



THE SCOUT

Wealth Management & Financial Services

MONTHLY INVESTMENT NEWSLETTER APRIL 2022

4

Issues

ECD \$79M

Raised

4

Issues
Oversubscribed

5

Equity Issuers
with Trading
Activity

\$144.28

ECSE
Share Index

HAPPY MOTHER'S DAY

FROM THE BOARD, MANAGEMENT AND STAFF
OF GRENADA CO-OPERATIVE BANK LIMITED





Issue No: 05/2022 Period: April 2022 Issue Date: May 5, 2022

ISSUER ACTIVITIES

1. Debt Securities

a. Securities issued during the month:

1. The Debt Market featured 4 issues originating from 3 Governments of the 8 ECCU territories, compared to:
 - a. 5 issues during the same period in 2021 by 3 issuers.
 - b. 5 issues last month.
2. ECCU Governments raised a total of ECD \$79M.

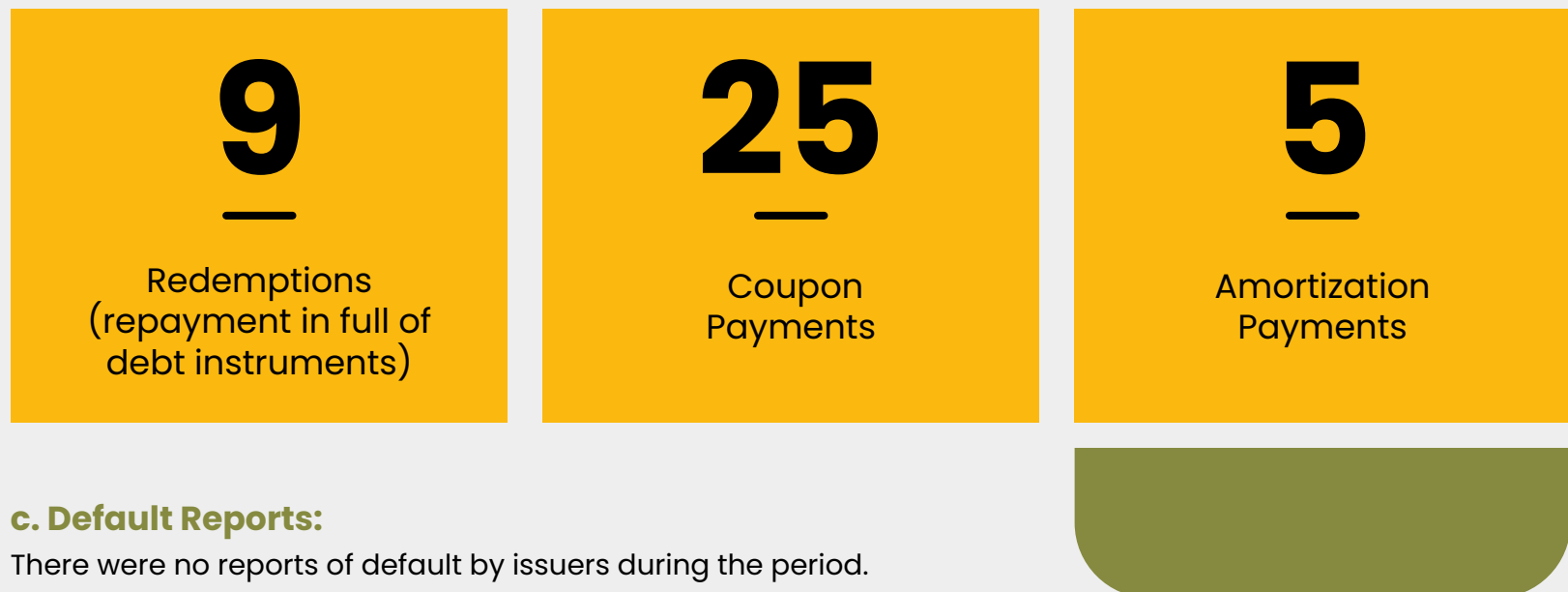
All four of the issues were oversubscribed with \$60.80M in unsatisfied bids.
3. All the issues closed below the maximum rate offered, with a 2-percentage point variance being the widest margin between offered and closing rate.
4. The securities offered were short-term, ranging from 91 days to 180 days.

Table 1: Debt Instruments Issued During April 2022

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	CLOSING RATE	MAX RATE	SUBSCRIPTION
14/04/2022	LCB161022	Government of St. Lucia	180 – Day Treasury Bill	\$20,000,000.00	16/10/2022	2.50%	4.00%	Oversubscribed
19/04/2022	GDB200722	Government of Grenada	91-Day Treasury Bill	\$15,000,000.00	20/07/2022	1.50%	3.50%	Oversubscribed
20/04/2022	VCB210722	Government of St. Vincent and the Grenadines	91-Day Treasury Bill	\$28,000,000.00	21/07/2022	1.50%	3.50%	Oversubscribed
26/04/2022	LCB270722	Government of St. Lucia	91-Day Treasury Bill	\$16,000,000.00	27/07/2022	3.00%	3.50%	Oversubscribed

b. Payments during the month:

Issuers made (through the Eastern Caribbean Securities Exchange) 39 scheduled payments, as per the agreed terms and conditions for 29 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

The Equities Market continues to host 13 issuers of securities.

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 31 ST , 2022)
BOSV	408	\$9.06	\$9.00	\$9.00	-\$0.01 ↓
CWKN	500	\$3.50	\$3.50	\$3.50	-\$0.25 ↓
ECFH	350	\$3.75	\$3.75	\$3.75	\$0.00
GESL	500	\$11.00	\$11.00	\$11.00	\$0.00
TDC	6,930	\$1.30	\$1.00	\$1.30	\$0.00

Table 3: Closing Prices of Equities as at April 30th, 2022

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.	\$3.50
DES	Dominica Electricity Services Ltd	\$ 3.50
ECFH	Eastern Caribbean Financial Holdings Company Ltd.	\$3.75
GCBL	Grenada Co-operative Bank Limited	\$9.51
GESL	Grenada Electricity Services Ltd.	\$11.00
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

- There were no issuers with financial year ends during the period.
- Material Change disclosures are filed by Issuers as changes occur with 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>
- On the 14th of April 2022, the Board of Directors of Republic Bank (Grenada) Limited (RBGL) met and announced a dividend of \$1.10 per share to all shareholders on record as at the close of business on the 6th of May 2022. The dividend will be paid on May 16th, 2022.

ISSUER HIGHLIGHTS

1. Debt Issuers

a. Government of Grenada Will Not Appeal Pension Ruling; Fiscal Impact to be Expected.

High Court Justice Raulston Glasgow issued a major decision against the State of Grenada on March 29th, 2022, claiming that Chap 230A of the Pensions (Disqualifications) Act was unlawful. There has since been significant discussion about whether the Keith Mitchell-led administration should appeal the decision.

Dr. Keith Mitchell, in a speech to the country on March 26th, reassured residents that the government will not appeal the pension verdict. However, the State will need to raise at least \$465 million and then another \$120 million every year for the following 37 years, not considering inflation.

The verdict now establishes a two-pillar pension system, which Dr. Mitchell claims would place a significant economic burden on the state due to its non-contributory nature. The fiscal effect is predicted to be between 2.2 and 7.9% of GDP.

Dr. Mitchell has invited the assistance of a broad-based group led by economist Dr. Spencer Thomas, which will include economist Dr. Kari Grenade, economic policy advisor Dr. Patrick Antoine, and former CCJ president Sir Dennis Bryon, among others. Within three months, the administration intends to have actionable proposals.



Click the link for further details:

★ *Government of Grenada Will Not Appeal Pension Ruling; Expect Fiscal Impact*

b. Venezuela to cancel St. Vincent & The Grenadines' Petrocaribe debt.

According to Prime Minister Dr. Ralph Gonsalves, Venezuela has promised to forgive St. Vincent and the Grenadines' debt accumulated via PetroCaribe, its oil initiative with Latin American and Caribbean Countries.

As a result, Dr. Gonsalves claims that the national debt will be declining by 9 percent.

Caracas, according to Dr. Gonsalves, will also reduce the debt of the other member countries of the Organization of Eastern Caribbean States (OECS) that are members of PetroCaribe. This will now cause a reset to supply fuel at a 35 percent discount to participating countries.

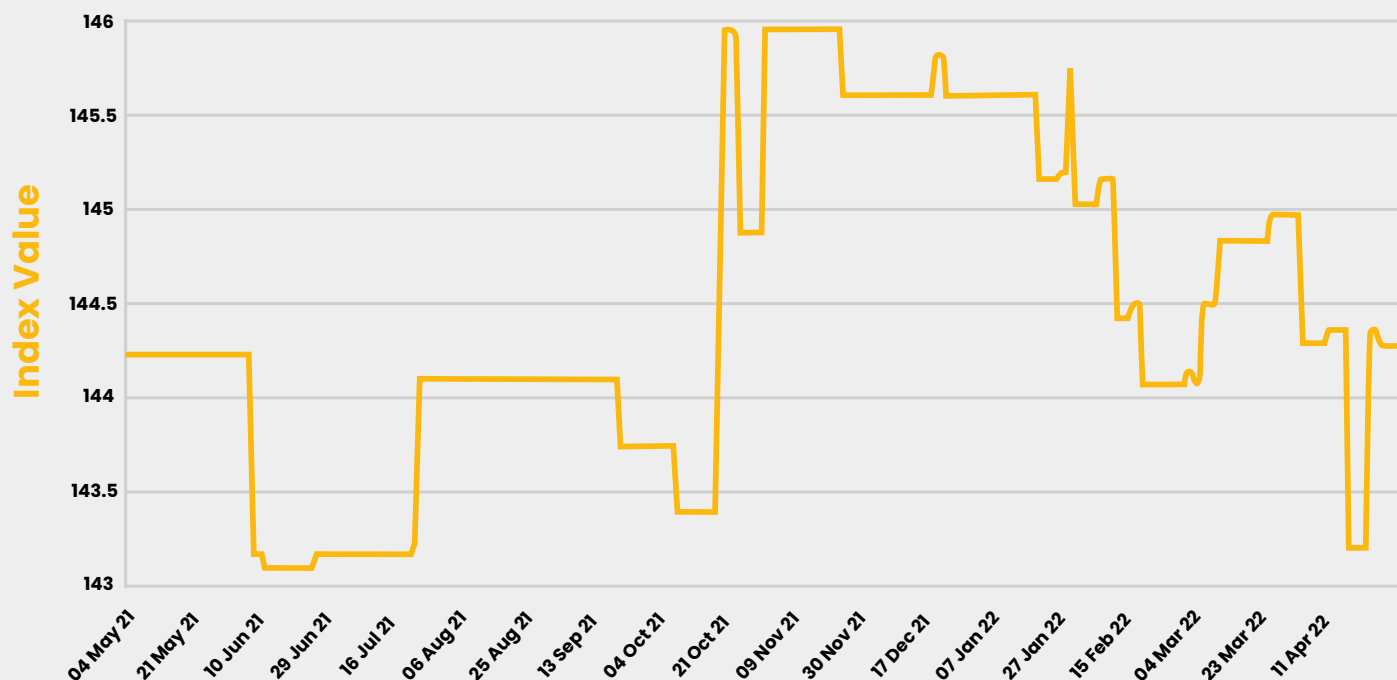
Click the link for further details:

★ *PetroCaribe to cancel St. Vincent's Debt*

EASTERN CARIBBEAN SECURITIES MARKET REVIEW

a. ECSE SHARE PRICE INDEX

Graph 1: ECSE Share Price Index May 4th, 2021, to April 29th, 2022



The Eastern Caribbean Securities Exchange (ECSE) Share Index stood at \$144.28, as at close of market on April 29th 2022. This represents a decrease of \$0.69 or -0.48%, when compared to the value at the end of March 2022.

During the period the Index fluctuated, predominated by a sharp fall of 0.80% or \$1.15 on April 14th driven mainly by the trading of TDC Shares. This decline was the largest and the third lowest Index value over the 1 year period under review. Notwithstanding, the decline was short-lived and the Index rose to its pre-decline position of \$144.35 and then saw a slight decline to its maintained position of \$144.28.

Please refer to Table 2 above for activities contributing to the movement of the Index.

UPCOMING OFFERS:

Table 4: Upcoming Offers for the next 3 months - May to July 2022

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	MAXIMUM RATE
05/05/2022	LCB050822	Government of St. Lucia	91-day Treasury Bill	\$11,000,000	05/08/2022	3.5%
12/05/2022	AGB130523	Government of Antigua & Barbuda	365-day Treasury Bill	\$15,000,000 (+5M oversubscription)	13/05/2023	4.5%
23/05/2022	VCB230822	Government of St. Vincent & the Grenadines	91-day Treasury Bill	\$28,000,000	23/08/2022	3.5%
09/06/2022	AGB100623	Government of Antigua and Barbuda	365-day Treasury Bill	\$5,000,000 (+5M oversubscription)	10/06/2023	4.50%
10/06/2022	AGB111222	Government of Antigua and Barbuda	180-day Treasury Bill	\$10,000,000 (+5M oversubscription)	11/12/2022	4.00%
16/06/2022	VCB160922	Government of St. Vincent and the Grenadines	91-day Treasury Bill	\$28,000,000	16/09/2022	3.50%
22/06/2022	DMB220922	Government of the Commonwealth of Dominica	91-day Treasury Bill	\$20,000,000	22/09/2022	4.00%
28/06/2022	LCB261222	Government of St. Lucia	180-day Treasury Bill	\$15,000,000 (+10M oversubscription)	26/12/2022	4.00%
20/07/2022	LCB170123	Government of St. Lucia	180-day Treasury Bill	\$15,000,000 (+10M oversubscription)	17/01/2023	4.00%
21/07/2022	GDB211022	Government of Grenada	91-day Treasury Bill	\$15,000,000	21/10/2022	3.50%
22/07/2022	AGB210123	Government of Antigua and Barbuda	180-day Treasury Bill	\$15,000,000 (+5M oversubscription)	21/01/2023	4.00%
25/07/2022	VCB251022	Government of St. Vincent and the Grenadines	91-day Treasury Bill	\$28,000,000	25/10/2022	3.50%
28/07/2022	LCB281022	Government of St. Lucia	91-day Treasury Bill	\$11,000,000 (+5M oversubscription)	28/10/2022	3.50%

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

INVESTMENT EDUCATION CORNER:

Dividend Yield

Definition:

Dividend Yield is a financial statistic that compares the annual value of dividends received to a security's market value per share. In other words, the dividend yield formula determines the percentage of a company's market price of a share that is paid out in dividends to shareholders.

Mathematically, the dividend yield is calculated by dividing the annual dividend payments by the share price of the stock. The result is then multiplied by 100 to convert it to a percentage.

$$\text{Dividend Yield} = (\text{Annual Dollar Amount of Dividend Per Share}) / (\text{Share Price}) * 100$$

<https://www.accountingformanagement.org>

Example:

Assume that an investor owns 100 shares of an \$11.00 stock that pays \$0.52 annual dividend per share.

This implies that the dividend yield will be 4.727% ($\$0.52 / \$11.00 * 100$). This investment is worth \$1,100.00 (100 shares * \$11).

With a 4.727% dividend yield, you can expect to get \$52.00 in dividend payments per year.





Grenada Co-operative Bank Limited Wealth Management & Financial Services

APRIL 2022

Dividend yield is important since it indicates how much money you can expect to earn. For example, if you are planning for early retirement, it's a good idea to have a rough estimate of how much money you'll need, and which assets or investments can get you there.

Although dividend yield is a key deciding element in selecting the ideal stock for your investment strategy, caution should be exercised. Strong corporations with a track record of paying high dividend have been known to run into trouble. As a consequence this metric should be used in conjunction with other key performance indicators to glean a fairer representation of the company's performance.

For example, before the Great Recession, General Electric (GE) had a long history of paying dividends, but it was compelled to decrease its payout from 31 cents

to 10 cents in 2009. This was GE's first dividend cutback since 1938. GE's dividend yield was 10.6 percent in 2009, before it was reduced.

Since then, GE's stock price has fallen. It has been forced to spin off operations and lay off employees. The firm was a founding member of the Dow Jones Industrial Average in 1896 and has been a consistent component of the Index since 1907, however it was dropped from the Dow in 2018. In 2019, the corporation reduced its quarterly dividend distribution to one penny. In December 2019, the company's stock price was \$11.08 per share. That means its dividend yield was about 0.3%—much lower than what it was 10 years earlier.

<https://www.thebalance.com>

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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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Co-op Bank
welcome home