



# THE SCOUT

Wealth Management & Financial Services

## MONTHLY INVESTMENT NEWSLETTER NOVEMBER 2022



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 issues originating from four Governments of the eight ECCU territories, compared to:
  - a. Three issues during the same period in 2021 by two issuers.
  - b. Five (5) issues last month.
2. ECCU Governments raised a total of ECD \$101.4M.
 

Three issues were oversubscribed with \$37.29M in unsatisfied bids.
3. Two of the five issues closed below the maximum rate offered, with a 1.50-percentage point variance being the widest margin between offered and closing rate.
 

The Government of Antigua & Barbuda 365 Day Treasury Bill, the Government of Dominica 7-Year Bond, and the Government of St. Lucia 91-Day Treasury Bill were the only issues that closed at maximum yield of 4.50%, 7.00% and 3.50% respectively.
4. The securities offered were short and long term instruments, ranging from 91 days to 7 years.

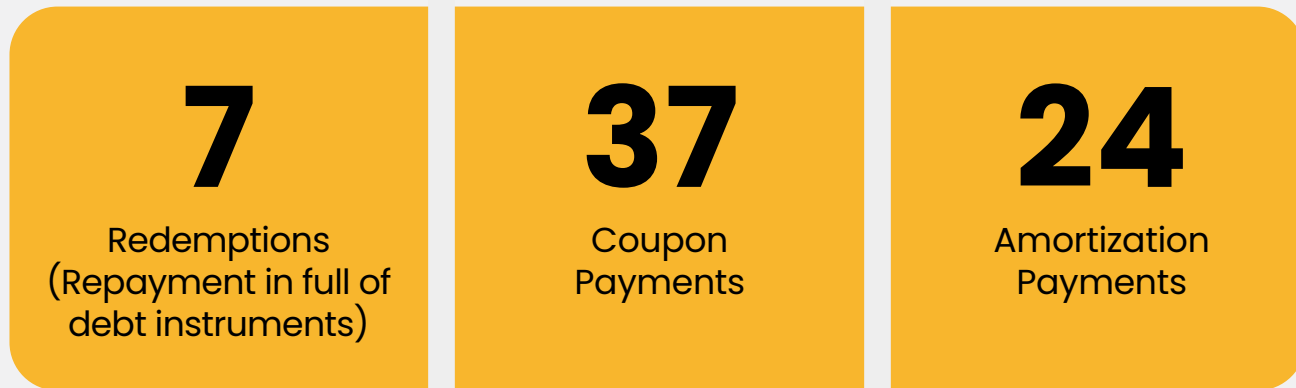
**Table 1: Debt Instruments Issued During November 2022**

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	CLOSING RATE	MAX RATE	SUBSCRIPTION
02/11/2022	AGB031123	Government of Antigua & Barbuda	365-Day Treasury Bill	\$25,000,000	07/11/2023	3.50%	4.50%	Oversubscribed
09/11/2022	LCB090223	Government of St. Lucia	91-Day Treasury Bill	\$14,433,000	09/02/2023	3.50%	3.50%	Undersubscribed
17/11/2022	DMG071129	Government of the Commonwealth of Dominica	7-Year Treasury Bond	\$25,000,000	07/11/2029	7.00%	7.00%	Oversubscribed
22/11/2022	AGB251123	Government of Antigua & Barbuda	365-Day Treasury Bill	\$8,986,000	25/11/2023	4.50%	4.50%	Undersubscribed
28/11/2022	VCB280223	Government of St. Vincent and the Grenadines	91-Day Treasury Bill	\$28,000,000	28/02/2023	2.00%	3.50%	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.**

i. There were trades from seven (7) equity issuers in the market during the month of November.

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

SYMBOL	TRADE VOLUME	HIGH PRICE	LOW PRICE	CLOSING PRICE	CHANGE IN CLOSING PRICE (COMPARED TO OCTOBER 31, 2022)
BON	62	\$3.50	\$3.50	\$3.50	\$0.00
BOSV	162	\$9.00	\$9.00	\$9.00	\$0.00
GCBL	50	\$8.88	\$8.88	\$8.88	\$0.00
GESL	164	\$10.50	\$10.50	\$10.50	\$0.00
RBGL	26	\$45.00	\$45.00	\$45.00	\$0.00
SKNB	4,110	\$2.80	\$2.80	\$2.80	\$0.00
TDC	1076	\$1.30	\$1.30	\$1.30	\$0.00

**Table 3: Closing Prices of Equities as at November 30<sup>th</sup>, 2022**

<b>SYMBOL</b>	<b>DESCRIPTION</b>	<b>CLOSING PRICE</b>
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 a financial year end in November.

**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. There were no dividend payments in the period.

## **ISSUER HIGHLIGHTS**

### **I. DEBT ISSUERS**

#### **a. Dominica's General Elections will be held on December 6**

The citizens of Dominica will be heading to the polls on Tuesday, December 6, 2022. Prime Minister Roosevelt Skerritt announced this in an address to the nation on November 6, 2022.

Nomination day was held on November 18. Calling for a national reset, Skerritt indicated that he has no intention of serving in office beyond April 2025.

"You have given me the mandate to remain in office until April 2025. I don't intend to go beyond that date. I have run my race and intend to finish the course with Dominica safely back on the road of sustained progress and prosperity. That is why I am calling for a national reset," he said.

While he would be leading a new slate for the election, Skerritt said he wants to preside over the peaceful and dignified transition of Prime Ministerial leadership to someone of his party's choosing. He said he intends to stay on for another two and half years, but some of his colleagues have collectively agreed that the time for renewal is now.

Skerritt said he wants 2023 to begin with a new mandate and a new team to tackle the challenges presented by COVID-19, the effects of the war in Ukraine, and other issues.

Skerritt's Dominica Labour Party (DLP) won an unprecedented fifth term in the 2019 elections. The DLP won 18 seats, with the United Workers Party winning the remaining three.

The election was marred by protests in the Marigot and Salisbury constituencies, two UWP strongholds.

#### **b. Government of Grenada to present budget on December 5, 2022**

The Dickon Mitchell-led National Democratic Congress (NDC) administration is set to deliver its first budget on December 5, 2022.

Prime Minister Mitchell, who is also Minister of Finance, announced the date for his presentation of the 2023 Annual Estimate of Revenue and Expenditure during a town hall meeting on October 31.

Following the budget presentation, Opposition Leader Dr. Keith Mitchell will respond. The members of parliament in both the Lower and Upper House are then required to debate the budget and approve the Appropriation Act for it to have a commencement date of January 1, 2023.

Over the past few weeks, Mitchell has been holding a series of parish consultations where citizens are educated about the budget process. At the same time, the public was given an opportunity to offer suggestions on areas of priority for the development and transformation of their communities. There was also a budget retreat for government ministers.

The Prime Minister said coming out of the consultations and the retreat, his government has selected six areas that will be the focus for the next five years – health and wellness; transforming the education sector with particular emphasis on youth and sports; agriculture, food security, and the marine economy; physical and digital infrastructure; culture and the creative economy; and energy transition and the environment.

The tourism sector will not be a direct priority for the government for the next five years, but the industry should benefit from the six priority areas the administration will be focusing on, Mitchell added.



**c. Grenada: Over 300 Retirees Received Retroactive Pension & Gratuity**

On November 15, 2022, over 300 retirees in Grenada were paid the outstanding pension and gratuity, which was owed to them by the government.

The Ministry of Finance said EC\$44.1 million was paid to the first batch of pensioners. The government anticipates paying EC\$75 million to 525 eligible retirees.

Prime Minister and Minister of Finance, Hon. Dickon Mitchell, thanked the ministry's staff for their hard work to ensure the money was paid before November 30, which was a deadline set by the government.

**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 (NOV 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%

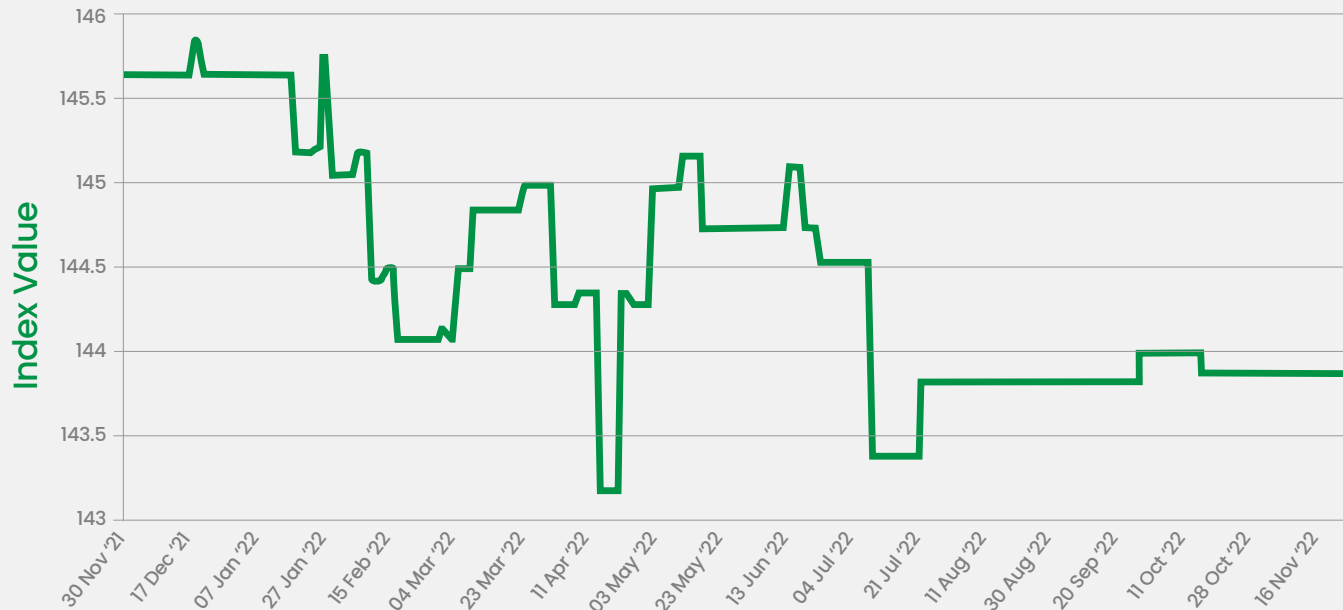
**Please be reminded that a company's past performance does not signal future behavior.**

*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 30, 2021 – November 30, 2022**



The ECSE Share Index closed at 143.83. This is the fourth lowest index value recorded for 2022 thus far.

## UPCOMING OFFERS:

**Table 5: Upcoming Offers**

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	MAX RATE
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:

### Coupon Rate

#### Definition:

The coupon rate, or the coupon payment, is the nominal yield the bond is stated to pay on its issue date. This yield changes as the value of the bond changes, thus giving the bond's yield to maturity (YTM).

A bond's coupon rate can be calculated by dividing the sum of the security's annual coupon payments by the bond's face (par) value.

All else held equal, bonds with higher coupon rates are more desirable for investors than those with lower coupon rates.

#### Example:

A bond issued with a face-value of \$10,000 that pays a \$250 coupon semiannually has a coupon rate of 5%.

$$\begin{aligned} \text{Annual Coupon Payment} &= \$250 * 2 \\ &= \$500 \end{aligned}$$

$$\text{Coupon Rate} = \frac{\$500}{\$10,000} * 100$$

$$\text{Coupon Rate} = 5\%$$

### Coupon Rate VS Yield to Maturity

The coupon rate is the annual income an investor can expect to receive while holding a particular bond. It is fixed when the bond is issued and is calculated by dividing the sum of the annual coupon payments by the par value. At the time it is purchased, a bond's yield to maturity and its coupon rate are the same. The yield to maturity (YTM) is the percentage rate of return for a bond assuming that the investor holds the asset until its maturity date. It is the sum of all its remaining coupon payments and will vary depending on its market value and how many payments remain to be made.

BASIS	COUPON RATE	YIELD
Definition	The coupon is similar to the interest rate, which is paid by the issuer of a bond to the bondholder as a return on his investment.	The yield to maturity of a bond is the interest rate for a bond, which is calculated based on coupon payment and the current market price of a bond.
Basics of Calculation	The coupon rate is calculated with numerator as the coupon payment and the denominator as the face value of the bond.	The coupon rate is calculated with numerator as the coupon payment and the denominator as the market price of the bond.





BASIS	COUPON RATE	YIELD
Effecting Delta	The coupon rate remains fixed for the entire duration of a bond as the coupon payment is fixed, and the face value is fixed.	Yield changes with the change in the market price of a bond.
Effect of interest rate	Change in the interest rate in the economy by the central bank has no effect on the coupon rate of a bond.	The price of a bond is inversely proportional to the interest rates. With the increase of the interest rate, the price of a bond will decrease, as the investor then will look for a higher yield from a bond. And with the decrease of interest rate, the price of a bond will increase as then the investor will be happy with the lower interest rate.
Example	Suppose the face value of an XYZ bond is \$1000, and the coupon payment is \$40 annually. The way the coupon rate is calculated is by dividing the annual coupon payment by the face value of the bond. In this case, the coupon rate for the bond will be $\$40/\$1000$ , which is a 4% annual rate.	Suppose the annual coupon of a bond is \$40. And the price of the bond is \$1150, then the yield on the bond will be 3.5%.



# Grenada Co-operative Bank Limited

## Wealth Management & Financial Services

NOVEMBER 2022

### 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.

### CONTACT US

wealthmanagement@grenadaco-opbank.com  
www.grenadaco-opbank.com  
473-440-2111 ext. 6533



Co-op Bank  
welcome home