



Stock Market Review 2016

Date of Release: 13 Jan 2017

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2016 Macro Overview

➤ On the global front, 2016 featured major economic and political events that gave rise to geopolitical risks and uncertainty within the financial markets resulting in nothing less than a volatile year. Here are some notable highlights:

▶ Global equity markets experienced losses with investor sentiments hammered by fears of China's economic slowdown and the subsequent effect this would have on its trading partners. The downside risks to the global economy remained elevated against given weak demand, low investment and low commodity prices. This not so great start to the calendar year was prolonged further with the continuing dip in oil prices.

▶ Just as global stock markets were on the road to recovery in Quarter 2, Britain's vote on whether or not to remain a member of the European Union (EU) surfaced. In June 2016 Britain voted to leave the EU and with the newly coined "Brexit", global markets plummeted; the Dow Jones Industrial Average, S&P 500 and the Nasdaq Composite recording decreases of around 3% to 5% in their values and the Pound Sterling lost significant value. In our view, much of the decline resulted from the fear of not knowing what was going to happen after Brexit. However, robust recovery was soon noted as the third quarter of 2016 began and rising oil prices resulted in a much needed energy-sector pick-up;

▶ With the shock of Brexit over, global investors now had the November presidential election in the United States of America in sight and approached the same with great caution. However, negative movements in developed stock markets after the announcement of the Republican win only lasted overnight. 2016 concluded with mixed market sentiments and performance. The US, Eurozone, Japanese and United Kingdom equities markets all posted gains by the end of Quarter 4. However Asian equity markets (not including Japan), generally fell in the fourth quarter given the uncertainty looming around Donald Trump's foreign trade policies. In the Philippines, the fall in stocks traded therein was more the result of President Duterte's stern stance on drugs and concerns of its impact on business.

Incentives for SPSE Listed Companies

Reduced Corporate Tax Rate

- ▶ A reduced corporate tax rate of 10% is applicable to all companies that list on SPSE.

No Tax on Consequential gains

- ▶ Any gain from the sale of shares that may arise from any reorganisation of a private company for the purpose of listing on SPSE will be exempt from any taxes.

➤ On the domestic front:

- ▶ The recent economic data published by the Reserve Bank of Fiji (RBF) noted sectoral outcomes for 2016 generally showing mixed results. The effect of Tropical Cyclone Winston was evident through reduced domestic supply of agricultural produce and damages sustained by key infrastructure;
- ▶ In addition, the inflation rate increased to the 5% mark during the year insinuating continued inflationary pressure in the domestic economy. Overall, given the lower than anticipated performances in key sectors, the GDP growth rate was revised to 2% for 2016;
- ▶ On the equities front, Fiji's stock market which is largely insulated from global markets recorded impressive gains in its key market indicators this year; overall market capitalisation, indices and trading activity. The overall capitalisation of the market recorded a strong growth on the back of greater investor demand gaining a significant 22.78% concluding the year at an all-time high value of \$1.32 billion;
- ▶ The strong financial performance recorded by several listed companies this year coupled with increases in dividend per share offered, also resulted in strong capital gains for the year.

Read on for further details of the Fijian equities market performance for 2016.

Market Activity Review

➤ Market Sentiments

- ▶ 2016 noted relatively high demand for stocks with high yields and those that have been historically more liquid. The 12-month average bid to offer ratio of 1:0.9 is testament to the excess demand over supply in the market. However, the brokers of Fiji's three licensed stockbroking firms are to be commended for assisting with the injection of supply (shares) into the market by their respective clientele throughout the year;
- ▶ A Strong 'Hold' and/or 'Accumulate' investor preference for listed securities was also observed, in particular for those stocks with dividend yields in excess of 4.00% and for listed companies that have announced expansionary plans/projects therefore providing investors with potential for capital gains, however, the growing presence of growth-oriented investors in the Fijian stock market saw sell-offs for the realization of capital gains;
- ▶ The Exchange has also experienced a welcomed change in the form of investor (buy/sell) sentiments moving in line with company market announcements. We are seeing more well-informed investment decisions including the determination of share prices which are linked to developments announced by listed companies such as improved financial performance, product launch and/or acquisition plans;
- ▶ Furthermore, the Exchange also noted that new investors entering the market were focused on establishing a diversified investment portfolio, investing in multiple listed stocks rather than focusing on one particular stock. Stockbrokers have played a pivotal role in this agenda;
- ▶ The current market sentiments provide a conducive environment for a successful listing by companies contemplating floating their shares to the public through SPSE.

Top 5 Most Actively Traded Stocks

| RANKING (1 being the highest) | | | | | |
|-------------------------------|-----|-----|-----|-----|-----|
| | 1 | 2 | 3 | 4 | 5 |
| By Volume Traded | VIL | FMF | FHL | ATH | CFM |
| By Value Traded | VIL | FMF | FHL | CFM | PBF |
| By No. of Trades | FHL | VIL | ATH | BCN | PBF |

Overall Trading Pattern

- ▶ Including all the ordinary trades as well as the one-off transactions in 2016 and 2015, the number of trades via the SPSE e-trading platform for the year 2016 stood at 1,580, an increase of 55.36% (+563 transactions) in comparison to the same period last year; however
- ▶ The total volume and value of trades for the year under review declined in comparison to 2015 (2015 December: Special Crossing Transaction between Fiji Government, FNPF, BSP Life & Unit Trust of Fiji in ATH shares). The total volume traded stood at 37,624,869 shares, a decrease of 49.59% (-37,008,121 shares) in comparison to 2015 and the total value traded stood at \$58,682,893, a decrease of 35.81% (-\$32,742,997) while comparing it to the 2015 trading statistics;
- ▶ Excluding all the one-off transactions over the two years in 2015 and 2016, the number of trades for 2016 stood at 1,566, which is an increase of 55.51% (+559 trades), the volume traded stood at 8,536,639 shares (+412.13% or 6,869,753 shares) and the value traded stood at \$12,781,850 (+430.97% or \$10,374,606).

The key market indicators discussed above in comparison to last year are illustrated in the table below.

| Summary of Security Trading (Includes One-Off Transactions) | 2016 | 2015 | % Change |
|--|------------|------------|----------|
| Number of Trades | 1,580 | 1,017 | +55.36% |
| Volume Traded | 37,624,869 | 74,632,990 | -49.59% |
| Value Traded (\$) | 58,682,893 | 91,425,891 | -35.81% |

| Summary of Security Trading (Excludes One-Off Transactions) | 2016 | 2015 | % Change |
|--|------------|-----------|----------|
| Number of Trades | 1,566 | 1,007 | +55.51% |
| Volume Traded | 8,536,639 | 1,666,886 | +412.13% |
| Value Traded (\$) | 12,781,850 | 2,407,244 | +430.97% |

➤ New Order Flows

- ▶ New order flow into the market also recorded strong growth with a weekly average consideration of \$486,582 (2015: \$102,663), headed mainly by buying interests which averaged 51.14% of new order flow consideration;
- ▶ A major contributor towards the healthy new order flow statistics was the listing of Vision Investments Limited (VIL) together with participation from various retail and institutional investors, particularly iTaukei Land Trust Board as Trustee for selected Mataqalis, throughout the period under review;
- ▶ The average buy to sell ratio concluded at 1:0.9, indicating the strong presence of demand-side investors that are looking for suitable securities to purchase at an agreeable price.

The key market indicators discussed above in comparison to last year are illustrated in the table below.

| Summary of Security Trading | 2016 | 2015 | % Change |
|--|---------|---------|----------|
| Average bid to offer ratio | 1:0.9 | 1:0.8 | 0.16% |
| Average weekly new order flow consideration (\$) | 486,582 | 102,663 | 373.96% |

➤ New Investors

- ▶ A total of 283 first-time shareholders invested and are now participating in the Fijian stock market in 2016;
- ▶ The listing of VIL in 2016 was a significant contributor to the new investor statistics with 192 investors or 67.84% of the 283 new investors entering the Fijian stock market through VIL;
- ▶ A majority of these new investors were retail investors who targeted securities with dividend yield in excess of 4.00% (Tax-free) and a growing number of new investors also looking for stocks showing potential for future capital gains;
- ▶ Another welcomed highlight towards the conclusion of 2016 was that individuals were investing a part of their Bonus pay-out or year-long savings in the stock market during the festive season;
- ▶ Overall, new investors contributed 32.34% (511 trades) towards the aggregate number of transactions for 2016 while 7.76% (2,918,591 shares) and 9.21% (\$5,402,239) was attributed by these investors for the volume and value traded respectively.

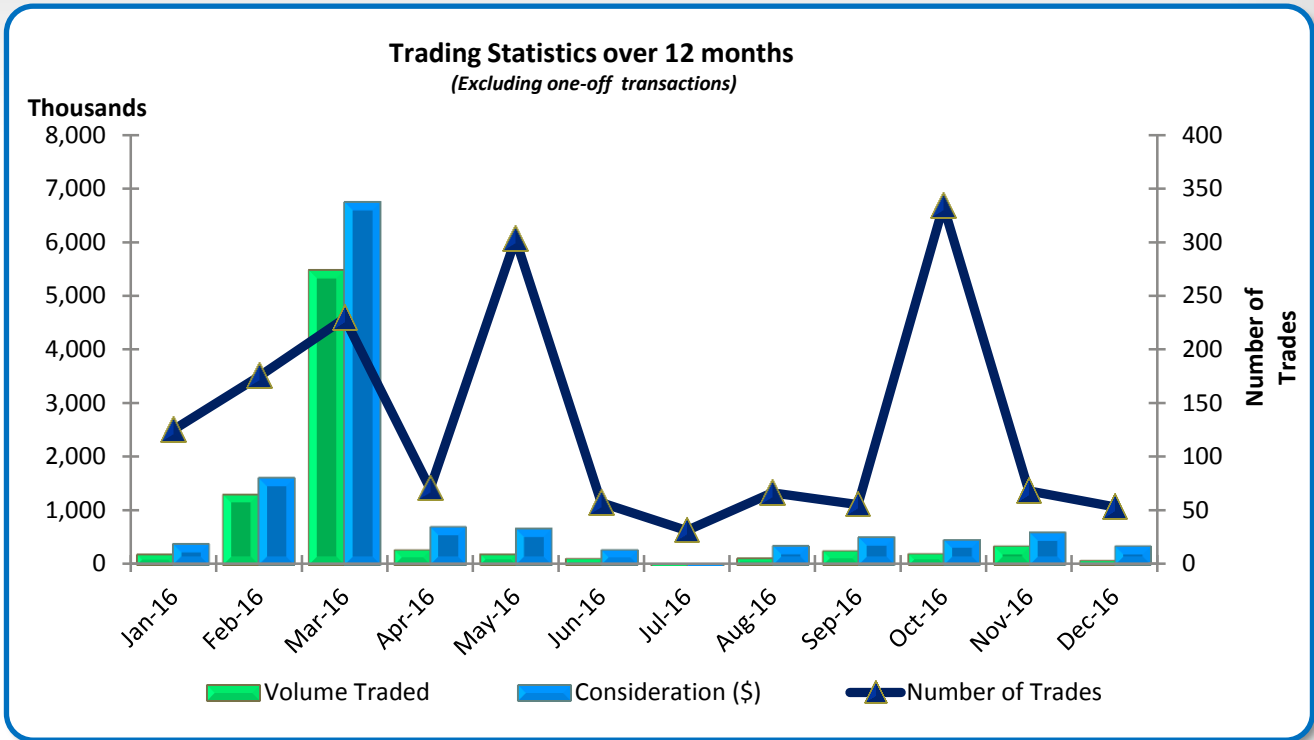
➤ Special Crossing Transactions

- ▶ Special crossing trades are pre-negotiated deals on the sale and purchase of shares in excess of \$100,000 in value and are one-off transactions. There were a total of 14 of these special crossing transactions in 2016 executed entirely for VIL shares. The total volume and value traded was 29,088,230 shares and \$45,901,043 respectively.

▶ Monthly Trading Trend

- ▶ 2016 started on a fairly positive note as eleven listed stocks witnessed trading activities in January. Additionally, trading levels were enhanced due to the execution of Fijian Holdings Limited's (FHL) second market based dividend reinvestment trades pending from 2015;
- ▶ The month of February concluded with the official listing of VIL. Trading activity remained upbeat and driven primarily by VIL shares. The healthy trading statistics continued into the month of March and VIL shares were once again the highlight for the month;
- ▶ During April, trading levels slowed in comparison to the February and March statistics, however, remained higher in-terms of volume and value traded to that of January;
- ▶ The month of May saw trading levels pick pace again as a number of trading activities were highlighted during the month. These included the execution of FHL's first market based dividend reinvestment trades for 2016, trading of large volume of shares in Communications (Fiji) Limited (CFM) by a founding shareholder and Chairman of the company who had recently announced his retirement as well as the execution of special crossing trades in VIL which was part of an agreed upon shareholding equalisation process amongst founding shareholders;
- ▶ The month of June and July saw trading levels easing relative to the preceding months with trading activity concentrated on dividend yielding stocks and those with available scrips. PBF shares were the hot pick of investors over this period and into August;
- ▶ In August, market activity focused on a mix between stocks with dividend yields in excess of 4.00% and/or those showing capital gain opportunities. 23 first-time investors were also recorded. 12 listed securities recorded trading activities in September with eight listed shares recording share price movements; six of which recorded capital gains while two listed companies recorded a share price decrease;
- ▶ FHL shares were dominant during October as it recorded the company's second bi-annual dividend reinvestment trades. 12 first-time investors sought investment opportunities in the stock market in October with seven investors who had invested earlier in the year in certain listed companies re-entered the market during the month either increasing their existing shareholding or diversifying their investment portfolio;
- ▶ The month of November maintained healthy trading statistics with the volume and value traded seeing an increase in comparison to the prior month. Despite the festive season setting-in, trading by retail investors in December remained active with BCN and ATH shares being the flavor of the month.

The trading pattern over the past 12 months is portrayed on the following page.



Trade by Security

- ▶ Analysing the overall market statistics for 2016 by each security shows VIL shares dominating both volume and value traded. VIL statistics pose higher in comparison to other shares due to the Special Crossing trades executed on the day of listing. VIL shares represented 86.41% of the overall volume traded and 88.50% of the overall value traded during the year under review;
- ▶ Excluding the VIL Special-Crossing trades shows that while VIL is still the most active in-terms of value traded, FMF Foods Limited (FMF) shares dominated volume traded;
- ▶ In terms of number of trades, the restricted security Fijian Holdings Limited (FHL) stood as the most active stock. FHL accounted for 52.15% of the total number of trades in 2016. These number of trades, being close to two times higher than the second most active security, were underpinned by FHL’s market based dividend re-investment option for shareholders;
- ▶ Future Forests (Fiji) Limited equity security (FFF)¹, FijiCare Insurance Limited (FIL) and Pacific Green Industries (Fiji) Limited were the three (3) stocks that did not record any market activity in 2016.

Price Gainers/Losers

- ▶ 12 out of the 18 listed shares recorded share price gains in 2016 with two (2) listed shares witnessing negative price returns while four (4) listed stocks did not witness any price changes;
- ▶ The gainers for the year under review is detailed on the following page:

¹ Future Forests (Fiji) Limited Convertible Notes security (FFFN), which mandatorily converted into Equity also did not record any trades during the period under review.

- ✚ Four listed securities saw double-digit percentage growths amongst which Vision Investments Limited (VIL)² was the largest price gainer with a noteworthy price return of 20.00% (+\$0.34);
 - ✚ Second in queue was Pleass Global Limited (PBP) taking an upswing of 18.40% (+\$0.23) with VB Holdings Limited (VBH) at third increasing by 10.56% (+\$0.38). Atlantic & Pacific Packaging Company Limited (APP) settled as the fourth highest price gainer realising a return of 10.53% (+\$0.10);
 - ✚ BSP Convertible Notes Limited (BCN) posted an increase of 8.66% (+\$0.62) with the manufacturer of alcoholic and other ready-to-drink beverages, Paradise Beverages (Fiji) Limited following behind with a gain of 8.23% (+\$0.92);
 - ✚ FMF Foods Limited (FMF) noted a gain of 6.67% (+\$0.05) with The Rice Company of Fiji (RCF) recording an increase of 5.63% (+\$0.20);
 - ✚ Further capital gains were posted by the radio and entertainment conglomerate, Communications (Fiji) Limited (CFM): +4.57% (+\$0.19), Toyota Tsusho (South Sea) Limited (TTS): +3.23% (+\$0.10), supermarket chain, RB Patel Group Limited (RBG): +2.27% (+\$0.07) and the market heavyweight, Amalgamated Telecom Holdings Limited (ATH): +1.60% (+\$0.02).
- ▶ In terms of price-loss:
- ✚ The restricted stock, Fijian Holdings Limited (FHL) recorded a loss of 1.45% (-\$0.06). FHL recorded a 52-week low share price of \$4.03, however, managed to rebound back to close the year at \$4.09;
 - ✚ Fiji Television Limited (FTV) posted the largest loss of 36.82% (-\$0.88). FTV shares recorded the lowest value of \$1.00 during 2016, however, saw a generous share price bounce-back and concluded the year at \$1.51.
- ▶ With five (5) trades recorded during the year, Kinetic Growth Fund Limited (KGF) share price remained unchanged during the year;
- ▶ Three (3) other stocks, namely; Pacific Green Industries (Fiji) Limited (PGI), Future Forests (Fiji) Limited (FFF)³ and FijiCare Insurance Limited (FIL) did not record any market activities and as such no price variations were recorded;
- ▶ Eight (8) listed shares concluded the year at their all-time high share prices yielding strong capital gains for their shareholders. These listed shares are; ATH (\$1.27), CFM (\$4.35), PBP (\$1.48), RBG (\$3.15), RCF (\$3.75), VBH (\$3.98), VIL (\$2.04) and BCN (\$7.78).

The price movements and further details of trading statistics by each security for 2016 are tabulated on the following page:

² VIL share price gain of 20.00% is computed based on the listing day closing share price of \$1.70.

³ As per a Voluntary Suspension request, FFF shares remain Suspended until such time the company is able to resolve its solvency related challenges.

| Security | PRICE MOVEMENTS | | | | | TRADE ANALYSIS | | |
|--------------|--------------------------|--------------------------|---------------------|--------------------------------|---------------------------------|----------------|-------------------|--------------------|
| | Share Price Dec-16 (F\$) | Share Price Dec-15 (F\$) | % Δ in Share Prices | 12 Month Low Share Price (F\$) | 12 Month High Share Price (F\$) | No. of Trades | Volume Traded | Value Traded (F\$) |
| APP | 1.05 | 0.95 | +10.53% | 0.95 | 1.10 | 7 | 61,499 | 66,413 |
| ATH | 1.27 | 1.25 | +1.60% | 1.08 | 1.27 | 96 | 225,826 | 263,885 |
| CFM | 4.35 | 4.16 | +4.57% | 4.14 | 4.35 | 29 | 191,718 | 810,839 |
| FFF | 0.79 | 0.79 | 0.00% | 0.79 | 0.79 | NO TRADES | | |
| FIL | 0.72 | 0.72 | 0.00% | 0.72 | 0.72 | NO TRADES | | |
| FMF | 0.80 | 0.75 | +6.67% | 0.75 | 0.80 | 30 | 4,106,022 | 3,245,891 |
| FTV | 1.51 | 2.39 | -36.82% | 1.00 | 2.39 | 8 | 5,270 | 5,555 |
| KGF | 0.45 | 0.45 | 0.00% | 0.45 | 0.45 | 5 | 28,993 | 13,047 |
| PBF | 12.10 | 11.18 | +8.23% | 11.18 | 12.40 | 33 | 35,558 | 433,261 |
| PBP | 1.48 | 1.25 | +18.40% | 1.25 | 1.48 | 4 | 19,880 | 26,440 |
| PGI | 1.00 | 1.00 | 0.00% | 1.00 | 1.00 | NO TRADES | | |
| RBG | 3.15 | 3.08 | +2.27% | 3.08 | 3.15 | 28 | 26,665 | 83,134 |
| RCF | 3.75 | 3.55 | +5.63% | 3.55 | 3.75 | 6 | 4,852 | 18,137 |
| TTS | 3.20 | 3.10 | +3.23% | 3.10 | 3.20 | 2 | 4,262 | 13,519 |
| VBH | 3.98 | 3.60 | +10.56% | 3.60 | 3.98 | 26 | 50,323 | 183,863 |
| VIL | 2.04 | 1.70 | +20.00% | 1.70 | 2.04 | 434 | 32,512,557 | 51,933,120 |
| FHL | 4.09 | 4.15 | -1.45% | 4.03 | 4.30 | 824 | 313,397 | 1,293,213 |
| BCN | 7.78 | 7.16 | +8.66% | 7.16 | 7.78 | 48 | 38,047 | 292,575 |
| TOTAL | | | | | | 1,580 | 37,624,869 | 58,682,893 |

Market Performance Indicators Review

➔ Income Returns & Capital Growth – Total Market Return

- ▶ The overall capital growth for Fiji's stock market averaged 3.45% (Tax-free) while the average dividend yield for the market stood at 6.14% (Tax-free);
- ▶ Aggregating the average capital growth and the average income yield resulted in a **9.59% average total market return** for 2016;
- ▶ It is pleasing to note an increase in the average dividend yield to a competitive rate of 6.14% (Tax-free), particularly with a dividend-driven populous. It must be noted that this is an average rate, which means that at an individual listed company level, there are companies offering in excess of this rate. From the average capital growth perspective, the year-end average of 3.45% was greatly affected by the 36.82% price-loss in FTV shares.
- ▶ Seven listed shares yielded a double digit total market return percentage growth while other remaining shares (except two) yielded a total market return of greater than 4.00% (tax-free). Analysing by each security shows the following:
 - ✚ VIL was the favorite stock for 2016 yielding the highest total market return of 24.82% in 2016 on the back of a favourable capital growth with PBP shares yielding the second highest total market return of 21.10% attributing its favourability to a notable share price gain;

- ✚ BCN and VBH shares yielded total market returns of 18.11% and 14.07% respectively while RCF posted a total market return of 12.30%:
- ✚ APP and PBF shares also had a total market return of greater than 10.00% and recorded total market returns of 11.72% and 10.71% individually;
- ✚ FMF shares posted 8.17% in total market return while ATH shares, on the back of a high dividend yield recorded a total market return of 7.90%. RBG shares were close behind and witnessed 7.03% as the aggregate market return;
- ✚ PGI shares did not record any capital gains, however, relied on its dividend yield in entirety to record a total market return of 7.00%;
- ✚ The special dividends declared by FTV eased the impact of its negative share price return with the company recording a total market return of 6.89%;
- ✚ CFM and TTS shares recorded total market returns of 6.41% and 6.35% respectively while FIL and FHL shares saw 5.56% and 4.42% total market returns being recorded during the period under review;
- ✚ FFF and KGF were the two securities that did not record any market returns for their shareholders in 2016.

Details of price and capital growth returns per security at the conclusion of 2016 are tabulated below.

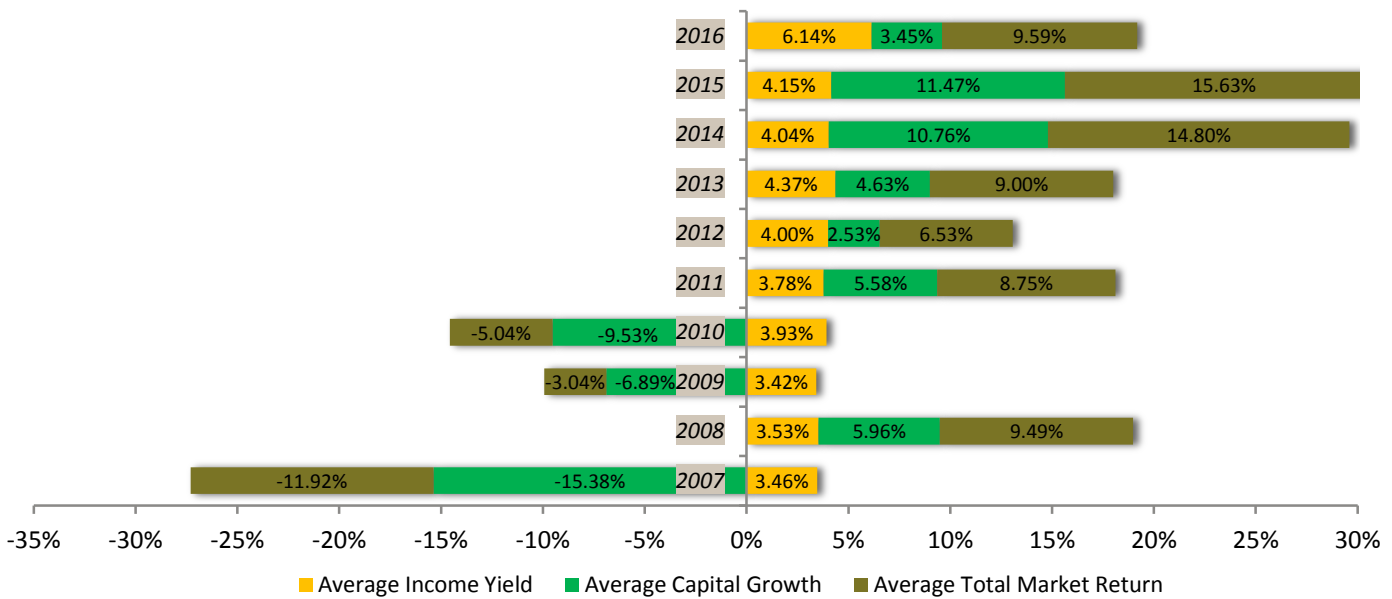
| Security | Income Yield | Capital Growth | Total Market Return |
|------------------|--------------|----------------|---------------------|
| APP | 1.19% | 10.53% | 11.72% |
| ATH | 6.30% | 1.60% | 7.90% |
| CFM | 1.84% | 4.57% | 6.41% |
| FFF | 0.00% | 0.00% | 0.00% |
| FIL | 5.56% | 0.00% | 5.56% |
| FMF | 1.50% | 6.67% | 8.17% |
| FTV | 43.71% | -36.82% | 6.89% |
| KGF | 0.00% | 0.00% | 0.00% |
| PBF | 2.48% | 8.23% | 10.71% |
| PBP | 2.70% | 18.40% | 21.10% |
| PGI | 7.00% | 0.00% | 7.00% |
| RBG | 4.76% | 2.27% | 7.03% |
| RCF | 6.67% | 5.63% | 12.30% |
| TTS | 3.13% | 3.23% | 6.35% |
| VBH | 3.52% | 10.56% | 14.07% |
| VIL | 4.82% | 20.00% | 24.82% |
| FHL | 5.87% | -1.45% | 4.42% |
| BCN | 9.45% | 8.66% | 18.11% |
| Average : | 6.14% | 3.45% | 9.59% |

DID YOU KNOW?

- Dividends are tax-free for both resident and non-resident investors of SPSE listed companies;
- Gains from trading of shares on SPSE are exempt from Income Tax for residents; and
- Gains from trading of shares on SPSE are exempt from Capital Gains Tax for both residents and non-residents.

Average total market return (including the average capital growth and average income yield) for the past 10 years is portrayed below.

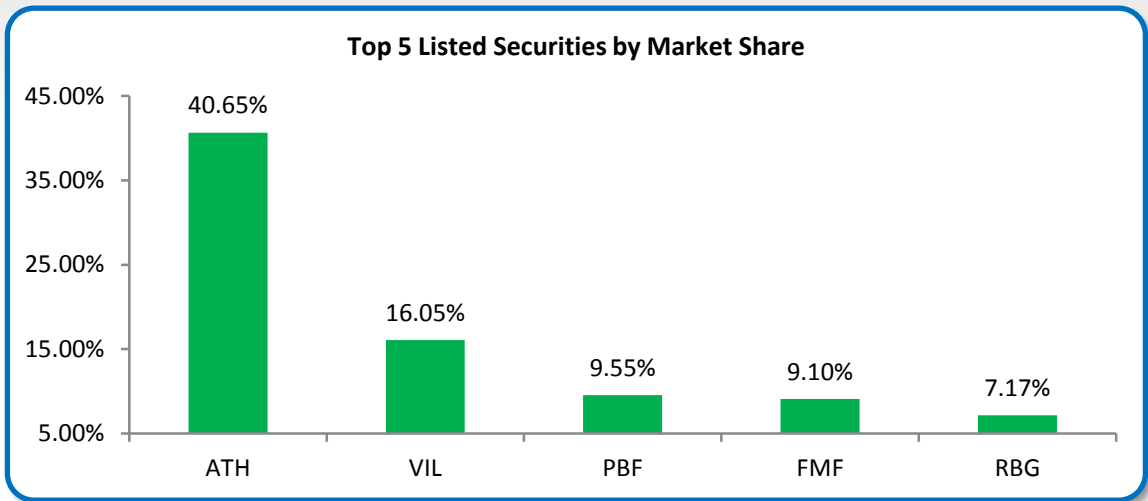
Average SPSE Market Returns over 10 Years



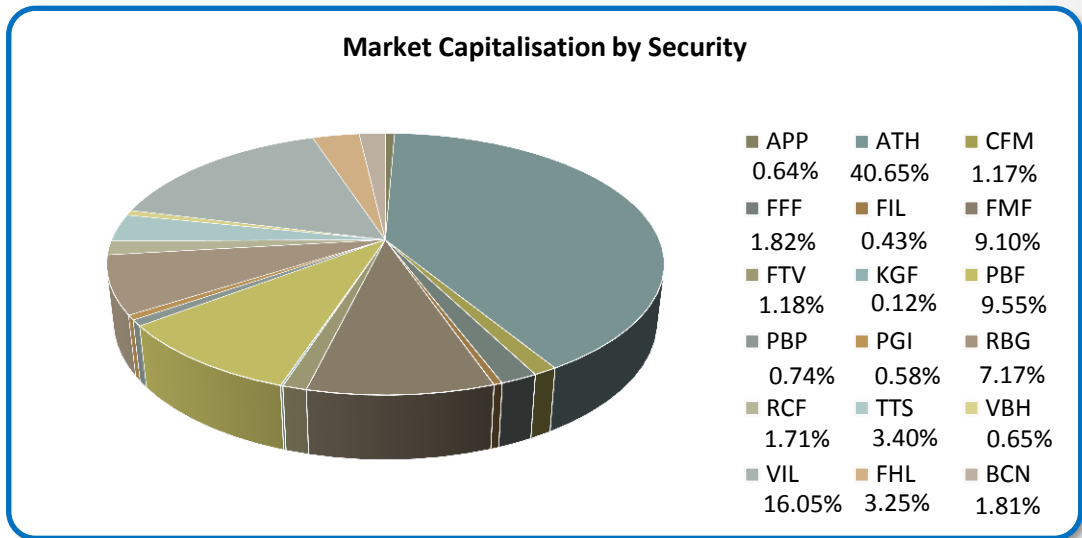
➤ **Market Capitalisation (All-time high at \$1.32 billion)**

- ▶ The overall capitalisation of the market recorded a robust 22.78% (+\$244,702,729) growth over the 2016 period and concluded at its all-time high value of \$1,318,795,202. It was also pleasing to see fluctuations in the market capitalisation all throughout the year;
- ▶ Amalgamated Telecom Holdings Limited (ATH) remained the market heavyweight, however, lost its historical occupancy of around 50% to settle at 40.65% at the end of 2016 subsequent to the listing of Vision Investments Limited (VIL). VIL is now the second largest listed company by way of market share with 16.05% occupancy. PBF now stands third in queue and occupies 9.55% of the overall -market value.
- ▶ This spread is another welcomed change for the SPSE and has augured well in so far as cushioning the impact of any negative price-changes in ATH shares on the market;
- ▶ The top five securities in terms of market capitalisation represented 82.52% of the overall market capitalisation.

The top five securities in terms of market capitalisation is illustrated on the following page:



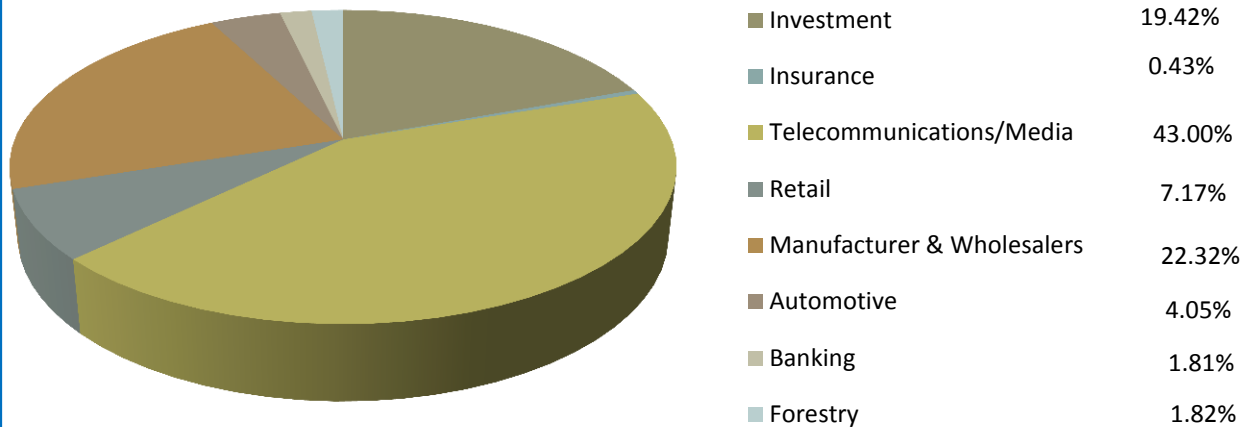
Details of the contribution of each listed security towards the overall market capitalisation as at the end of 2016 are illustrated below.



- ▶ By sectorial representation, the Telecommunications and the Media sector holds the largest portion of the overall market value at 43.00%. The Manufacturers & Wholesalers sector stands second in queue occupying 22.32% with the Investment sector posing third with a 19.42% occupancy;
- ▶ The Retail sector demonstrates an ownership of 7.17% with the Automotive sector standing at 4.05%. The Forestry and the Banking sector are in close proximity occupying 1.82% and 1.81% of the overall market value respectively. The Insurance sector holds the smallest portion of the market value at 0.43%;

The pie-chart on the following page portrays the contribution of each sector towards the overall market capitalisation.

Market Capitalisation by Sector



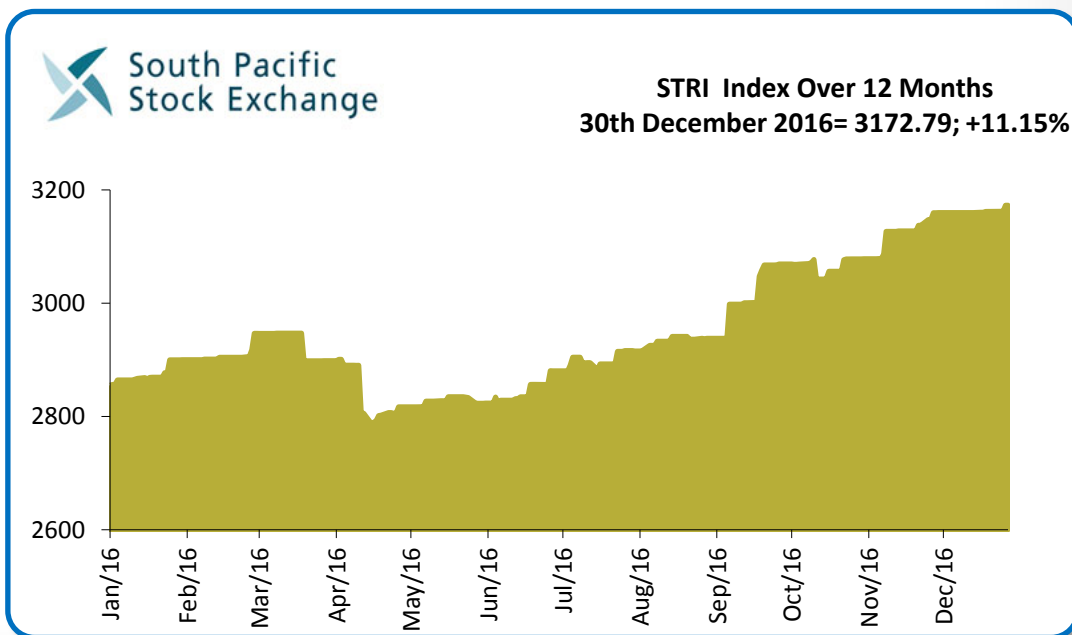
Market Indices

SPSE Total Return Index (STRI)

- With an increase in the average income yield to 6.14% and a relatively stable average capital growth of 3.45%, the SPSE Total Return Index (STRI) showed a notable gain of 11.15% (+318.20 points) in 2016 with the SPSE barometer concluding the year at an all-time maximum value of 3172.79.

The 12 month performance for SPSE Total Return Index (STRI) is illustrated below.

SPSE Total Return Index (STRI) Graph

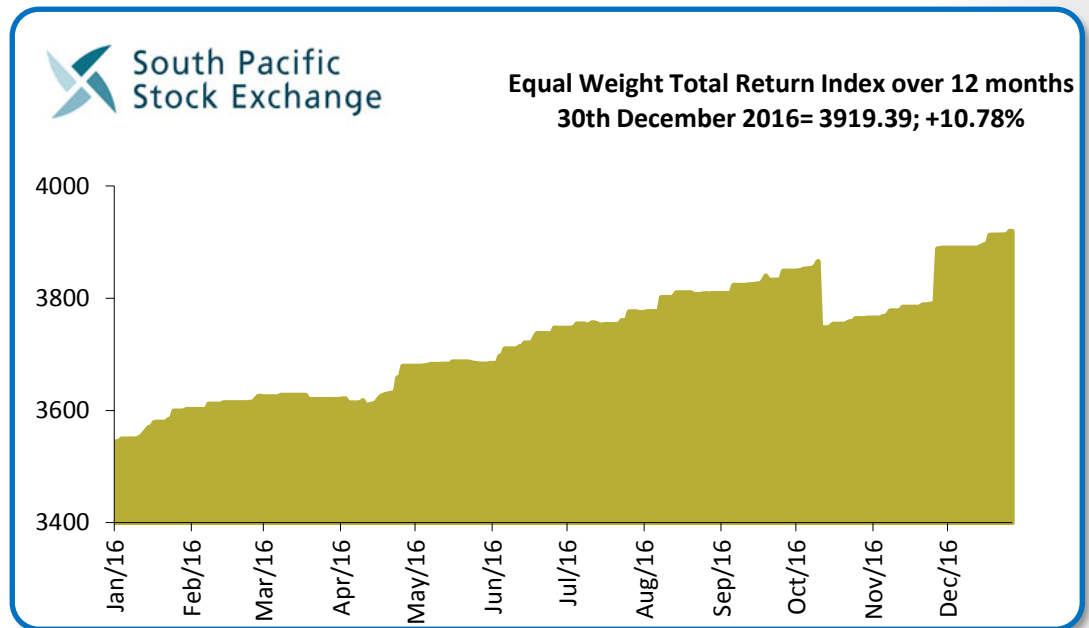


► *Equal Weighted Total Return Index*

- ✚ The Equal Weighted Total Return Index which weighs all the listed stocks equally without being skewed by the heavyweights concluded the year 2016 at a value of 3919.39, a gain of 10.78% for the period under review.

The 12 month performance for Equal Weighted Total Return Index is illustrated below.

Equal Weighted Total Return Index Graph



Development Highlights

- **Shareholder Online Portal** – In partnership with the Fijian Government, the Exchange launched its cloud based registry software (ShareSoft) for public use. This user-friendly platform allows investors to access their statements, unclaimed dividends and other information at anytime from anywhere with internet connectivity. It also eliminates the costly and often time consuming process of calling and/or meeting with CSRL personnel which we know will be valued by our clients; investors and SPSE listed companies;
- **Automated Payment Regime** - The Exchange is also transitioning to e-payment for trades which is expected to reduce the turnaround time for settlement of transactions.

For an Exchange, these two developments put us in a position to replace Share Certificates with Shareholding Statements and in turn move us into the Scripless trading space where all other developed Exchanges operate. We look forward to implementing this development in 2017 and subject to robust market consultation.

Outlook for 2017

- ▶ **Market Activity** – With new listings in the pipeline, Government’s policy and financial support, the evident growth in the level of financial literacy in Fiji, expansionary projects and financial performance growth for current listed companies as well as the newly established Memorandum of Understanding (MoU) relationship with iTaukei Land Trust Board, we are expectant of another year of growth in trading activity.
- ▶ **Financial Inclusion** – Our investor profile continues to focus around the Central-Eastern division. Therefore in 2017, we expect the SPSE’s awareness initiatives to focus more on the use of technology and establishment of partnership with other capital and money markets stakeholders to reach out to underserved areas around Fiji. The MoU executed between the Exchange and the iTaukei Land Trust Board (iTLTB) is also expected to deliver tangible results in this agenda as our partnership will now see frequent investor awareness sessions for lease income recipients around Fiji;
- ▶ **Priorities** – the SPSE will continue to pursue growth avenues and strategic partnerships domestically and regionally with the same optimism and innovation of 2016. We will continue to market our core business as an access to finance and investment platform and focus on the adoption of technology to enhance ease and reduce cost of doing business in the Fijian Stock Market.

The Board and Management of SPSE and its subsidiary, Central Share Registry Ltd (CSRL), wish to thank our clients, stakeholders and subscribers for your support and partnership throughout 2016 and wish you all success throughout 2017.

South Pacific Stock Exchange
January, 2017

For further information including those relating to listing on the Exchange, listed company performance and/or investing in SPSE listed companies, please feel free to contact us.

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