



# STOCK MARKET REPORT

## APRIL 2020

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## 1.0 SPX Market Summary

### 1.1 Overall Market Sentiments due to COVID-19

- ✘ The COVID-19 pandemic has taken a toll on the global economy and has profoundly impacted all types of businesses. This global health emergency has disturbed the political, social, economic, religious and financial structures of the whole world. With temporary cessation of some businesses and activities slowing down for many, predictions are that the consequences of this pandemic are even worse for the global economy than the ones following the Global Financial Crisis in 2007-2008.
- ✘ Fiji, similar to global economies is now in an unprecedented situation and after following almost a decade of positive economic growth, is headed for an economic decline. In terms of impact on the stock market and considering the investor sentiments, it is apparent that investors have begun discussing the impact of COVID-19 on their financial well-being, re-aligning their investment and consumption priorities.
- ✘ As an advisory, essentially, this is an opportunity for investors to review their spending habits as well as savings rate. If the current economic upheaval has financially impacted you then there is certainly a need to have a relook at your spending and move towards smarter and less impulsive purchases as this will help you cushion the amount you save. In order to ensure you are generating wealth for your future financial goals and your savings do not remain idle, the share market does present you with an opportunity as investing in shares of listed entities for the long-term provides a good possibility for returns greater than other investments, if one is comfortable taking some market risk.
- ✘ With the question still remaining unanswered on how long these disruptions would last and how severe would the impact of this global pandemic be, the SPX on weekly basis releases a detailed market alert report for the benefit of our stakeholders. This report provides a reflection on the performance of key stock market statistics over the recent week.
- ✘ As for the SPX listed entities, considering the unprecedented impact arising out of COVID-19 and the subsequent challenges being experienced by the capital market participants, SPX has recently announced the COVID-19 regulatory relief for the listed entities. This regulatory relief eases the burden on listed entities in fulfilling their ongoing listing requirements with additional time allowed to publish their audited financial and annual reports. The SPX anticipates to publish a detailed article on the implications COVID-19 has had on the business operations of the listed entities in the next few days as well.

### 1.2 April 2020 Market Highlights

- ✘ As a result of the COVID-19 pandemic and largely due the lockdown of the Suva area, market activities during the month of April slowed down. Fijian Holdings Limited (FHL) was the most active stock in terms of number of transactions, volume and value traded. FHL occupied 81.90% of the overall trades with 70.56% of the aggregate volume traded and 56.67% of the aggregate value traded for the month. The contributing factor was due to the partial execution of FHL reinvestment trades during the month of April 2020.
- ✘ Generally, during the month, a total of 221 trades were executed with total volume of 116,140 shares accumulating \$203,493 in value traded. 10 listed securities recorded trading activities with nine listed securities recording share price movements during the month.
- ✘ The table on the following page portrays detailed statistics for April 2020 in comparison to March 2020 trading data together with the year-to-date statistics for the two years.

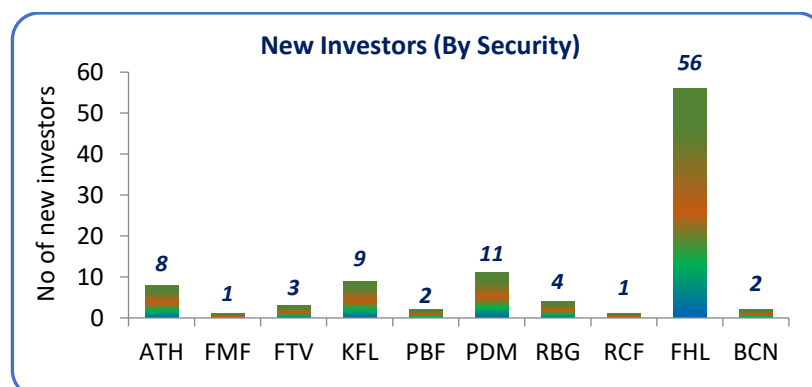
Particulars	Monthly			Year to Date		
	Apr-20	Mar-20	% Change	Apr-20	Apr-19	% Change
Volume traded in securities	116,140	278,850	-58%	1,479,826	4,958,022	-70%
Value traded in securities (\$)	203,493	1,240,175	-84%	5,094,171	8,393,711	-39%
Total number of trades	221	195	13%	993	766	30%
Average new order flow consideration/week (\$)	234,040	1,893,333	-88%	992,651	484,719	105%
SPX Total Return Index (STRI)	8,634.85	9,013.83	-4%	8,634.85	8,179.99	6%
SPX Equal Weighted Total Return Index	10,658.46	10,636.40	0%	10,658.46	8,056.58	32%
Bid to Offer ratio	1:31	1:14	23%	1:31	1:2	47%
Market Capitalisation (F\$ Billion)	3.67	3.84	-4%	3.67	3.50	5%
GDP (F\$ Billion) *	11.95	11.95	0%	11.95	11.56	3%
Volume traded to Issued Shares (%)	0.01%	0.02%	-58%	0.11%	0.37%	-70%
Market Capitalisation to GDP (%)	30.7%	32.1%	-4%	30.7%	30.3%	1%

\*Source: RBF Quarterly Review December 2019

### 1.3 New Investors

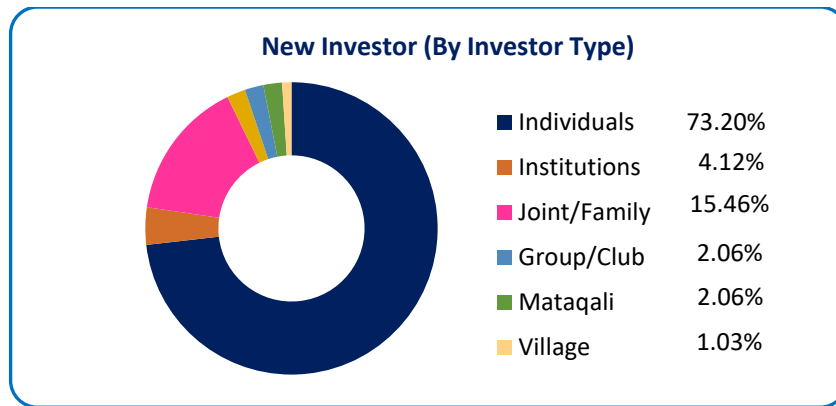
#### ✕ By Month

- The month of March recorded 7 new/first time investors only. The drop in the new investors is contributed to the lockdown in two major areas of Suva and Lautoka resulting in restrictions on movement of people as well as potential investors dedicating the month to focus on other priorities as opposed to investments. On a year-to-date, a total of 97 new/first time investors have now entered the stock market, amongst which majority of these new investors have been recorded for Fijian Holdings Limited (FHL) followed by Port Denarau Marina Limited (PDM). The year-to-date number of new investors recorded per listed entity is demonstrated below:



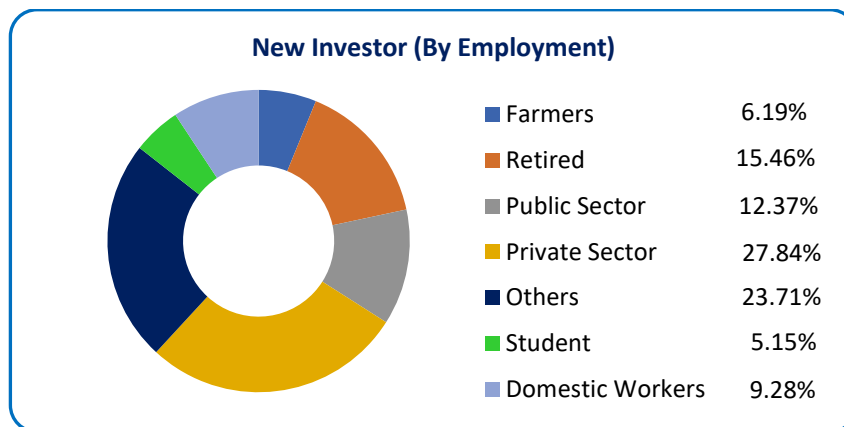
#### ✕ By Investor Type

- On a year-to-date basis, individual investors accounted for the major portion of investors by investor type followed by the Joint/Family investors. The above is portrayed on the following page for information.



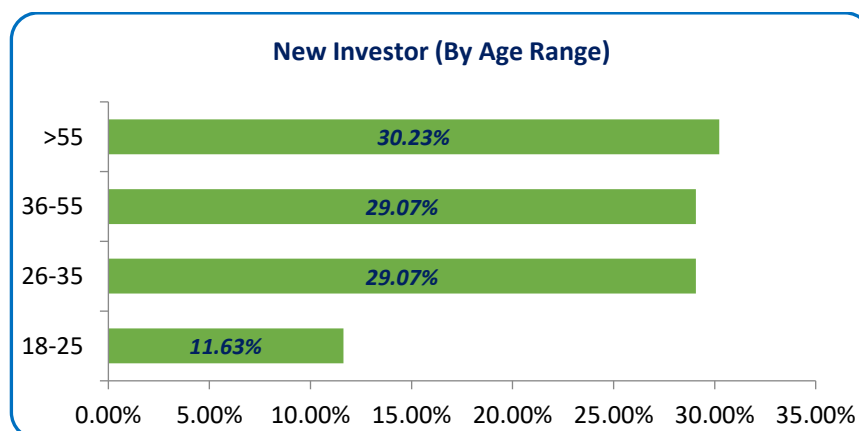
#### ✕ By Employment

- Collectively, on year-to-date basis the new investors by type of employment indicated that majority of the new investors entering the stock market are those employed in the private sector. Others<sup>1</sup> is ranked second which is then followed by retirees. This is portrayed below for information:



#### ✕ By Age Range

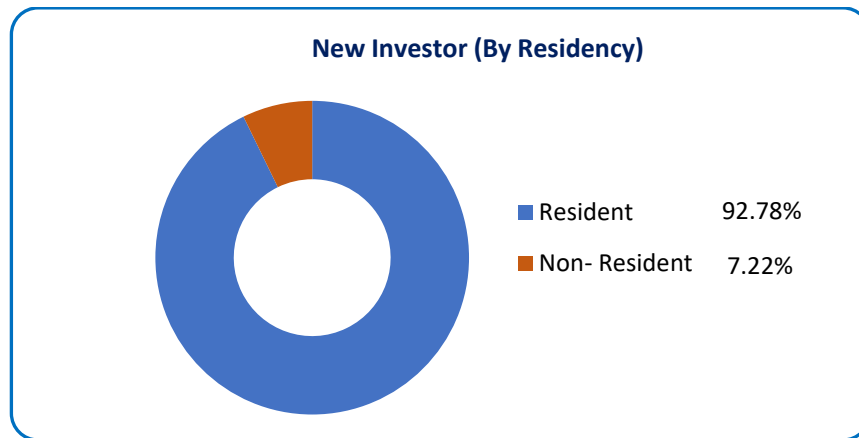
- In regards to age groupings of new investors, it was apparent that majority of new investors who entered the market were above the age range of 55 years while investors between the ages of 36 years to 55 years and 26 year to 35 years ranked second. A detailed illustration of the new investors by age range on a year-to-date basis is shown below:



<sup>1</sup> Others include Self-Employed, Institutions, Village, Mataqali, Group/Club and Trusts new investors.

### ✕ By Residency

- Overall, on a year-to-date basis, it can be noted that majority of the new investors entering the stock market are resident investors followed by non-resident investors. The resident investor consists of new investors from the Central/Eastern division with 72.16% occupancy, Western division with 18.56% occupancy and Northern division with 2.06% occupancy respectively. The year-to-date investor trend by residency is illustrated below for information:

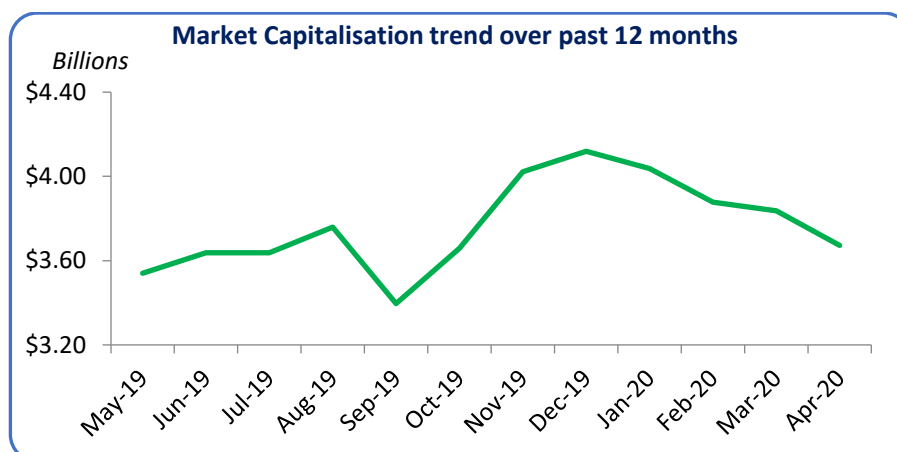


## 2.0 Key Stock Market Indicators

### 2.1 Market Capitalisation

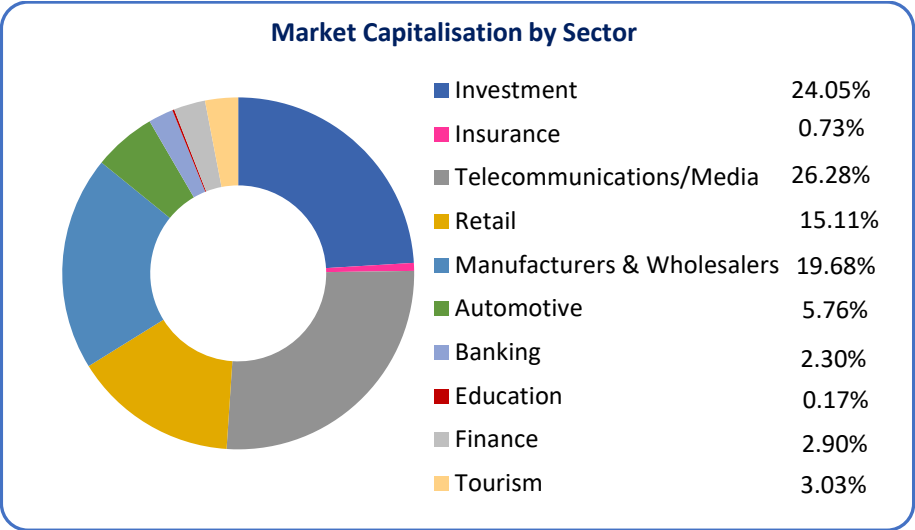
#### ✕ Monthly Growth

- The overall market value for the month of April fell by 4.30% and concluded at a value of \$3,672,047,802 (\$3.67 billion). The decrease in the market value is mainly due to decrease in share prices for entities such as: Amalgamated Telecom Holdings Limited (ATH), Kontiki Finance Limited (KFL) and Port Denarau Marina Limited (PDM).
- Considering the market capitalisation trend over the first four months of 2020, it is apparent that the overall market value has fallen by an average of 2.82%, however, considering the average monthly growth in market value over the past 12 months, a 0.52% growth can be noted. Graph below illustrates the market capitalisation trend over the past 12 months:



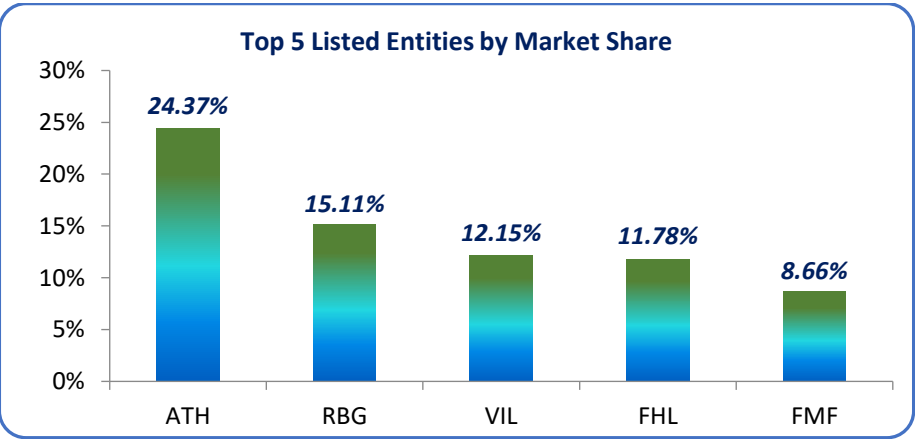
#### ✕ Market Capitalisation by sector

- The market capitalisation by each sector as at April 2020 is illustrated on the following page for information.



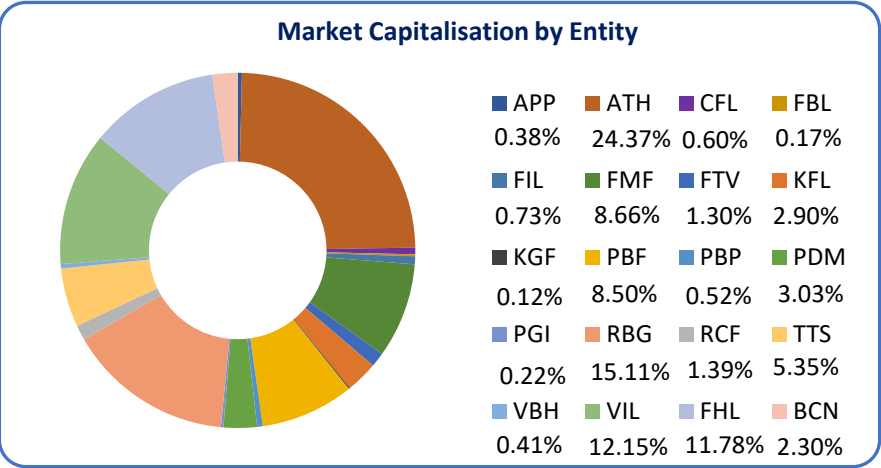
✕ **Top 5 listed entities**

- The top five listed stocks occupied 72.08% of the overall market. This is illustrated below for information:



✕ **Market Capitalisation by Entity**

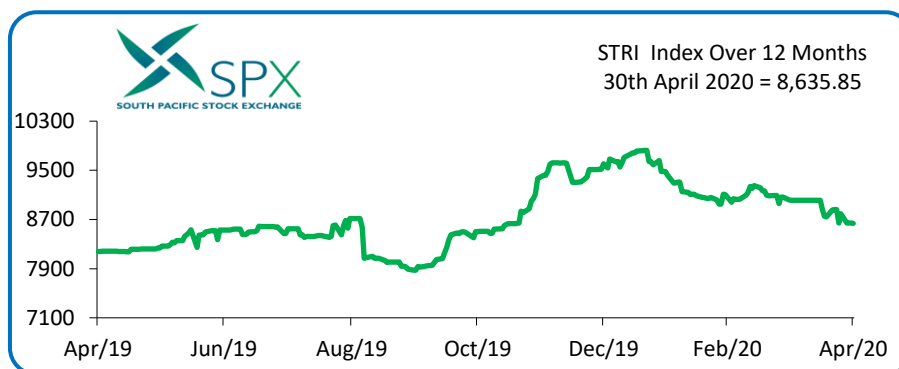
- Details of each listed entity's market capitalisation contribution as at April 2020 is portrayed below for information:



## 2.2 SPX Total Return Index (STRI)

### ✕ Monthly Growth

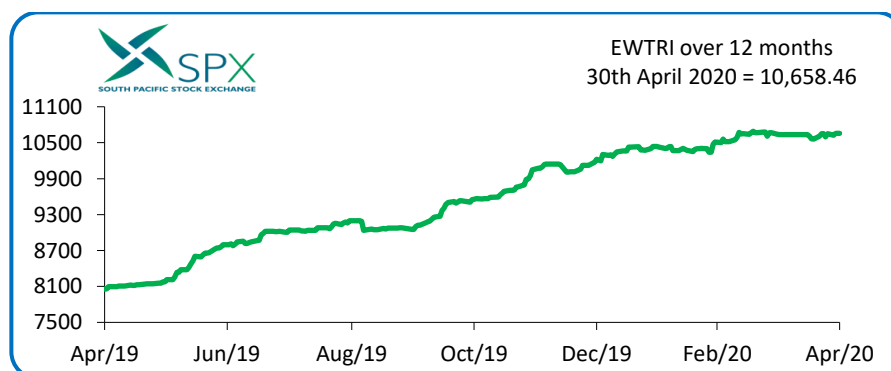
- The SPX Total Return Index fell by 4.20% and concluded the month at a value of 8,635.85. The decrease in the index is consequent to various share price movements (as explained in market capitalisation section above). The graph portraying the STRI movement over the preceding 12 months period is presented below for information:



## 2.3 SPX Equal Weighted Total Return Index (EWTRI)

### ✕ Monthly Growth

- Due to the economic challenges faced by the COVID-19 outbreak, SPX continues to closely monitor the Equal Weighted Total Return Index (EWTRI) and in any circumstance if a **5% movement is recorded within a given trading day**, a temporary trading halt will be implemented for the SPX market.
- During this month, the EWTRI saw an increase of 1.19% and concluded the month at a value of 10,658.46. The graph portraying the EWTRI movement over the preceding 12 months period is presented below for information:

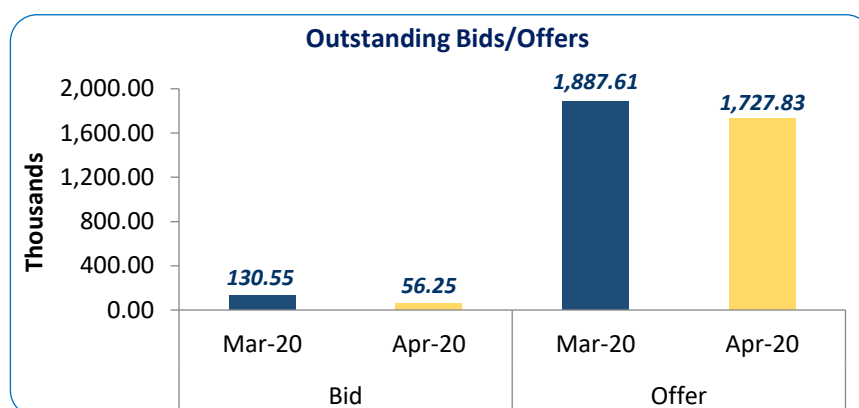


## 2.4 Outstanding Bids/Offers

- During April 2020, the total quantity of shares on bid stood at 56,249 shares, seeing a decrease of 56.91% in comparison to the previous month. The substantial decrease in the total shares on bid is mainly due to the execution of existing buy orders for entities such as; APP, FBL, FIL, RCF and BCN.
- The total shares on offer stood at 1,727,833, recording a decrease of 8.46% in comparison to the previous month. The decrease in total shares on offer is mainly due to the execution of sell orders for FHL against the buy orders recorded as part of the reinvestment process.
- During the month of April, there a was dramatic shift noted in the bid to offer ratio with the ratio concluding the month at 1:31 (as opposed to 1:14 in the previous month). Essentially, the bid to offer

ratio of 1:31 indicates that for every 1 buyer, there are 31 sellers available in the market. The spike in the bid to offer ratio is mainly due to the outflow of existing buy orders (which in certain instances was withdrawn by the potential investor while in some cases successfully executed on the market), however, there was a general absence of inflow of new buy orders to compensate for the buy orders that got withdrawn/traded. A further analysis on the investor behaviour during the 2-week lockdown of the greater Suva area clearly indicates a subdued order flow pattern which contributed to the prevailing statistics. Overall, on a 12-monthly average, the bid to offer ratio stands at 1:13.

- The quantity of bids and offers that remained unexecuted at close of market as at March 2020 and April 2020 by each security and the market as a whole is demonstrated below for information:



## 2.5 Trading Summary

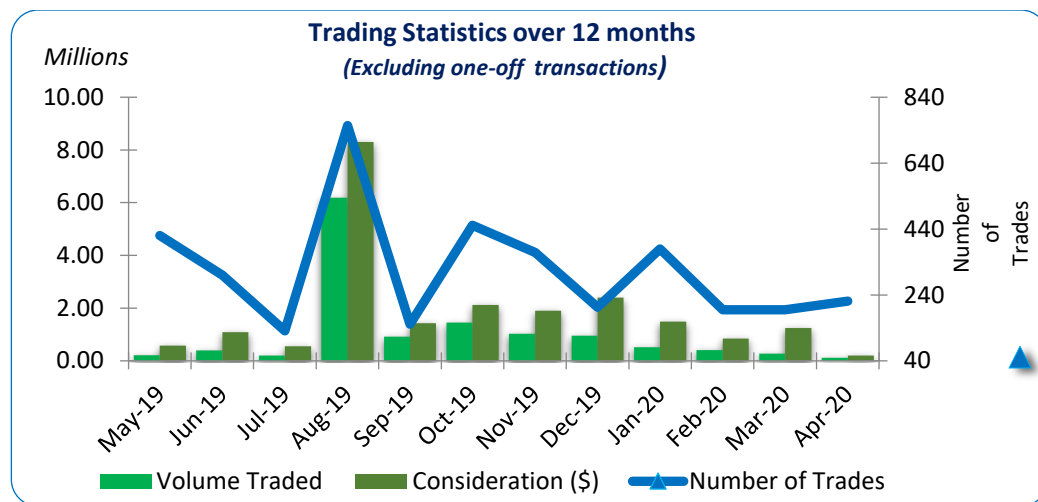
- Throughout the month of April, 9 out of 20 of the listed entities recorded share price movements amongst which, 6 listed entities recorded positive share price movements while 3 listed entities noted downward movements. The trading summary per security for the month of April 2020 is tabulated below for information:

Security	Apr-20	Mar-20	% Change	12-Month Low	12-Month High	No. of Trades	Volume Traded	Value Traded (\$)
APP	1.75	1.75	0.00%	1.55	1.75		NO TRADES	
ATH	2.12	2.58	-17.83%	2.12	3.34	14	19,011	43,226
CFL	6.22	6.22	0.00%	5.50	6.22		NO TRADES	
FBL	3.20	3.20	0.00%	2.60	3.20		NO TRADES	
FIL	3.10	2.65	16.98%	1.55	3.10	5	4,000	11,851
FMF	2.12	2.11	0.47%	1.90	2.19	2	1,670	3,528
FTV	4.65	4.65	0.00%	3.00	5.50		NO TRADES	
KFL	1.16	1.23	-5.69%	0.97	1.30	3	875	1,027
KGF	1.12	1.12	0.00%	1.12	1.12		NO TRADES	
PBF	30.00	30.00	0.00%	13.00	30.00		NO TRADES	
PBP	2.85	2.75	3.64%	2.60	2.85	1	5,000	14,250
PDM	2.78	2.79	-0.36%	1.31	2.80	1	60	167
PGI	1.08	1.08	0.00%	1.08	1.08		NO TRADES	
RBG	3.70	3.69	0.27%	1.35	3.70	11	3,296	11,897
RCF	8.51	8.51	0.00%	6.65	8.51		NO TRADES	
TTS	14.00	14.00	0.00%	7.25	14.00		NO TRADES	
VBH	7.00	7.00	0.00%	6.99	7.40		NO TRADES	
VIL	4.30	4.29	0.23%	4.29	4.95	1	230	989
FHL	1.42	1.33	6.77%	1.12	1.94	181	81,953	115,320
BCN	27.50	27.50	0.00%	18.00	27.50	2	45	1,238
<b>TOTALS</b>						<b>221</b>	<b>116,140</b>	<b>203,493</b>



## 2.6 Trading Pattern

- The trading statistics over the past 12 months is presented below for information. The graphical representation excluding all one-off transactions during this period is illustrated below:



## 3.0 Ratios

### 3.1 Earnings per share (EPS)

- EPS is computed by dividing the (audited) net profit after tax with the outstanding shares for an entity. Relative to the preceding month, the EPS remained unchanged for all the listed entities.

### 3.2 Price Earnings ratio (PE)

- PE ratio is computed by dividing the share price of an entity by its EPS. The fall in share prices for ATH, KFL and PDM has lowered the PE ratio while the growth in share prices for FIL, FMF, PBP, RBG, VIL and FHL has increased the PE ratio.

### 3.3 Current Yield

- The current dividend yield for each listed entity is computed by dividing the total dividend per share (DPS) for the most recent audited financial year with the current share price of the same. The increase in share prices for FIL, FMF, VIL and FHL has resulted in a decrease in the dividend yield while a decrease in share prices for ATH and KFL has resulted in an increased dividend yield. An increase in 12-months rolling DPS has resulted in an increase in dividend yield for PBP.

## 4.0 Listed Entity Market Announcements

- A total of 31 announcements related to the listed entity were received and released by the Exchange during April. Announcements were related to dividend declarations, audited financial statements, annual report, movement of key personnel in the entity, update on the operations of the listed entities and ongoing corporate action plans.
- In order to keep stakeholders updated on the impact of COVID-19, listed entities have also released important market announcements on their operations. [Click here to view the released announcements.](#)



If you have any queries related to this report or wish to obtain further details either about investing and/or listing on SPX, feel free to contact SPX on 3304 130 or email on [info@spx.com.fj](mailto:info@spx.com.fj) for more information.

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