



# THE SCOUT

Wealth Management & Financial Services

## MONTHLY INVESTMENT NEWSLETTER MARCH 2024

**2**

Issues

**\$43M**

Raised

**2**

Issues  
Oversubscribed

**6**

Equity Issuers with  
Trading Activity

**144.14**

ECSE  
Share Index



**Issue No: 03/2024 ■ Period: March 2024 ■ Issue Date: April 5, 2024**

## **ISSUER ACTIVITIES:**

### **1. DEBT SECURITIES**

#### **a. Securities Issued:**

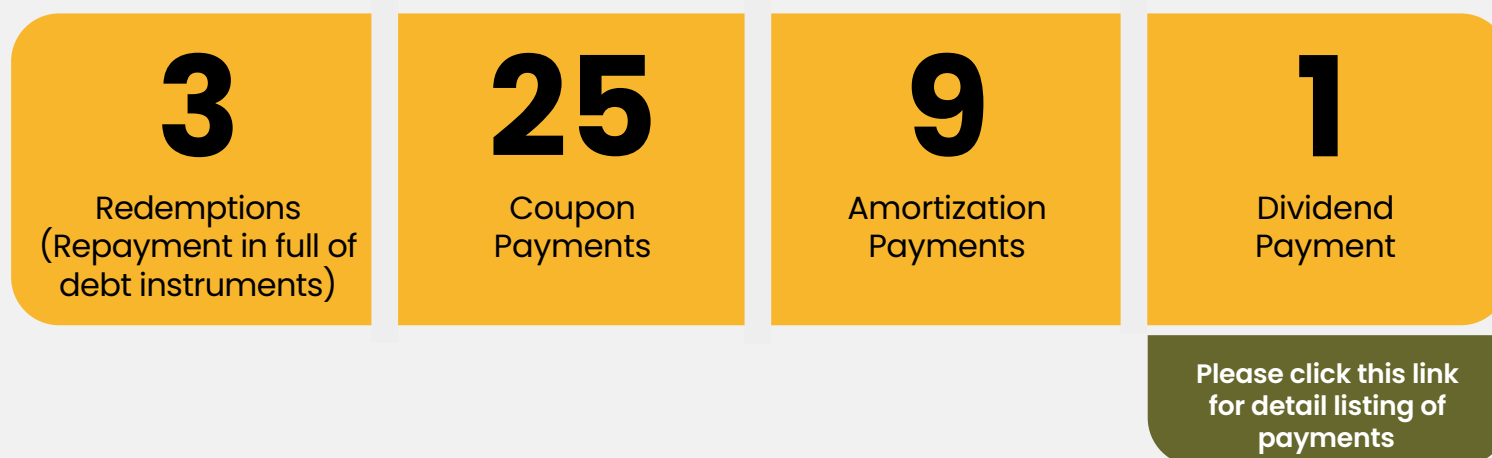
1. The Debt Market featured two issues originating from two governments of the eight ECCU territories, compared to:
  - a. Three issues during the same period in 2023 by three issuers.
  - b. Seven issues last month
2. ECCU Governments raised a total of ECD \$43M.  
  
The two issues were oversubscribed with \$21.53M in unsatisfied bids.
3. Both 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 to medium-term instruments, ranging from 91 days to 365 days.

**Table 1: Debt Instruments Issued During March 2024**

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	CLOSING RATE	MAX RATE	SUBSCRIPTION
13/03/24	VCB130624	Gov't St. Vincent & the Grenadines	91-Day Treasury Bill	\$28,000,000	13/06/24	3.00%	3.50%	Oversubscribed
18/03/24	AGB190325	Gov't Antigua & Barbuda	365-Day Treasury Bill	\$15,000,000	19/03/25	3.00%	4.50%	Oversubscribed

**b. Payments during the month:**

Issuers made (through the Eastern Caribbean Securities Exchange) 38 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 six (6) equity issuers in the market during the month of March.

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

SYMBOL	TRADE VOLUME	HIGH PRICE	LOW PRICE	CLOSING PRICE	CHANGE IN CLOSING PRICE (COMPARED TO FEBRUARY, 2024)
DES	2,000	\$3.88	\$3.00	\$3.75	-\$0.13
ECFH	2,070	\$4.50	\$4.48	\$4.50	+\$0.17
GCBL	875	\$8.50	\$8.50	\$8.50	-\$0.37
GESL	275	\$10.50	\$10.50	\$10.50	\$0.00
SKNB	2,545	\$2.80	\$2.80	\$2.80	\$0.00
SLH	6,000	\$1.95	\$1.95	\$1.95	\$0.00

**Table 3: Closing Prices of Equities as at March 31<sup>st</sup>, 2024**

SYMBOL	DESCRIPTION	CLOSING PRICE	
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.	\$	3.50
DES	Dominica Electricity Services Ltd.	\$	3.75
ECFH	Eastern Caribbean Financial Holdings Company Ltd.	\$	4.50
GCBL	Grenada Co-operative Bank Limited	\$	8.50
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.	\$	1.95
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 March.

**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. Antigua Commercial Bank Limited (ACBL) made a dividend payment in the month of March.

## **ISSUER HIGHLIGHTS:**

### **1. DEBT ISSUERS**

#### **a. ANTIGUA: SENATE APPROVES BILL TO INCREASE MONEY TRANSFER FEES**

The Antigua and Barbuda Senate has approved a bill to increase fees on money transfers out of the country from two percent to five percent. The legislation, known as the Money Services Business (Transfer) Levy Bill 2024, has passed both Houses of Parliament and took effect on April 1.

The government argues that the additional revenue will bolster public funds and assist in meeting financial obligations. Despite opposition claims of unfair targeting of migrants, the government maintains that the previous rate had been in place for over two decades. Leader of Government Business, Samantha Marshall, emphasizes that the move is not anti-migrant and cites similar measures in other jurisdictions that have successfully raised revenue for social and economic programs.

#### **b. IMF STAFF ASSESSES ECONOMIC CLIMATE IN ST. KITTS AND NEVIS**

The International Monetary Fund (IMF) recently conducted assessments on St. Kitts and Nevis' economy, forecasting a positive outlook for 2024. Economic growth is projected to reach 4.7%, fueled by Housing and Infrastructure Projects and Renewable Energy initiatives. However, the IMF also identified potential risks such as geopolitical instability, commodity price fluctuations, and global tourism slowdown.

Despite progress in recovering from the pandemic and fiscal challenges, the IMF emphasized the need for fiscal prudence, especially regarding the Citizenship-By-Investment Program (CBI) revenue uncertainties. Recommendations include improving government spending efficiency, tax system reforms, establishing a Sustainability and Resilience Fund, and enhancing transparency in CBI resource management.

Suggestions for strengthening the CBI program include publishing annual financial reports and tightening fiscal policies to address revenue declines. Social Security reform is deemed urgent to prevent fund depletion and actuarial deficits, requiring adjustments in retirement age, contribution rates, and pension coverage.

Furthermore, the IMF stressed the importance of a comprehensive strategy for transitioning to renewable energy, including grid upgrades and disaster resilience measures.

Overall, the report underscores the importance of addressing fiscal vulnerabilities, enhancing transparency, and implementing structural reforms to ensure economic sustainability in St. Kitts and Nevis.

#### **c. ST. KITTS GOVERNMENT ANNOUNCES "EASTER" DISCOUNTED VAT RATE DAY**

The St. Kitts-Nevis government has introduced a measure to provide financial relief to citizens and boost economic activity during the Easter season. They've declared April 12 as an 'Easter Discounted Value Added Tax (VAT) Rate Day', during which VAT-registered businesses will charge a reduced rate of five percent on the sale of goods.

This move aims to support consumers and businesses during a period known for increased spending. By lowering the VAT rate from the standard 17 percent to five percent, the government hopes to ease financial pressures on citizens and stimulate economic growth.

Guidelines have been set to ensure the fairness and effectiveness of the initiative, with most tangible items subject to VAT qualifying for the discounted rate. However, certain items

like vehicles, guns, ammunition, cigarettes, and alcoholic beverages are excluded from the discount.

The government emphasizes its commitment to creating a favorable economic environment and improving citizens' welfare. Businesses were encouraged to participate actively in the Discounted VAT Rate Day to attract customers and contribute to the nation's economic recovery.

## **2. EQUITY ISSUERS**

### **a. DELISTING OF REPUBLIC BANK (GRENADA) LIMITED**

The Republic Bank (Grenada) Limited (RBGL) has notified the Eastern Caribbean Securities Exchange (ECSE) of its decision to terminate its listing effective 31st May 2024. As a result, trading of RBGL shares will be suspended on 30th May 2024 and will be removed from the trading board on 31st May 2024. RBGL's share register will continue to be maintained by the Eastern Caribbean Central Securities Depository Limited.

### **b. NOTICE OF S.L. HORSFORD & COMPANY'S ANNUAL GENERAL MEETING**

Notice is hereby given that the 33rd annual general meeting of S.L. Horsford & Company is scheduled to occur on 24th April 2024 at 5:00 PM for the following purposes:

1. To receive and consider the Financial Statements for the year ended 30th September 2023.
2. To receive and consider the Report of Auditors thereon.
3. To receive and consider the Report of Directors thereon.
4. To declare a Dividend.
5. To appoint Directors in place of those retiring. 6. To appoint Auditors and fix their remuneration.

Members can register to attend the meeting online by clicking this link. Online registration closes on 22nd April 2024.

**Table 4: Financial Statistics of Equity Issuers for the 2023 Financial Year.**

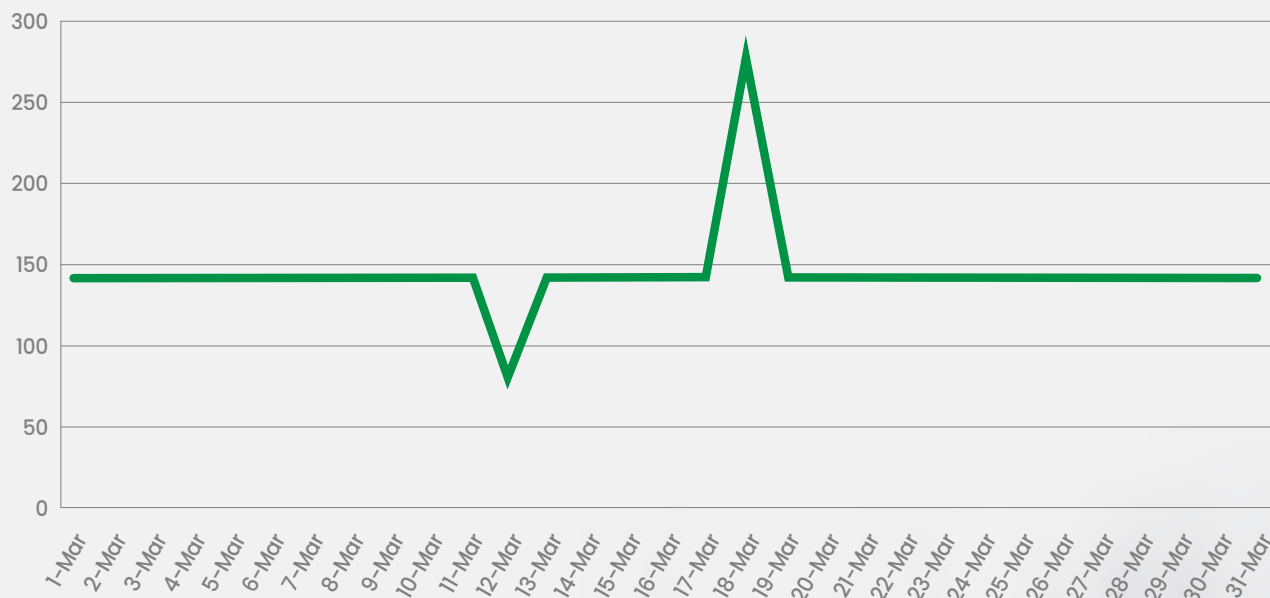
COMPANY SYMBOL	NET INCOME (LOSS) ('000)	SHARE-HOLDERS EQUITY ('000)	NO. OF SHARES OUT-STANDING ('000)	CLOSING MARKET PRICE	BOOK VALUE PER SHARE	EARNINGS (LOSS) PER SHARE	DIVIDEND PER SHARE	PRICE EARNINGS RATIO	DIVIDEND YIELD
RBGL	\$15,530	\$234,885	3,774	\$45.00	\$62.24	\$4.12	\$2.10	10.92	4.67%
SKNB	\$49,683	\$525,588	141,750	\$2.80	\$3.71	\$0.35	-	8.00	-
SLH	\$11,299	\$161,585	60,297	\$1.95	\$2.68	\$0.19	\$0.1517	10.26	7.78%
TDC	\$4,620	\$196,163	52,000	\$1.30	\$3.77	\$0.09	\$0.05	14.44	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:**

### **c. ECSE Share Price Index**



**Graph 1: ECSE Share Price Index March 01, 2024 – March 31, 2024.**

The ECSE (Eastern Caribbean Securities Exchange) Share Index exhibited relatively stable movement throughout March 2024, maintaining a consistent level around 144.14 for much of the month.

**UPCOMING OFFERS:**

**Table 5: Upcoming Offers**

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	MAX RATE
08/04/2024	VCB100724	Gov't St. Vincent & the Grenadines	91-Day Treasury Bill	\$28.0M	09/07/2024	3.50%
15/04/2024	LCB131024	Gov't Saint Lucia	180-Day Treasury Bill	\$11.0M (5M Oversubscription)	13/10/2024	4.00%
09/05/2024	GDB090824	Gov't Grenada	91-Day Treasury Bill	\$15.0M	09/08/2024	3.50%
13/05/2024	AGB140525	Gov't Antigua & Barbuda	365-Day Treasury Bill	\$25.0M (5M Oversubscription)	14/05/2025	4.50%
16/05/2024	VCB150824	Gov't St. Vincent & the Grenadines	91-Day Treasury Bill	\$28.0M	16/08/2024	3.50%
20/05/2024	LCB200824	Gov't Saint Lucia	91-Day Treasury Bill	\$11.0M (5M Oversubscription)	20/08/2024	3.50%
24/05/2024	LCB260824	Gov't Saint Lucia	91-Day Treasury Bill	\$11.0M (5M Oversubscription)	26/08/2024	3.50%
07/06/2024	AGB071224	Gov't Antigua & Barbuda	180-Day Treasury Bill	\$10.0M (5M Oversubscription)	07/12/2024	4.00%
10/06/2024	AGB110625	Gov't Antigua & Barbuda	365-Day Treasury Bill	\$5.0M (5M Oversubscription)	11/06/2025	4.50%
14/06/2024	VCB170924	Gov't St. Vincent & the Grenadines	91-Day Treasury Bill	\$28.0M	16/09/2024	3.50%
26/06/2024	LCB241224	Gov't Saint Lucia	180-Day Treasury Bill	\$15.0M (10M Oversubscription)	24/12/2024	4.00%

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



## INVESTMENT EDUCATION CORNER:

### MASTERING KEY INVESTMENT RATIOS: A GUIDE FOR INFORMED INVESTING

#### What are Economic Indicators?

Understanding investment ratios is essential for making informed investment decisions. These ratios provide valuable insights into the financial health and performance of companies, enabling investors to assess their investment potential accurately. By mastering these ratios, investors can effectively evaluate the strengths and weaknesses of potential investment opportunities, mitigate risks, and optimize their investment portfolios for long-term success.

Investment ratios serve as critical tools for investors to analyze and compare various aspects of a company's financial position, profitability, and valuation. They help investors answer fundamental questions such as whether a stock is undervalued or overvalued, whether a company is financially stable, and whether it is generating sufficient returns for shareholders.

#### 1) Price-to-Earnings (P/E) Ratio

The Price-to-Earnings (P/E) ratio is one of the most widely used metrics by investors to gauge the valuation of a company's stock. It compares a company's current stock price to its earnings per share (EPS), providing insights into whether a stock is overvalued, undervalued, or fairly priced relative to its earnings potential.

#### FORMULA:

$$\frac{P}{E} \text{ Ratio} = \frac{\text{(Stock Price)}}{\text{Earnings Per Share (EPS)}}$$

#### INTERPRETATION:

- A high P/E ratio may indicate that the stock is overvalued or that investors are expecting high growth rates in the future.
- A low P/E ratio may suggest that the stock is undervalued or that the company's earnings are expected to grow at a slower rate.
- It's essential to compare the P/E ratio of a company to its industry peers or historical averages to gain a better understanding of its valuation.

#### EXAMPLES:

##### RBGL:

- Stock Price = \$45.00 & EPS = \$4.12
- P/E Ratio = \$45.00 / \$4.12
- P/E Ratio = 10.92

##### SKNB:

- Stock Price = \$2.80 & EPS = \$0.35
- P/E Ratio = \$2.80/\$0.35
- P/E Ratio = 8.00

##### SLH:

- Stock Price = \$1.95 & EPS = 0.19
- P/E Ratio = \$1.95/\$0.19
- P/E Ratio = 10.26

##### TDC:

- Stock Price: \$1.30
- P/E Ratio = \$1.30 / \$0.09
- P/E Ratio = 14.44



**ANALYSIS:**

- RBGL has a P/E ratio of approximately 10.92, indicating that investors are willing to pay roughly \$10.92 for every \$1 of earnings generated by the company. This suggests that the stock may be attractively priced relative to its earnings.
- SKNB has a P/E ratio of approximately 8.00, indicating that investors are willing to pay roughly \$8.00 for every \$1 of earnings generated by the company. This suggests that the stock may also be attractively priced relative to its earnings, although lower than RBGL.
- SLH has a P/E ratio of approximately 10.26, indicating that investors are willing to pay \$10.26 for every \$1 of earnings per share. This suggests that SLH's stock is trading at a valuation similar to RBGL but slightly lower.
- TDC has a P/E ratio of approximately 14.44, indicating that investors are willing to pay \$14.44 for every \$1 of earnings per share. This suggests that TDC's stock is trading at a higher valuation compared to RBGL, SKNB, and SLH.

Investors can use this comparison to assess the relative attractiveness of each company's stock based on its valuation relative to earnings. However, it's important to conduct further analysis and consider other factors such as growth prospects, industry trends, and risk factors before making investment decisions.

**Disclaimer**

This report has been prepared by Grenada Co-operative Bank Limited and is provided for informational purposes only and without any obligation, whether contractual or otherwise. All information contained herein has been obtained from sources that Grenada Co-operative Bank Limited believes to be accurate and reliable. All opinions expressed herein constitute the author's judgment as at the date of the report. Grenada Co-operative Bank Limited does not warrant the accuracy, timeliness or completeness of the information. Opinions expressed may change without notice. This report does not constitute an offer or solicitation to buy or sell any securities discussed herein. All information released is for the sole purpose of awareness and should not be construed as investment advice or other advice.

**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](mailto:wealthmanagement@grenadaco-opbank.com)  
[www.grenadaco-opbank.com](http://www.grenadaco-opbank.com)  
473-440-2111 ext. 6533

