



Wealth Management & Financial Services

MONTHLY INVESTMENT NEWSLETTER APRIL 2023

3

—
Issues

\$55M

—
Raised

3

—
Issues
Oversubscribed

10

—
Equity Issuers with
Trading Activity

144.03

—
ECSE
Share Index

ISSUER ACTIVITIES

1. DEBT SECURITIES

a. Securities issued:

1. The Debt Market featured three issues originating from three Governments of the eight ECCU territories, compared to:
 - a. Four issues during the same period in 2022 by three issuers.
 - b. Three issues last month.
2. ECCU Governments raised a total of ECD \$55M.

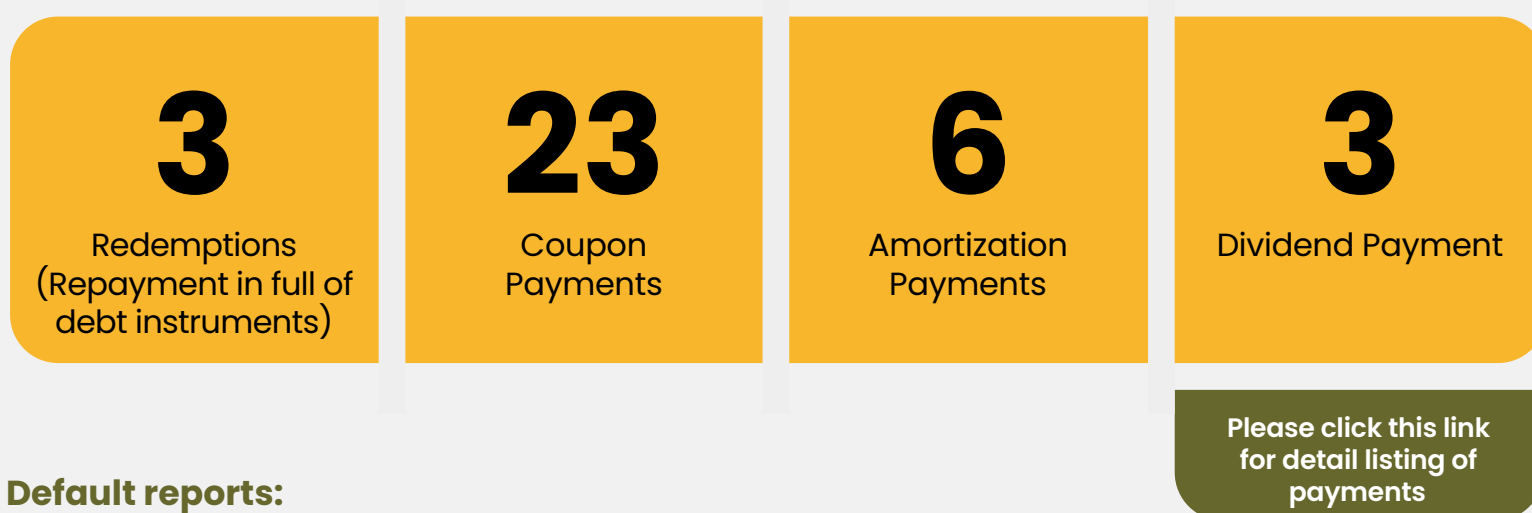
All three issues were oversubscribed with \$38.21M in unsatisfied bids.
3. All three issues closed below the maximum rate offered. The widest margin was a 2.48 percentage point variance between the offered and closing rate.
4. The securities offered were short term instruments, ranging from 91 days to 180 days.

Table 1: Debt Instruments Issued During April 2023

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	CLOSING RATE	MAX RATE	SUBSCRIPTION
03/04/2023	DMB040723	Government of The Commonwealth of Dominica	91-Day Treasury Bill	\$20,000,000	04/07/2023	2.50%	3.50%	Oversubscribed
17/04/2023	LCB151023	Government of St. Lucia	180-Day Treasury Bill	\$20,000,000	15/10/2023	2.02%	4.50%	Oversubscribed
28/04/2023	GDB010823	Government of Grenada	91-Day Treasury Bill	\$15,000,000	01/08/2023	1.50%	3.50%	Oversubscribed

B. Payments during the month:

Issuers made (through the Eastern Caribbean Securities Exchange) 35 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 continues to host 14 issuers of securities.

i. There were trades from ten (10) equity issuers in the market during the month of April.

Table 2: Issuers with Trading Activity During the Month

SYMBOL	TRADE VOLUME	HIGH PRICE	LOW PRICE	CLOSING PRICE	CHANGE IN CLOSING PRICE (COMPARED TO MARCH, 2023)
BON	3,390	\$3.75	\$3.75	\$3.75	\$0.24
BOSV	62	\$9.00	\$9.00	\$9.00	\$0.00
ECFH	500	\$3.50	\$3.50	\$3.50	\$0.13
GCBL	223	\$9.51	\$9.51	\$9.51	\$0.26
GESL	1,138	\$11.00	\$10.50	\$10.60	\$0.10
RBGL	20	\$45.00	\$45.00	\$45.00	\$0.00
SKNB	4,160	\$2.80	\$2.80	\$2.80	\$0.00
SLES	300	\$20.00	\$20.00	\$20.00	\$0.06
SLH	1,400	\$2.00	\$2.00	\$2.00	\$0.00
TDC	1,950	\$1.30	\$1.25	\$1.25	\$0.20

Table 3: Closing Prices of Equities as at April 30, 2023

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.	\$ 3.83
DES	Dominica Electricity Services Ltd.	\$ 3.50
ECFH	Eastern Caribbean Financial Holdings Company Ltd.	\$ 3.50
GCBL	Grenada Co-operative Bank Limited	\$ 9.51
GESL	Grenada Electricity Services Ltd.	\$ 10.60
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 a financial year-end in April.

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. Three companies made dividend payments to its shareholders in the month of April:
 - (a) The Board of Directors of Grenada Electricity Services Limited (GRENLEC) declared a dividend for the 1st Quarter ending 31st March 2023 of 10 cents per share. The payment was made on April 3, 2023.
 - (b) The Eastern Caribbean Central Securities Depository Ltd (ECCSD), on behalf of Antigua Commercial Bank Limited (ACBL), processed a dividend payment to ACB Grenada Bank's shareholders. A payment of \$0.70 per share was made on April 13, 2023.
 - (c) The Eastern Caribbean Central Securities Depository Ltd (ECCSD), on behalf of ACB Grenada Bank Ltd (ACBG), processed a dividend payment to ACB Grenada Bank's shareholders. A payment of \$0.075 per share was made on April 21, 2023

ISSUER HIGHLIGHTS

1. DEBT ISSUERS

a. IMF Predicts Growth for Dominican Economy Above 4.5 per cent

The International Monetary Fund (IMF) says the Dominican economy "is expanding strongly" but faces headwinds from global inflationary shocks.

Joana Pereira, who led an IMF delegation to the island on a two-week Article IV consultation stated that global commodity price pressures aggravated by Russia's war in Ukraine, notably oil and food, in tandem with high shipping costs, pushed inflation up to an estimated 7.5 per cent in 2022, despite mitigating price policies including fuel subsidies, custom fees waivers, and value-added tax (VAT) cuts for electricity.

Pereira said the economic outlook is positive, predicated on a full recovery in tourism in the near term, implementation of public investment plans, and prudent fiscal management. She said growth is expected to stay above 4.5 per cent in 2023 to 2024, as tourism returns to pre-COVID levels, and the construction of the new international airport and geothermal power plant takes hold.

Dominica: Staff Concluding Statement of the 2023 Article IV Mission

b. Government of Saint Lucia to Provide More Post COVID-19 Relief to Vulnerable Groups

The Government of Saint Lucia is set to provide additional support to vulnerable individuals and groups who the Covid-19 pandemic has negatively impacted.

The assistance will be part of a comprehensive relief package that will be overseen and rolled out by the Ministry of Equity, Social Justice, and Empowerment.

The latest relief is coming through assistance from the Caribbean Development Bank (CDB), via a loan of US\$5.5M from the Special Funds Resources, allocated from funds provided by the Inter-American Development Bank (IDB), under the Global Loan Programme to build health, social and economic resilience in the member countries of the OECS.

The Loan will assist the Government of Saint Lucia in financing another Income Support Programme for persons within the informal sector, who are not part of existing cash transfer programmes and who are still unemployed due to the pandemic.

Additionally, the Ministry of Equity, as the implementing agency, will provide a suite of benefits to other vulnerable groups, including Children with Disabilities, Persons living with HIV, Foster Carers, the Homeless and Indigent and Special Education Centers.

The comprehensive additional post Covid-19 relief package of assistance for vulnerable groups was launched April 13, 2023.

c. Taiwan Investing USD \$3 million Towards Tertiary Education in St. Vincent & the Grenadines

The Government of the Republic of China on Taiwan is investing US 10 million dollars per year for the next three (3) years in tertiary education and training for Vincentians.

This came into being, when the Government of St Vincent and the Grenadines and the Government of the Republic of China on Taiwan signed a Memorandum of Understanding (MOU) in Education April 5.

The MOU also includes ten (10) more Ministry of Foreign Affairs Scholarships per year for the next (3) three years. Speaking at the signing ceremony, Ambassador of the Republic of China on Taiwan, His Excellency Peter Sha Li- Lan said Taiwan is an example of how investing in education and building the human resources of a country can development and total transformation.

2. EQUITY ISSUERS

Table 4: Financial Statistics of Equity Issuers for the 2022 Financial Year.

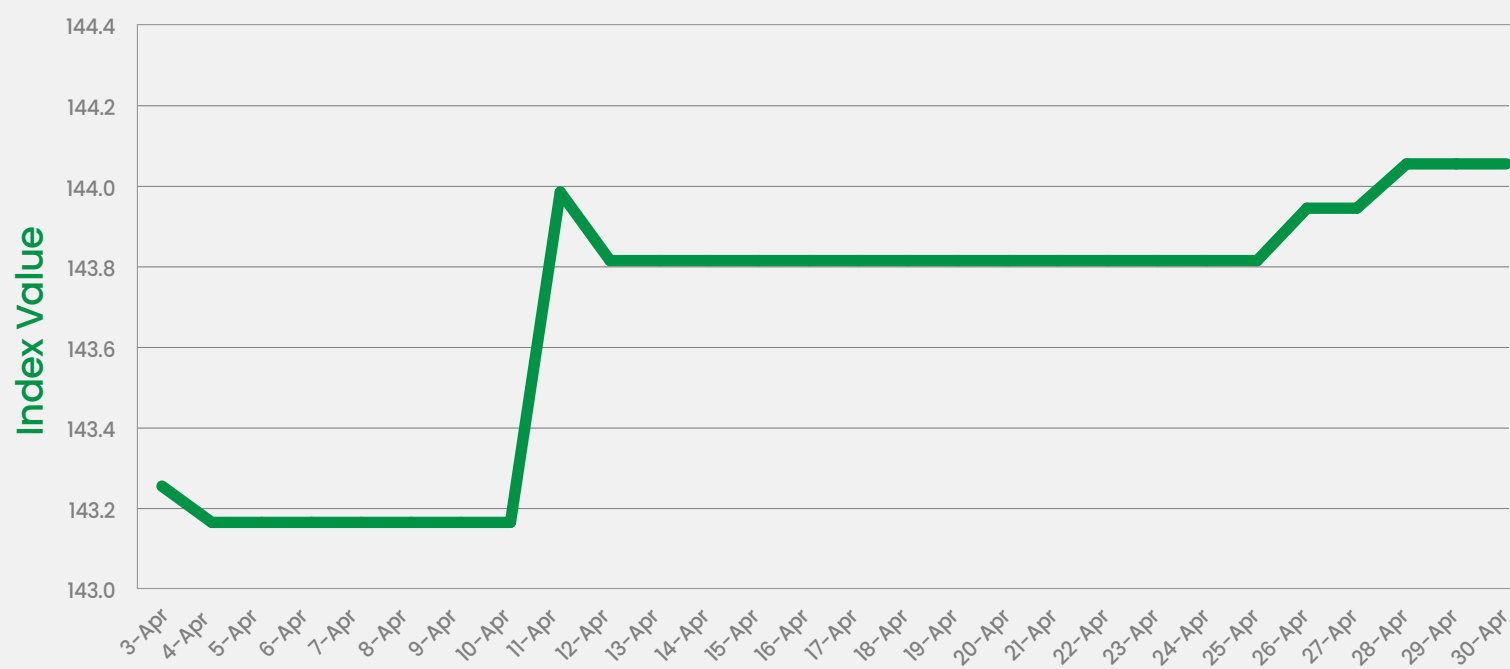
COMPANY SYMBOL	NET INCOME (LOSS) ('000)	SHARE-HOLDERS EQUITY ('000)	NO. OF SHARES OUT-STANDING ('000)	CLOSING MARKET PRICE	BOOK VALUE PER SHARE	EARNINGS (LOSS) PER SHARE	DIVIDEND PER SHARE	PRICE EARNINGS RATIO	DIVIDEND YIELD
GCBL	\$2,106	\$99,159	7,596	\$8.88	\$13.05	\$0.28	\$0.00	32.03	0.00%
RBGL	\$10,391	\$230,729	3,774	\$45.00	\$61.14	\$2.75	\$0.30	16.34	0.67%
SKNB	\$(296,213)	\$475,194	141,750	\$2.80	\$3.35	\$(2.14)	\$0.00	(1.31)	0.00%
TDC	\$4,427	\$193,860	52,000	\$1.30	\$3.73	\$0.09	\$0.05	15.27	3.85%

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 April 03, 2023 – April 30, 2023

The ECSE Share Index, which stood at 143.23 at the end of March, increased by 0.80 points or 0.55% to close the month at 144.03.

The increase in the ECSE Share Index was mainly attributed to the trading of St. Kitts Nevis Anguilla Trading & Development Company (TDC) shares on April 11, 2023. 500 TDC Ltd shares traded at \$1.30 per share, rising \$0.25 or 23.8% from its last traded price. This led to 0.82 points or 0.57% increase in the ECSE Share Index.

UPCOMING OFFERS:

Table 5: Upcoming Offers

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	MAX RATE
04/05/2023	VCB040823	Government of St. Vincent & the Grenadines	91-Day Treasury Bill	\$28,000,000	08/04/2023	3.50%
05/05/2023	LCB070823	Government of St. Lucia	91-Day Treasury Bill	\$11,000,000 (\$5M Oversubscription)	08/07/2023	3.50%
12/05/2023	AGB140524	Government of Antigua & Barbuda	365-Day Treasury Bill	\$15,000,000 (\$5M Oversubscription)	14/05/2024	4.50%
16/05/2023	LCB160823	Government of St. Lucia	91-Day Treasury Bill	\$11,000,000 (\$5M Oversubscription)	16/08/2023	3.50%
05/06/2023	VCB050923	Government of St. Vincent & the Grenadines	91-Day Treasury Bill	\$28,000,000	05/09/2023	3.50%
09/06/2023	AGB091223	Government of Antigua & Barbuda	180-Day Treasury Bill	\$10,000,000 (\$5M Oversubscription)	09/12/2023	4.00%
09/06/2023	AGB110624	Government of Antigua & Barbuda	365-Day Treasury Bill	\$5,000,000 (\$5M Oversubscription)	11/06/2024	4.50%
28/06/2023	LCB261223	Government of St. Lucia	180-Day Treasury Bill	\$15,000,000 (\$10M Oversubscription)	26/12/2023	4.00%
28/06/2023	VCB280923	Government of St. Vincent & the Grenadines	91-Day Treasury Bill	\$28,000,000	05/28/2023	3.50%
04/07/2023	DMB041023	Government of the Commonwealth of Dominica	91-Day Treasury Bill	\$20,000,000	04/10/2023	3.50%
19/07/2023	LCB160124	Government of Saint Lucia	180-Day Treasury Bill	\$15,000,000 (\$10M Oversubscription)	16/01/2024	4.00%
21/07/2023	AGB200124	Government of Antigua & Barbuda	180-Day Treasury Bill	\$15,000,000 (\$10M Oversubscription)	20/01/2024	4.00%
24/07/2023	LCN250725	Government of Saint Lucia	2-Year Treasury Note	\$10,000,000	25/07/2025	4.50%

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

INVESTMENT EDUCATION CORNER:

THE RELATIONSHIP BETWEEN YIELD AND BOND PRICES

Bonds are an important part of the financial market and act as a crucial source of capital for corporates and the government. When it comes to trading in fixed-income securities, it is important to understand the concept of bond yield.

Definition:

A bond is a debt instrument that provides investors with a steady income stream via interest payments and repays the principal amount on a pre-defined maturity date.

Terms you should know:

- (a) **Bond Price:** The bond price is the present value of the bond's future cash flow. Bond prices rise or fall according to the supply and demand of the bonds.
- (b) **Coupon Rate:** This is the periodic interest rate paid to the purchasers by the issuers on the bond's face value.
- (c) **Face Value:** Also called par value, it is the price that the bond issuer pays at the time of the bond's maturity.
- (d) **Bond Yield:** This is the expected earnings realized over a specific period. It is represented as a percentage.
- (e) **Yield to Maturity:** This is the total return anticipated on a bond if it is held until its maturity.

Relationship Between the Bond Price and Yield

When the bond price is lower than the face value, the bond yield is higher than the coupon rate. When the bond price is higher than the face value, the bond yield is lower than the coupon rate. So, the bond yield calculation depends on the price of the bond and the coupon rate of the bond. If the bond price falls, the yield rises, and if the bond price rises, the yield falls. Let us understand why this is the case:

- (a) When interest rates fall, it causes a fall in the value of the related investments. However, bonds that have been issued will not be affected in such a way. They will keep paying the same coupon rate as issued from the beginning, which will now be at a higher rate than the prevailing interest rate. This higher coupon rate makes these bonds attractive to investors willing to buy these bonds at a premium.
- (b) Conversely, when interest rates rise, newer bonds will pay investors better interest rates than existing bonds. Here, the older bonds are less attractive and will drop their prices as compensation and sell at a discounted price.

Examples:

Example 1:

There is a 10-year bond with a price of \$5,000 and a coupon amount of \$200. The yield on this bond is calculated as per the formula below:

- $\text{Yield} = \text{interest on bond} / \text{market price of the bond} \times 100$
- So, $\text{yield} = (200/5000) \times 100\% = 4\%$

Suppose the price of the bond increases from \$5,000 to \$5,500 due to strong investor demand. So, the bond now trades at a price of 10% above the issue price. However, the coupon amount remains the same at \$200.

- Now the yield changes to $(200/5500) \times 100\% = 3.64\%$

So, the bond price has gone up, which causes the yield on the bond to decrease.

Example 2:

Now suppose the price on the same bond considered above decreases.

- Initial bond price = \$5,000
- Coupon = \$200
- Bond price falls to \$4,300
- Coupon remains \$200
- Now yield is $(200/4300) \times 100\% = 4.65\%$

Due to the inverse relationship between bond price and bond yield, the yield has now gone up.

THE RELATIONSHIP BETWEEN YIELD AND BOND PRICES

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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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