



THE SCOUT

Wealth Management & Financial Services

MONTHLY INVESTMENT NEWSLETTER JULY 2024

4

—
Issues

\$93M

—
Raised

4

—
Issues
Oversubscribed

6

—
Equity Issuers with
Trading Activity

147.59

—
ECSE
Share Index



Issue No: 07/2024 ■ Period: July 2024 ■ Issue Date: Aug 5, 2024

ISSUER ACTIVITIES:

1. DEBT SECURITIES

a. Securities Issued:

1. The Debt Market featured four issues originating from four governments of the eight ECCU territories, compared to:
 - a. Four issues during the same period in 2023 by three issuers.
 - b. Four issues last month.
2. ECCU governments raised a total of ECD \$93M.

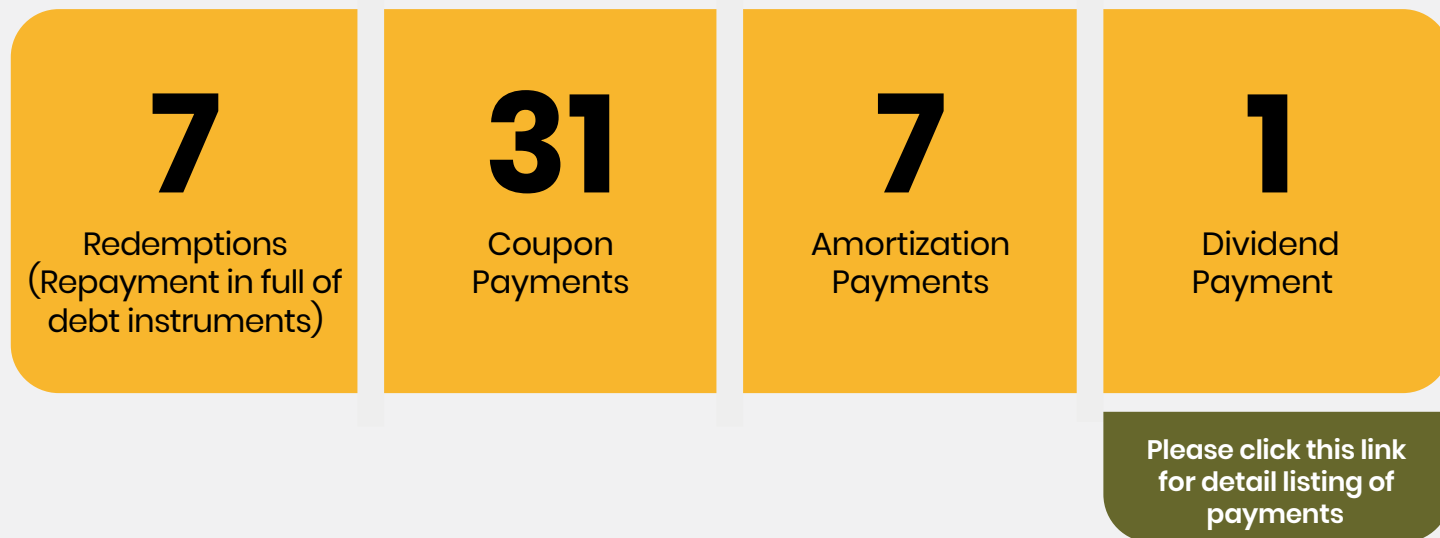
The four issues were oversubscribed with \$112M in unsatisfied bids.
3. Two issues closed below the maximum rate offered. The widest margin was a 2.00-percentage point variance between the offered and closing rate.
4. The securities offered were short-term instruments, ranging from 91 days to 365 days.

Table 1: Debt Instruments Issued During July 2024

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	CLOSING RATE	MAX RATE	SUBSCRIPTION
04/07/2024	DMB041024	Gov't Dominica	91-day Treasury Bill	\$20,000,000	10/04/2024	1.50%	3.50%	Oversubscribed
11/07/2024	VCB111024	Gov't Saint Vincent & the Grenadines	91-day Treasury Bill	\$28,000,000	11/11/2024	3.50%	3.50%	Oversubscribed
17/07/2024	LCB140125	Gov't Saint Lucia	180-day Treasury Bill	\$25,000,000	14/01/2025	4.00%	4.00%	Oversubscribed
19/07/2024	AGB180125	Gov't Antigua & Barbuda	365-day Treasury Bill	\$20,000,000	18/01/2025	3.50%	4.50%	Oversubscribed

b. Payments during the month:

Issuers made (through the Eastern Caribbean Securities Exchange) 83 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

- i. The equities market hosts 13 issuers of securities.
- ii. There were trades from six (6) equity issuers in the market during the month of July.

Table 2: Issuers with Trading Activity During the Month

SYMBOL	TRADE VOLUME	HIGH PRICE	LOW PRICE	CLOSING PRICE	CHANGE IN CLOSING PRICE (COMPARED TO JUNE, 2024)
BON	2,290	\$3.50	\$3.50	\$3.50	\$0.00
ECFH	10,162	\$4.50	\$4.50	\$4.50	\$0.00
GCBL	1,892	\$8.45	\$8.45	\$8.45	\$0.00
SKNB	2,500	\$2.80	\$2.80	\$2.80	\$0.00
SLES	2,450	\$23.00	\$23.00	\$23.00	\$0.00
SLH	5,500	\$1.95	\$1.95	\$1.95	\$0.00

Table 3: Closing Prices of Equities as at July 31st, 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.	\$	3.03
DES	Dominica Electricity Services Ltd.	\$	3.75
ECFH	Eastern Caribbean Financial Holdings Company Ltd.	\$	4.50
GCBL	Grenada Co-operative Bank Limited	\$	8.45
GESL	Grenada Electricity Services Ltd.	\$	10.68
GPCL	Grenreal Property Corporation Limited	\$	5.40
SKNB	St. Kitts Nevis Anguilla National Bank Ltd.	\$	2.80
SLES	St. Lucia Electricity Services Ltd.	\$	23.00
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

a. Equity Issuers with Financial Year-Ends during the period:

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

b. 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>

c. Dividend Payments:

Table 4: Dividend Payments

COMPANY	DIVIDEND PER SHARE	PAYMENT DATE
GESL	\$0.08	July 10, 2024

ISSUER HIGHLIGHTS:

1. DEBT ISSUERS

a. DOMINICA'S ECONOMY DEFIES GLOBAL TRENDS WITH 4.7% GROWTH

The Government of Dominica has shown resilience in managing and recovering from challenges such as natural disasters and the global pandemic, as highlighted by Finance Minister Dr. Irving McIntyre during his budget address. The International Monetary Fund reported a global economic growth of 3.2% in 2023, while Dominica's economy grew by 4.7%, marking the third consecutive year of growth with previous rates of 6.9% in 2021 and 5.6% in 2022. The economy is projected to continue growing, with expected rates of 4.6% in 2024 and at least 4.3% in 2025, driven by the government's robust public sector investment program.

Fiscal performance has improved significantly, with the primary balance shifting from a deficit of 0.8% in June 2023 to a surplus of 0.6% in June 2022. Tax revenues increased by 3.1% over the previous year, and expenditures declined by 3%. Despite an expected 3.3% increase in tax revenues for the year, a primary deficit of 8.7% is forecasted for the fiscal year 2024–2025, mainly due to a significant rise in capital expenditure for agriculture.

b. GRENADA ESTIMATES DAMAGES FROM HURRICANE BERYL AT UP TO A THIRD OF ECONOMY

Grenada estimates that damages from Hurricane Beryl could amount to up to a third of the nation's economy. The hurricane severely impacted agriculture, infrastructure, and housing, causing significant losses in crops and livestock. The government is evaluating the total economic impact and seeking international assistance to aid recovery efforts.

Table 5: Financial Statistics of Equity Issuers for the 2023 Financial Year.

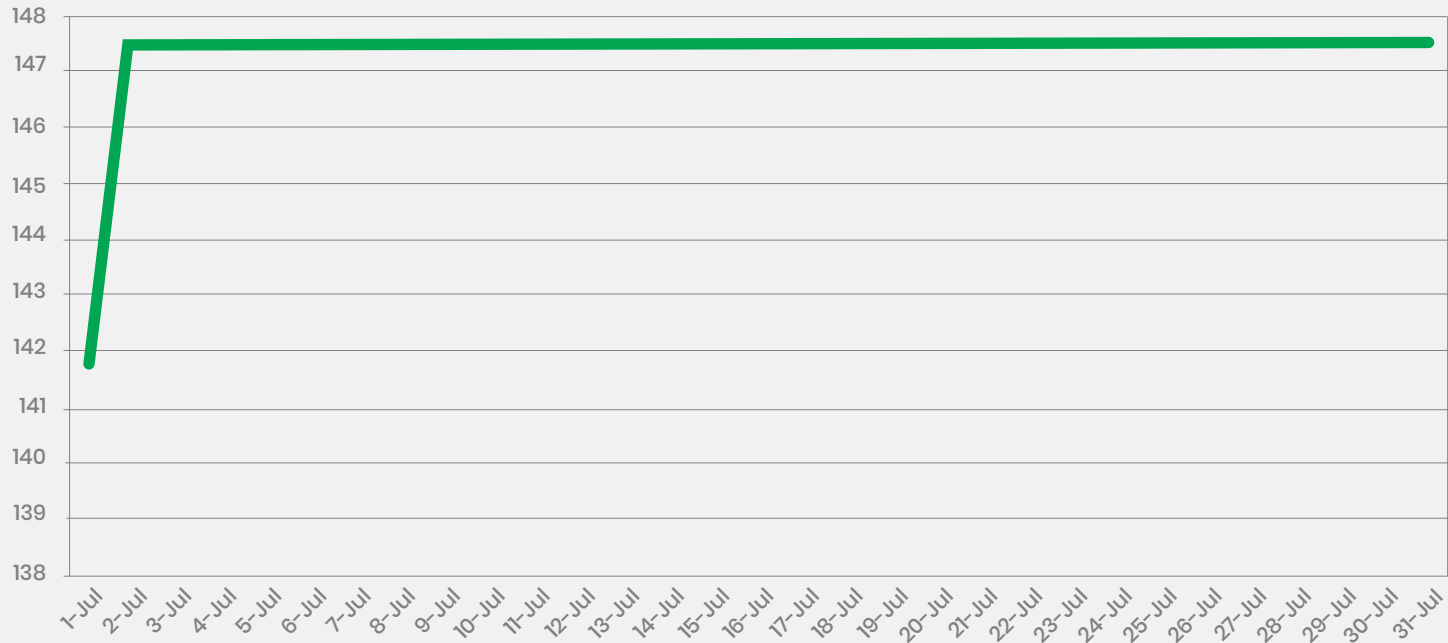
COMPANY SYMBOL	NET INCOME (LOSS) ('000)	SHARE-HOLDERS EQUITY ('000)	NO. OF SHARES OUT-STANDING ('000)	CLOSING MARKET PRICE	BOOK VALUE PER SHARE	EARNINGS (LOSS) PER SHARE	DIVIDEND PER SHARE	PRICE EARNINGS RATIO	DIVIDEND YIELD
BOSV	\$23,217	\$166,611	15,000	\$9.00	\$11.11	\$1.55	\$0.77	5.81	8.56%
DES	(1,778)	\$89,176	10,417	\$3.75	\$8.56	\$(0.17)	-	(21.97)	-
ECFH	\$74,663	\$387,098	24,466	\$4.50	\$14.54	\$3.05	\$0.60	1.47	13.33%
GCBL	\$21,853	\$126,481	7,597	\$8.45	\$16.65	\$2.88	\$0.43	2.97	5.09%
GESL	\$21,285	\$129,552	19,000	\$10.50	\$6.82	\$1.12	\$0.40	9.37	3.81%
SKNB	\$49,683	\$525,588	141,750	\$2.80	\$3.71	\$0.35	-	8.00	-
SLES	\$41,597	\$412,039	22,920	\$23.00	\$17.98	\$1.81	\$1.13	12.67	4.91%
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 July 01, 2024 – July 31, 2024.

The ECSE (Eastern Caribbean Securities Exchange) Share Index remained unchanged to close to the month of July at 147.59.



UPCOMING OFFERS:

Table 6: Upcoming Offers

DATE	SYMBOL	ISSUER	INSTRUMENT	AUCTION VALUE	MATURITY	MAX RATE
07/08/2024	LCB040225	Gov't Saint Lucia	180-Day Treasury Bill	\$20.0M (10M Oversubscription)	04/02/2025	4.00%
09/08/2024	GDB111124	Gov't Grenada	91-Day Treasury Bill	\$15.0M	11/11/2024	3.50%
19/08/2024	VCB191124	Gov't St. Vincent & the Grenadines	91-Day Treasury Bill	\$28.0M	19/11/2024	3.50%
21/08/2024	LCB211124	Gov't Saint Lucia	91-Day Treasury Bill	\$11.0M (5M Oversubscription)	21/11/2024	3.50%
27/08/2024	LCB271124	Gov't Saint Lucia	91-Day Treasury Bill	\$11.0M (5M Oversubscription)	27/11/2024	3.50%
30/08/2024	AGB020925	Gov't Antigua & Barbuda	365-Day Treasury Bill	\$20.0M (5M Oversubscription)	02/09/2024	4.50%
09/09/2024	GDB100925	Gov't Grenada	365-Day Treasury Bill	\$25.0M	10/09/2025	5.00%
17/09/2024	VCB191224	Gov't St. Vincent & the Grenadines	91-Day Treasury Bill	\$28.0M	19/11/2024	3.50%
03/10/2024	DMB030125	Gov't of the Commonwealth of Dominica	91-Day Treasury Bill	\$20.0M	03/01/2025	3.50%
14/10/2024	VCB140125	Gov't St. Vincent & the Grenadines	91-Day Treasury Bill	\$28.0M	14/01/2025	3.50%
25/10/2024	GDB281025	Gov't Grenada	365-Day Treasury Bill	\$10.0M	28/10/2025	5.00%

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

INVESTMENT EDUCATION CORNER:

UNDERSTANDING THE IMPACT OF INTEREST RATES ON INVESTMENTS

What are interest rates?

An interest rate is a percentage that represents the cost or return generated by a loan or certain saving instruments. In the Eastern Caribbean, under the terms of the Eastern Caribbean Central Bank Agreement Act 1983, the Monetary Council has the responsibility to provide directives and guidelines on matters of monetary and credit policy to the Bank (Article 7.2). In principle, interest rates in the currency union are set at the discretion of the commercial banks, except that the Bank regulates the minimum rate payable on savings deposits.

How Interest Rates Impact Different Investments

- **Bonds**

Price and Yield: Bond prices and interest rates have an inverse relationship. When interest rates rise, bond prices fall, and vice versa. This happens because new bonds are issued with higher yields, making existing bonds with lower yields less attractive.

Interest Rate Risk: Long-term bonds are more sensitive to interest rate changes than short-term bonds. Investors should consider the duration of their bond investments and the potential impact of interest rate movements.

- **Stocks**

Cost of Borrowing: Higher interest rates increase the cost of borrowing for companies, which can reduce corporate profits and negatively impact stock prices.

Consumer Spending: Rising interest rates can lead to lower consumer spending as borrowing costs for mortgages, car loans, and other credit increase. This can affect the revenues of companies, particularly those in the consumer discretionary sector.

Sector Impact: Certain sectors, such as utilities and real estate, are more sensitive to interest rate changes due to their reliance on borrowing. Conversely, financial sector companies may benefit from rising rates as they can charge higher interest on loans.

- **Real Estate**

Mortgage Rates: Interest rates directly affect mortgage rates, influencing the affordability of real estate. Higher mortgage rates can dampen demand for housing and commercial properties.

Property Values: As borrowing costs rise, the value of properties may decrease due to reduced buyer affordability and demand.

- **Savings and Fixed-Income Investments**

Savings Accounts and Fixed Deposits: Higher interest rates generally lead to higher returns on savings accounts and fixed deposits, making them more attractive to conservative investors.

Fixed-Income Securities: Investments like government bonds, treasury bills, and corporate bonds may see their yields increase with rising interest rates, offering better returns for fixed-income investors.

Strategies to Manage Interest Rate Risk

Diversification: Spread investments across different asset classes to mitigate the impact of interest rate changes on your portfolio.

Duration Management: Adjust the duration of bond investments to manage sensitivity to interest rate changes. Shorter-duration bonds are less affected by rising rates.

Sector Allocation: Consider the impact of interest rates on different sectors and adjust your stock portfolio accordingly. For example, increase exposure to financial stocks in a rising rate environment.

Interest Rate Hedges: Use financial instruments like interest rate swaps or options to hedge against adverse interest rate movements.

Conclusion

Interest rates play a crucial role in shaping investment performance. By understanding how different investments respond to changes in interest rates, investors can make more informed decisions and better manage their portfolios. Regularly review your investment strategy and adjust your holdings to align with the current and expected interest rate environment.

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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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