



THE SCOUT

Wealth Management & Financial Services

MONTHLY INVESTMENT NEWSLETTER MAY 2023

4

—
Issues

\$90M

—
Raised

4

—
Issues
Oversubscribed

5

—
Equity Issuers with
Trading Activity

144.34

—
ECSE
Share Index

ISSUER ACTIVITIES

1. DEBT SECURITIES

a. Securities issued:

1. The Debt Market featured four issues originating from three Governments of the eight ECCU territories, compared to:
 - a. Three issues during the same period in 2022 by three issuers.
 - b. Three issues last month.
2. ECCU Governments raised a total of ECD \$90M.

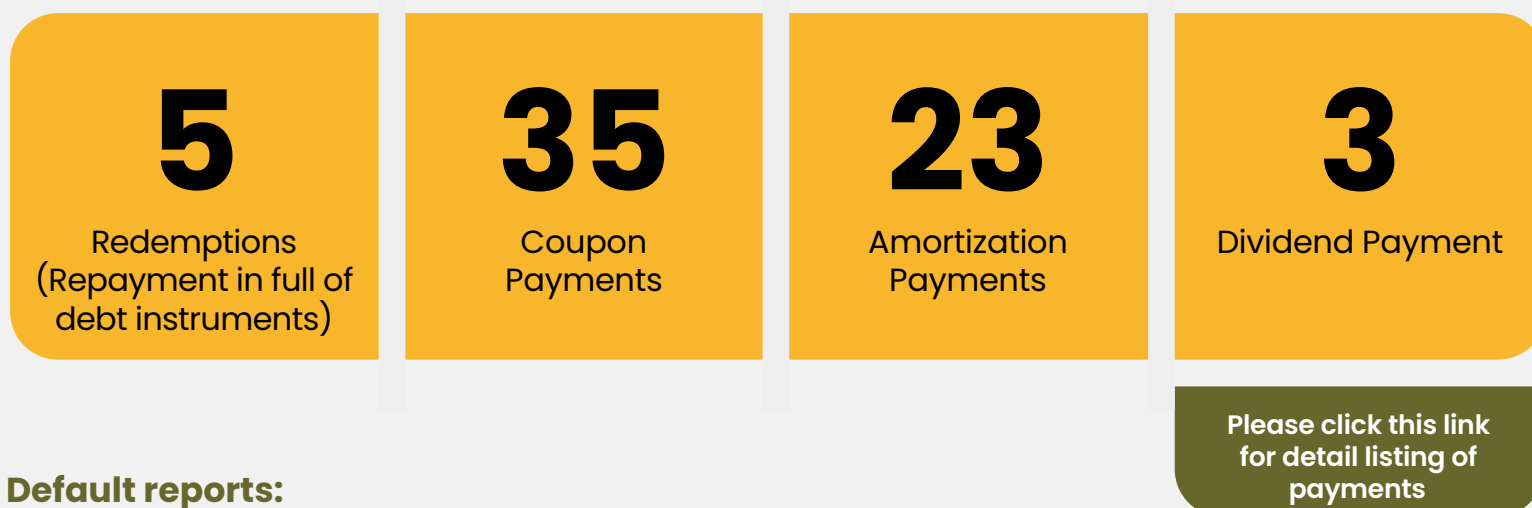
All three issues were oversubscribed with \$32.34M in unsatisfied bids.
3. Three of the four issues closed below the maximum rate offered. The widest margin was a 1.50 percentage point variance between the offered and closing rate.
4. The securities offered were short term instruments, ranging from 91 days to 365 days.

Table 1: Debt Instruments Issued During May 2023

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	CLOSING RATE	MAX RATE	SUBSCRIPTION
04/05/2023	VCB040823	Government of St. Vincent & the Grenadines	91-Day Treasury Bill	\$28,000,000	04/08/2023	2.00%	3.50%	Oversubscribed
05/05/2023	LCB070823A	Government of St. Lucia	91-Day Treasury Bill	\$16,000,000	07/08/2023	2.00%	3.50%	Oversubscribed
12/05/2023	AGB140524	Government of Antigua & Barbuda	365-Day Treasury Bill	\$30,000,000	14/05/2024	4.50%	4.50%	Oversubscribed
16/05/2023	LCB160823	Government of St. Lucia	91-Day Treasury Bill	\$16,000,000	16/08/2023	2.50%	3.50%	Oversubscribed

B. Payments during the month:

Issuers made (through the Eastern Caribbean Securities Exchange) 66 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 five (5) equity issuers in the market during the month of May.

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)
BOSV	150	\$9.00	\$9.00	\$9.00	\$0.00
ECFH	240	\$3.75	\$3.75	\$3.75	\$0.25
GCBL	1,000	\$9.25	\$9.25	\$9.25	\$0.26
GESL	800	\$10.50	\$10.50	\$10.50	\$0.10
TDC	12,050	\$1.40	\$1.00	\$1.30	\$0.05

Table 3: Closing Prices of Equities as at May 31, 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.	\$ 3.75
GCBL	Grenada Co-operative Bank Limited	\$ 9.25
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:

- There were no equity issuers with a financial year-end in May.

c. Material Change Disclosures:

- 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:

- Three companies made dividend payments to its shareholders in the month of May:
 - The Shareholders of St Lucia Electricity Services Limited (LUCELEC) at its meeting held on May 12, 2023, approved a final dividend of \$0.68 per share in respect of the financial year ended December 31, 2022, for shareholders on record as at April 26, 2023. The payment was made on May 24, 2023.
 - The Board of Directors of Republic Bank (Grenada) Limited (RBGL) at its meeting held on April 17, 2023, approved a dividend of \$0.80 per share for shareholders on record as at April 28, 2023. The payment was made on May 15, 2023.
 - The Eastern Caribbean Central Securities Depository Ltd (ECCSD), on behalf of Bank of St. Vincent and the Grenadines (BOSV), processed a dividend payment to Bank of St. Vincent and the Grenadines' shareholders. A payment of \$0.10 per share was made on May 5, 2023.

ISSUER HIGHLIGHTS

1. DEBT ISSUERS

a. IMF Executive Board Concludes 2022 Article IV Consultation with Antigua and Barbuda

On November 30, 2022, the Executive Board of the International Monetary Fund (IMF) concluded the Article IV consultation with Antigua and Barbuda and endorsed the staff appraisal without a meeting on a lapse-of-time basis.

Antigua and Barbuda's economy is on a gradual recovery path, following a sharp contraction in real output of 20 percent in 2020 due to the COVID-19 pandemic. The growth experienced in 2021 and 2022 is expected to carry into 2023, with real GDP projected to expand by 5½ percent, supported by strong tourist arrivals, foreign direct investment in the hospitality sector, and public sector projects.

b. IMF Concluding Statement of the 2023 Article IV Mission

Real GDP is estimated to have expanded by 6.4 percent in 2022. Tourism activity has rebounded strongly, with stay-over tourist arrivals reaching 80 percent of their pre-crisis levels, and private and public construction projects also contributed to the growth. There was a sharp fall in agricultural production, however, largely due to adverse weather.

Inflation rose modestly to 2.6 percent on average in 2022 despite the surge in global food and energy prices, as the authorities' policy response, such as the temporary removal of the petrol tax and of the VAT on basic food items, helped dampen the inflation pressure from higher global prices.

The fiscal balance excluding interest payments is estimated to have maintained a surplus of 2.6 percent of GDP, while central government and government guaranteed debt declined to 64.6 percent of GDP in 2022.

The real economy is projected to continue expanding in 2023, but at a slower pace of 3.9 percent as the tourism recovery matures and public investment scales back from a very high level.

c. Third Trade Union Signs Agreement for Salary Increases in Grenada

A collective agreement for increases in salaries and wages has been signed between the Government of Grenada and the Grenada Manual, Maritime and Intellectual Workers' Union (GMMIWU).

The GMMIWU bargained and accepted the Government's proposal for increases of 4 per cent for the year 2024 and 5 per cent for the year 2025, having previously signed in 2020 to receive a 4 per cent increase for the year 2023.

The Government says this agreement marks the third successful negotiation in recent weeks between the Government and bargaining units that represent various categories of workers within the Public Sector, including the Grenada Union of Teachers and the Royal Grenada Police Force Negotiating Team.

The GMMIWU is the 4th largest bargaining agent within the Public Sector, representing workers at the Mt Reuil Estate, Laura Estate and unestablished cooks attached to the School Feeding Programme.

Negotiations on fringe benefits with this and other public sector unions and staff associations are currently underway.

2. EQUITY ISSUERS

a. CIBC FCIB advances sale of Grenada assets to Grenada Co-operative Bank

First Caribbean International Bank Limited (“First Caribbean”) and Grenada Co-operative Bank Limited have announced that the sale of First Caribbean’s business to Grenada Co-operative Bank Limited has received approval from the Eastern Caribbean Central Bank.

The process of transferring First Caribbean’s clients to Grenada Co-Operative Bank Limited is expected to be completed by July 14, 2023.

CIBC First Caribbean announced the proposed divestiture of its business in St Vincent, Grenada, St Kitts & Nevis, and Dominica in October of 2021. CIBC First Caribbean successfully transferred its St Vincent clients to Bank of St Vincent & Grenadines last month.

The two banks will shortly begin communicating to clients about the plans and dates for the withdrawal of services from CIBC First Caribbean and the transfer of client information to GCBL, as part of the transition process.

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
BOSV	\$2,297	141,075	14,999	\$9.00	\$9.41	\$0.19	\$0.10	46.44	1.11%
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%
SLES	\$39,601	396,327	22,920	\$20.00	\$17.29	\$1.73	\$0.45 (Interim)	11.58	2.25%
TDC	\$4,427	\$193,860	52,000	\$1.30	\$3.73	\$0.09	\$0.05	15.27	3.85%

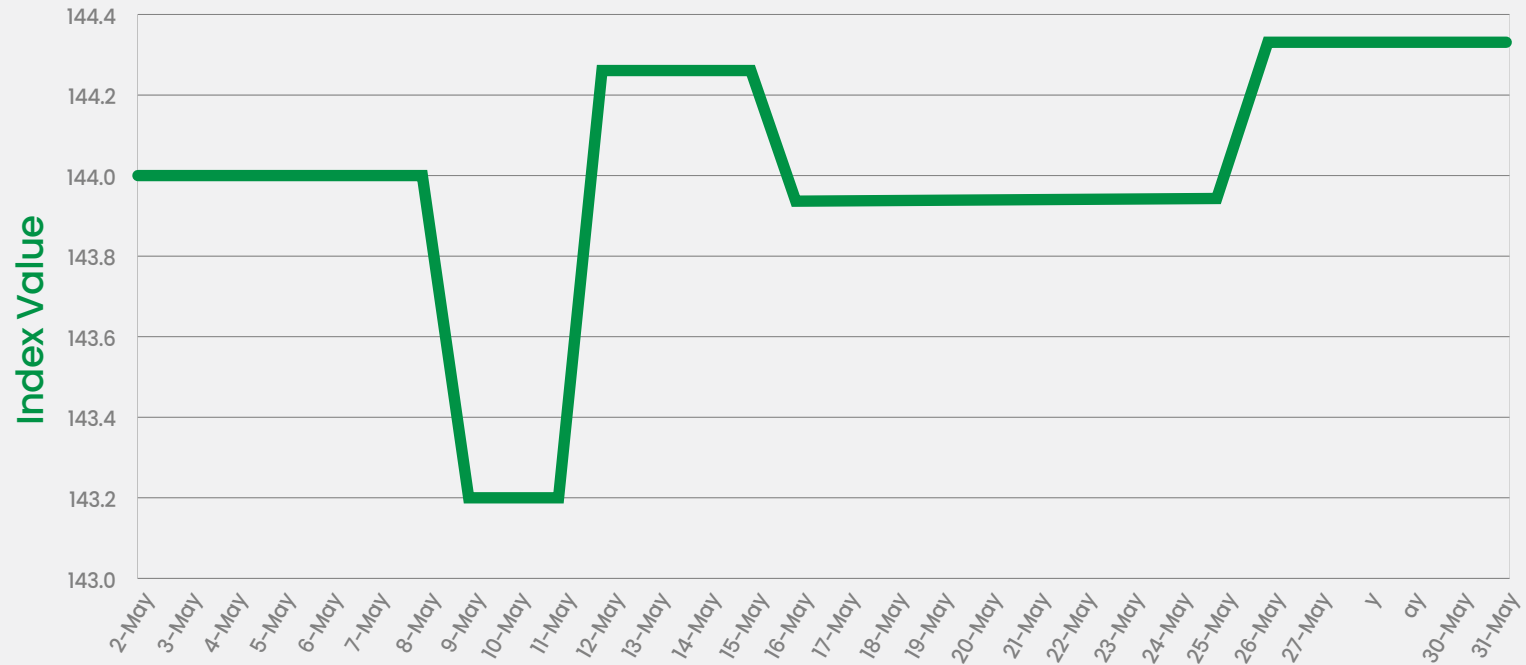
Please be reminded that a company’s past performance does not signal future behavior.

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

EASTERN CARIBBEAN SECURITIES MARKET REVIEW

b. ECSE Share Price Index

Graph 1: ECSE Share Price Index May 02, 2023 – May 31, 2023



The ECSE Share Index, which stood at 144.03 at the end of April, increased by 0.31 points or 0.22% to close the month at 144.34.

The sharp decline in the ECSE Share Index on May 09, 2023 was mainly attributed to the trading of 10,000 St. Kitts Nevis Anguilla Trading & Development Company (TDC) shares. The trade was executed at \$1.00 per share – a 20% decrease from its previous trading price.

UPCOMING OFFERS:

Table 5: Upcoming Offers

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	MAX RATE
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 Saint 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 (\$5M 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%
02/08/2023	GDB021123	Government of Grenada	91-Day Treasury Bill	\$15,000,000	02/11/2023	3.50%
08/08/2023	GDB080824	Government of Grenada	365-Day Treasury Bill	\$25,000,000	08/08/2024	5.00%
09/08/2023	LCB060224	Government of Saint Lucia	180-Day Treasury Bill	\$20,000,000 (\$10M Oversubscription)	06/02/2024	4.00%
09/08/2023	VCB091123	Government of St. Vincent & the Grenadines	91-Day Treasury Bill	\$28,000,000	09/11/2023	3.50%
10/08/2023	LCB101123	Government of Saint Lucia	91-Day Treasury Bill	\$11,000,000 (\$5M Oversubscription)	10/11/2023	3.50%
17/08/2023	LCB171123	Government of Saint Lucia	91-Day Treasury Bill	\$11,000,000 (\$5M Oversubscription)	08/11/2023	3.50%
31/08/2023	AGB310824	Government of Antigua & Barbuda	365-Day Treasury Bill	\$20,000,000	31/08/2024	4.50%

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

INVESTMENT EDUCATION CORNER:

BASIC EARNINGS PER SHARE VS. DILUTED EARNINGS PER SHARE

Basic earnings per share (EPS) and diluted EPS are used to measure the profitability of a company. Basic EPS is calculated, taking into account the outstanding equity shares of the company. Diluted EPS includes convertible shares such as employee stock options, warrants, debt in its calculation. For an investor, basic EPS vs diluted EPS becomes an important debate as both are essential for the fundamental analysis of a company.

Example of Basic & Diluted EPS

Company ABC has the following financial data:

NET INCOME	PREFERRED DIVIDENDS	OUTSTANDING SHARES	EMPLOYEE STOCK OPTIONS	CONVERTIBLE BONDS
\$11 Million	\$1 Million	20 million	5 million shares	15 million shares

Basic EPS:

Basic EPS can be calculated with the given formula:

Basic EPS = (Net income – Preferred dividends) / Outstanding common shares

Basic EPS = (\$11 million – \$1 million) / 20 million shares outstanding

Therefore, company ABC's Basic EPS is \$0.50 per share.

This formula, however, poses a problem. Basic EPS considers only outstanding shares. A company may have other potential sources of dilution of equity. For instance, a company may have issued warrants which, when exercised, will lead to dilution of equity. Alternatively, the company may have issued convertible debentures which if converted, could also increase the number of outstanding shares. All such potential sources of equity dilution are considered while calculating diluted EPS. Thus, diluted EPS gives a clear picture of a company's actual earnings per share.

Diluted EPS:

Diluted EPS can be calculated with the given formula:

Diluted EPS = (Net Income – preferred dividends) / (weighted average shares outstanding + conversion of dilutive securities)

Diluted EPS = (\$11 Million – \$1 Million) / (20 million Shares Outstanding + 20 million Dilutive Shares)

Therefore, company ABC's Basic EPS is \$0.25 per share.

Earnings Per Shares (EPS) is important in calculating the Price to earnings ratio (P/E ratio), which is used for the valuation of the company. Hence, the precise calculation of EPS is important.

For fundamental analysis, diluted EPS is more effective as it includes the impact of all potential equity diluters. This ensures the company's EPS is in line with future expansion. Hence, this is more important for the P/E calculation.

Basic EPS serves the purpose on most occasions except when there is significant dilution in a company. Then diluted EPS makes more sense.

Ascertaining both basic EPS and diluted EPS helps to see the financial health of the company more accurately. It is always better to compute both if the company's capital structure is complex.

What Is Diluted EPS?

Basic EPS vs diluted EPS

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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