	DMG071129	Government of the Commonwealth of Dominica	7-Year Treasury Bond	\$25,000,000	18/11/2023	7.00%
22/11/2022	AGB251123	Government of Antigua & Barbuda	365-Day Treasury Bill	\$10,000,000 (+5M oversubscription)	23/11/2023	4.50%
28/11/2022	VCB280223	Government of St. Vincent & the Grenadines	91-Day Treasury Bill	\$28,000,000	28/02/2023	4.50%
12/12/2022	GDB131223	Government of Grenada	365 – Day Treasury Bill	\$10,000,000	13/12/2023	5.00%
14/12/2022	AGB130623	Government of Antigua & Barbuda	180 – Day Treasury Bill	\$10,000,000 (+5M oversubscription)	13/06/2023	4.00%
22/12/2022	VCB240323	Government of St. Vincent & the Grenadines	91-Day Treasury Bill	\$28,000,000	24/03/2023	3.50%
28/12/2022	LCB270623	Government of St. Lucia	180-Day Treasury Bill	\$15,000,000 (+10M oversubscription)	27/06/2023	4.00%
29/12/2022	DMB300323	Government of The Commonwealth of Dominica	91 – Day Treasury Bill	\$20,000,000	31/03/2023	4.00%

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

INVESTMENT EDUCATION CORNER:

Yield to Maturity (YTM)

Definition:

Yield to Maturity is the speculative rate of return or interest rate of a fixed-rate security, such as a bond. The YTM is based on the belief or understanding that an investor purchases the security at the current market price and holds it until the security has matured (reached its full value), and that all interest and coupon payments are made in a timely fashion.

YTM is typically expressed as an annual percentage rate. It is determined through the use of the following formula:

$$YTM = \frac{C + \frac{FV - PV}{t}}{\frac{FV + PV}{2}}$$

Where:

- C – Interest/Coupon Payment
- FV – Face Value of the security
- PV – Present Value/Price of the security
- t – How many years it takes the security to reach maturity.

The formula's purpose is to determine the yield of a fixed-asset security according to its most recent market price. The YTM calculation is structured to show – based on compounding – the effective yield a security should have once it reaches maturity. It is different from simple yield, which determines the yield a security should have upon maturity but is based on dividends and not compounded interest.

Yield to Maturity (YTM)

Example:

Assume that there is a bond on the market priced at \$8,500 and that bond comes with a face value of \$10,000. On this bond, yearly interest/coupons are \$1,500. The coupon rate for the bond is 15% and the bond will reach maturity in 10 years.

The formula for determining approximate YTM would look like the following:

$$YTM = \frac{1,500 + \frac{10,000 - 8,500}{10}}{\frac{10,000 + 8,500}{2}}$$

$$YTM = \frac{1,500 + 150}{9,250}$$

$$YTM = 17.84\%$$

The approximated YTM in the bond is 17.84%.

YTM isn't just dependent on the coupon rate that is paid but rather, it's dependent on the coupon rate AND the premium or discount that is paid for the bond relative to the par value.

Yield to Maturity allows investors to:

1. draw comparisons between different securities and the returns they can expect from each. It is another tool used for determining which securities to add to one's portfolio.
2. gain some understanding of how changes in market conditions might affect their portfolio since yield increases when there is a drop in price, and vice versa.

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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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