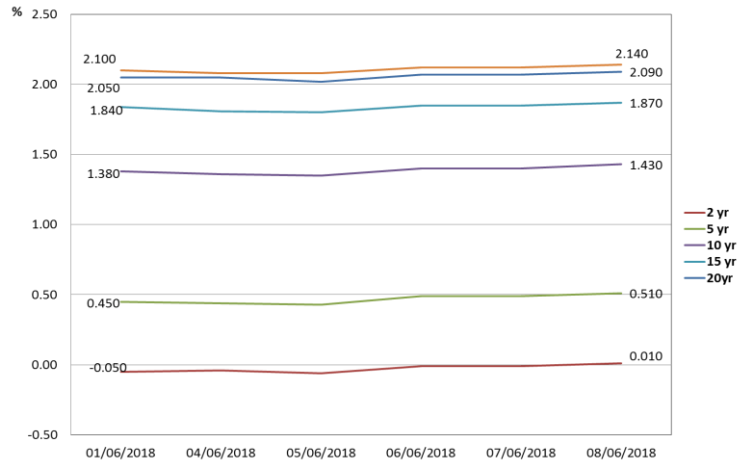


## MALTA GOVERNMENT BONDS OVERVIEW

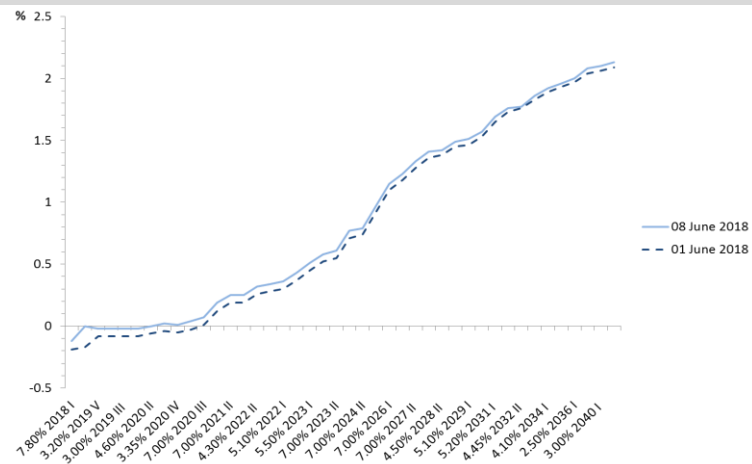
### MT Benchmark Yield Movements



### Week on Week MT Benchmark Yield Changes

Tenor	08-Jun	01-Jun	Change
2 yr	0.01	-0.05	0.06
5 yr	0.51	0.45	0.06
10 yr	1.43	1.38	0.05
15 yr	1.87	1.84	0.03
20 yr	2.09	2.05	0.04
25 yr	2.14	2.10	0.04

### Malta Yield Curve



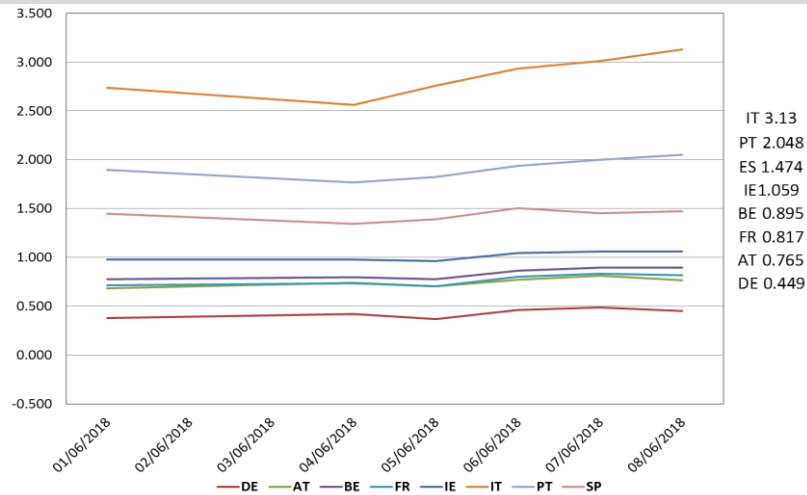
### Week on Week MT Benchmark Spread Changes

Tenor	08-Jun	01-Jun	Change
2 yr	64	58	6
5 yr	67	66	1
10 yr	94	96	-2
15 yr	113	117	-4
20 yr	116	118	-2
25 yr	117	119	-2

Source: CBM

## EUROZONE SOVEREIGN DEBT MARKET

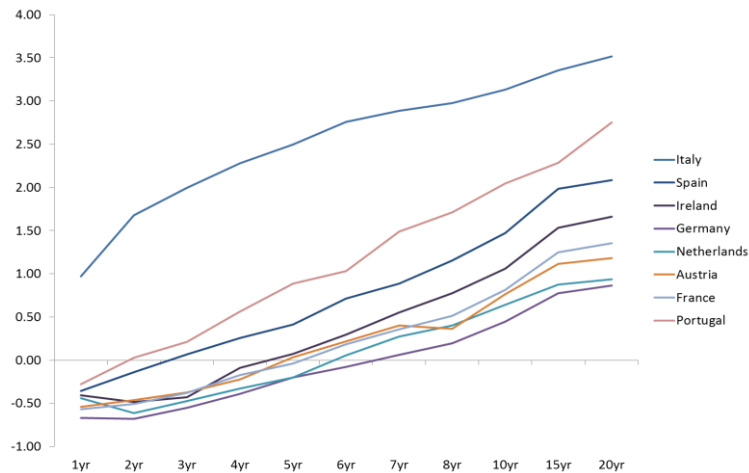
### Eurozone Benchmark 10 Year Yield Movement



### Week on Week Eurozone Benchmark Yield Changes

Core EZ Countries	2yr	5yr	10yr	15yr	20yr
<b>Germany</b>	-0.03	0.03	0.07	0.08	0.08
<b>Netherlands</b>	-0.01	0.02	0.09	0.10	0.09
<b>Austria</b>	-0.04	0.03	0.08	0.07	0.05
<b>France</b>	-0.01	0.06	0.10	0.11	0.10

### Selected Eurozone Yield Curves



Non-Core EZ Countries	2yr	5yr	10yr	15yr	20yr
<b>Portugal</b>	0.06	0.16	0.15	0.17	0.13
<b>Spain</b>	-0.06	0.00	0.03	0.05	0.04
<b>Italy</b>	0.65	0.66	0.39	0.32	0.30
<b>Greece</b>	0.00	0.12	0.21	0.26	0.17
<b>Ireland</b>	-0.04	0.03	0.08	0.09	0.07

Source: Reuters

## LOCAL CAPITAL MARKETS PERFORMANCE - FIXED INCOME

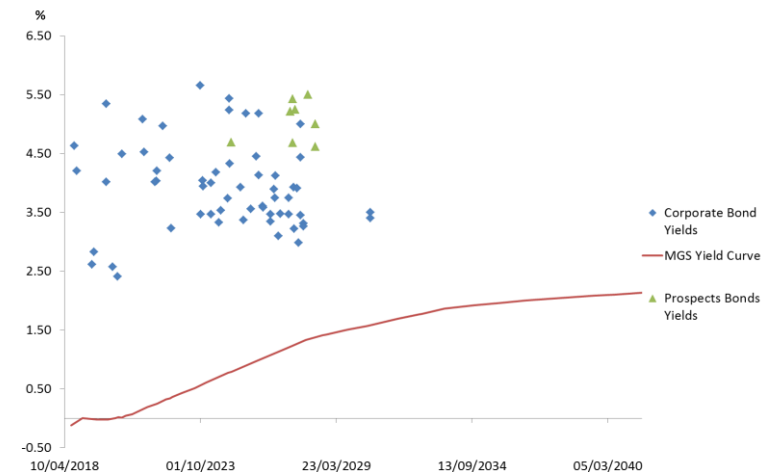
### Week on Week Local Corporate Bond Performance

Security	Nominal Traded (€mln)	Price 8 Jun	Price 1 Jun	Chg	% Chg
4.00% STIVALA GRP FIN PLC 2027	0.32	104.3	104.75	-0.45	-0.43
3.5% BoV plc 2030 S1 T1	0.28	101	101	0.00	0.00
3.75% VIRTU FINANCE PLC 2027	0.26	103.5	103.25	0.25	0.24
4.25% Gap Group plc 2023	0.20	103.75	103.75	0.00	0.00
4.40% VDH FIN PLC 2024	0.14	102	102.75	-0.75	-0.73
4.50% HILI PROPERTIES PLC 2025	0.12	106	106.57	-0.57	-0.53
4.35% SD FIN PLC 2027	0.11	104.5	104.55	-0.05	-0.05
4.25% Corinthia Fin plc 2026	0.11	104.5	105	-0.50	-0.48
4.50% G H M PLC 2027	0.10	104.5	105	-0.50	-0.48
5% MeDirect Bank plc 2022-2027	0.10	104.25	104.25	0.00	0.00
5.1% 1923 Investments plc 2024	0.07	104.25	105	-0.75	-0.71
7.5% Med Bank plc 2019	0.07	105	104.5	0.50	0.48
6% Medserv plc 2020-2023 S1 T1	0.07	101.5	102	-0.50	-0.49
5.50% AST GROUP PLC 2028	0.01	100	100	0.00	0.00
4.875% AgriHoldings plc 2024	0.01	101	101	0.00	0.00

### Week on Week MGS Performance (Selected Bonds)

Security	Nominal Traded (€mln)	Price 8 Jun	Price 1 Jun	Chg	% Chg
2.10% 2039 I	0.25	100.33	101.03	-0.7	-0.69
5.00% 2021 I	0.16	115.15	115.45	-0.3	-0.26
3.00% 2040 I	0.16	115.74	116.56	-0.82	-0.70
4.10% 2034 I	0.10	130.45	131.07	-0.62	-0.47

### Secondary Market Corporate Bond Yields



Source: MSE/CBM

## LOCAL EVENTS

### Upcoming Corporate Bond Events/Actions

The Treasury of Malta will announce the re-setting of the rate of the FRN MGS 2018 VII, MT1000010099 on Monday 11th June.

Malta Properties Company plc will hold its Annual General Meeting on 13th June

### Upcoming MT Data

Data	Publish Date	Latest	Expected
HICP Inflation May	15-Jun	1.30%	/

### Other Local Events

As announced by the Minister for Finance , the new fixed rate 62+ Malta Government Savings Bond – Issue 2018 shall go on sale on Monday 11th June 2018. Main features:

- rate of interest of 3% per annum fixed for five (5) years until the maturity of the bond in 2023;
- every eligible individual can apply in his or her sole name for a minimum amount of €500 up to a maximum of €8,000;
- interest is paid semi-annually in arrears;
- the bond is not negotiable and cannot be transferred onto another individual; and
- early repayment of principal is subject to a penalty equivalent to three months interest.

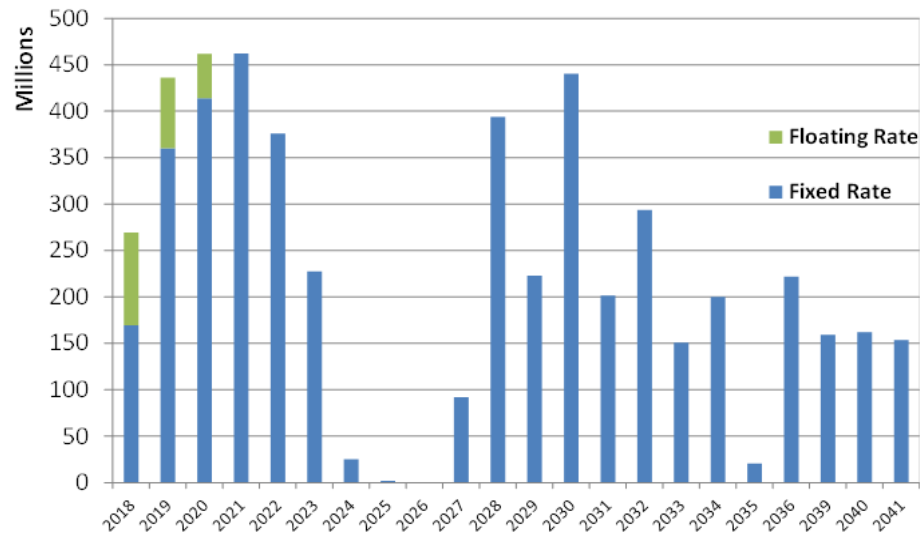
The amount on issue shall be €65,000,000 and may be increased by an additional maximum amount of €35,000,000, in the event of oversubscription. The issue of the 62+ Malta Government Savings Bond of this year shall be open to all individuals born in the year 1956 or before. Applications shall open at 8:30 a.m. on Monday 11th June 2018 and close at 5:00 p.m. on Tuesday 12th June 2018, or earlier at the discretion of the Accountant General.

## MALTA PROFILE

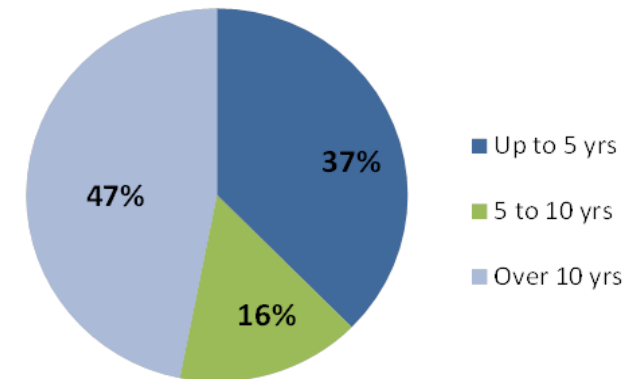
	Malta	Eurozone	Agency	LT Rating	Outlook
HICP Inflation (Mar 18)	1.30%	1.30%	S&P	A-	Positive
Real GDP (Q4 2017)	4.30%	2.70%	Moody's	A3	Positive
Debt to GDP Ratio (Q4 2017)	50.80%	86.7%	Fitch	A+	Stable
Unemployment Rate (Q4 2017)	3.70%	8.70%	DBRS	A (high)	Stable



## Maturity Profile



## Maturity Distribution



Sourcer:CBM/Treasury/Eurostat

## INTERNATIONAL MARKETS

### Indices

	08-Jun	01-Jun	% Change
<b>S&amp;P 500</b>	2,779.03	2,734.62	1.62%
<b>DOW JONES</b>	25,316.53	24,635.21	2.77%
<b>FTSE 100</b>	7,681.07	7,701.77	-0.27%
<b>EURO STOXX 50</b>	3,447.30	3,453.54	-0.18%
<b>DAX</b>	12,766.55	12,724.27	0.33%
<b>FTSE MIB</b>	21,355.98	22,109.55	-3.41%
<b>CAC 40</b>	5,450.22	5,465.53	-0.28%
<b>IBEX 35</b>	9,746.30	9,632.40	1.18%
<b>MSE</b>	8,675.99	8,489.03	2.20%

### Commodities

	08-Jun	01-Jun	% Change
<b>Gold</b>	1298.00	1292.74	0.41%
<b>Silver</b>	16.74	16.35	2.35%
<b>Brent Crude Oil</b>	76.46	76.79	-0.43%
<b>WTI Oil</b>	65.77	65.81	-0.06%

### Currency Movements

	08-Jun	01-Jun	% Change
<b>EUR/USD</b>	1.1766	1.1660	0.91%
<b>EUR/GBP</b>	0.8774	0.8738	0.41%
<b>EUR/JPY</b>	128.90	127.69	0.95%
<b>EUR/CHF</b>	1.1590	1.1515	0.65%

### 10 Year Yield Movement

	08-Jun	01-Jun	Change
<b>Germany</b>	0.449	0.377	0.07
<b>France</b>	0.817	0.714	0.10
<b>U.S.</b>	2.935	2.895	0.04
<b>U.K</b>	1.389	1.282	0.11
<b>Greece</b>	4.698	4.49	0.21
<b>Italy</b>	3.13	2.739	0.39
<b>Spain</b>	1.474	1.446	0.03
<b>Portugal</b>	2.048	1.894	0.15

Source: Reuters

## INTERNATIONAL MARKETS

### Top News

Peripheral Euro zone yields started the week with a risk-off mode on easing political fears, declining across all maturities, while euro yields of core countries increased. Italy formed a government after weeks of political turmoil headed by Prime Minister Giuseppe Conte, while a relative smooth handover of government was witnessed in Spain.

Later in the week, Euro zone yields, in particular core countries increased further, after the European Central Bank chief economist Peter Praet stated that the ECB is set to debate next week on ending its bond buying program.

Italy was the major underperformer, on worries that the newly appointed government's radical changes will result in adding to Italy's already- heavy debt load. Italy has one of the biggest debt burden in the euro zone standing at around 130% of economic output.

### Economic Releases

Data	Actual	Expected	Previous
Eurozone Retail Sales YY	1.70%	1.70%	0.80%
Eurozone Comp Final PMI	54.10	54.10	54.10
German Industrial Orders MM	-2.50%	0.80%	-0.90%
U.S Initial Jobless	225k	222k	223k

### Upcoming Economic Releases

Data	Expected	Previous
Germany HICP YY	2.20%	2.20%
Eurozone HICP Final YY	1.90%	1.90%
United Kingdom CPI YY	2.5%	2.40%
FED Meeting 12-13.06.18	Increase rates by 25 bps	
ECB Meeting 14.06.18	Keep rates unchanged	