

2021

STOCK MARKET REVIEW





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Greetings and well-wishes from the SPX!

Much like the previous period, the year 2021 saw the COVID-19 pandemic dominating our lives, forcing people to adapt to a new normal with lengthy stretches of time without any face-to-face social interaction. Once again, the year ended with the emergence of a new COVID-19 variant, pushing hopes of eliminating the virus from our communities to an indeterminate future. Forecasting either the total elimination of COVID-19 or a future in which it is merely an endemic is inexact hence we need to focus on progressing with administration of booster shots to better control the effects of the virus without it being a disruptor towards our daily livelihoods.

In terms of the SPX operations, similar to most businesses, virtual interaction and initiation of work from home initiatives for staff has been the norm for most of 2021 to ensure business continuity and in instances where physical presence in office was required, prominence was strictly given to various COVID-19 protocols to ensure wellbeing and safety is maintained for staff at all times.

Through this Stock Market Review, we reflect on our experiences of 2021 and intend to update our followers, investors, various stakeholders and the general investment community on stock market activities and development initiatives executed during the year as well as provide an insight into key performance indicators and market trajectory noted during 2021.

Overall, while the aggregate market capitalisation recorded a drop, the average total stock market return in 2021 showed an improvement from the previous year which remained competitive and once again concluded in the positive territory for the 11th successive year averaging at 10.39%.

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2021 Macro Overview

Avg. Total Market Return	Equal Weighted Price Index	5,605.42	Equal Weighted Total Return Index	12,069.95
▲ +10.39%	▲ +7.65%	+398.14	▲ +9.80%	+1,077.33
SPX Total Return Index (STRI)	7,783.19	Market Capitalisation	\$3.14 billion	
▼ -3.81%	-308.70	▼ -9.39%	-\$0.33 billion	

- ✘ 2021 was a stammering year that brought both highs and lows and it began in hope with the rapid administration of COVID-19 vaccines across the globe. Fiji welcomed its highly anticipated first batch of COVID-19 vaccines in March, supplied through the global COVAX facility with the ultimate intention to assist the nation in achieving the necessary herd immunity at the earliest pace as it would be a key determinant in Fiji's response to the global pandemic. As we stepped into the second quarter of the year and while livelihoods of people was slowly on the road to recovery, Fiji was once again in the grips of fresh lockdowns and stringent containment measures amidst the second wave of the pandemic from mid-April, albeit some gradual relaxations in health measures allowing progressive opening of businesses subject to strict guidelines established by relevant authorities as the vaccination statistics improved. The second wave presented a much bigger challenge and immersed a huge pressure on our health facilities as a more transmissible Delta variant of the COVID-19 virus became prevalent in our community and triggered not just economic destruction but also left tragic human scars amongst people with loss of loved ones succumbing from the wrath of the pandemic.
- ✘ Simultaneously, while the administration of vaccines continued around the country, the virus also continued to spread and mutate throughout last year including the identification of the fast-spreading Omicron variant which has now started its third wave in Fiji and is currently triggering a reversion to the early days of the pandemic where avoiding infection at almost any cost is gripping a large segment of the community.
- ✘ For the domestic economy and according to the statistics provided by the Reserve Bank of Fiji (RBF), the Fijian economy is expected to contract by 4.1% in 2021 due to the economic challenges in the face of COVID-19; however, economic recovery is anticipated in 2022 with continuing vaccination amongst the Fijian population including administration of booster shots and the positive spill-over effects on associated sectors of the economy following the opening of regional borders which has allowed for the recommencement of international tourism.
- ✘ On the local equities front, Fiji's Stock Market faced the 2021 financial year under the prevalence of the second wave of the COVID-19 pandemic and as such the overall operational and financial performances of the SPX listed entities were understandably affected by various incessant pandemic related pressures on the business environment in Fiji. Similar to 2020 and as a means to ease the burden on listed entities in fulfilling their ongoing listing requirements due the unprecedented impact arising out of COVID-19, SPX once again announced regulatory relief measures for listed entities which offered them additional time to publish their audited financial statements and annual reports. SPX also considered the challenges faced by the stockbroking firms and further assisted them by maintaining flexibility in terms of their continuing broking member obligations as well.

- ✘ From the perspective of market activity, while there was a gradual pickup in trading activity as well as an improvement in investor confidence during the first quarter, this optimism was rather short-lived and the market re-embraced a deterioration in investor confidence following the emergence of the second wave of the pandemic in the second quarter of 2021. Further, noting the realities on the ground and given the existing uncertainty, the stock market fared with instances of high volatility resulting in concentrated sell-offs for certain listed stocks ultimately causing downward pressure in share prices. During this period, SPX as the front-line regulator of the stock market maintained a close look at the daily trading activities and movements in market indices. As per SPX market surveillance guidelines, any movements exceeding +/- 5% in SPX Equal Weighted Price Index in a trading day would trigger a temporary trading halt, however, no such instances were recorded during the year under review.
- ✘ On a positive note, the year 2021 saw three listed entities, namely; Kontiki Finance Limited (KFL), Pleass Global Limited (PBP) and for the first time ever, Free Bird Institute Limited (FBL) offer a Dividend Reinvestment Plan (DRP) for its shareholders. A DRP allows existing shareholders to reinvest their dividend proceeds through acquisition of additional shares in an entity at a discounted price and without any transaction costs as opposed to receiving their dividend entitlement in cash. In aggregate, a total of \$1.89 million was reinvested into additional shares in 2021 in comparison to a lower \$0.98 million reinvested into additional shares in 2020.
- ✘ It is also worth highlighting that while the delisting of Paradise Beverages (Fiji) Limited (PBF) following the compulsory acquisition by Coca-Cola Amatil (Fiji) Pte Ltd (CCEP Fiji) resulted in a decrease in market value by \$211.81 million, PBF had a successful journey being listed on the SPX for over 24 years and was able to unlock its value yielding notable returns for its shareholders both in the form of capital growth as well as dividend returns as its market value grew from \$26.50 million at the time of listing to \$211.81 million when it delisted. PBF had also paid an estimated \$75 million in dividends to its shareholders during its journey of being listed on the SPX.
- ✘ On the investor awareness front; amidst the global pandemic, the SPX consistently maintained an active digital presence through use of social media platforms in partnership with its licensed stockbroking firms informing existing as well as potential investors that investing in shares of listed entities for the long-term provides a good possibility for returns greater than other investments, if one is comfortable taking some market risk. As for the investors who remained uncertain, they were recommended to consider a long-term approach to investing and to keep in mind the wise financial advice to buy low and sell high, a pathway which can help the investors be the winner over the long-term. This advice seemed to have been considered by investors who realised growth opportunities available in listed entity shares over the long-term and were consequently seen to take advantage of price falls and also participated in corporate actions such as Dividend Reinvestment Plans and Rights Issues offered by certain listed entities during 2021.
- ✘ Given the above sentiments, the overall capitalisation of the market, which is the total dollar value of all the SPX listed entities, recorded a fall of 9.39% concluding the year at a value of \$3.14 billion while the SPX Total Return Index (STRI) fell by 3.81%. On the contrary and in line with the positive average total market return of 10.39% noted in 2021, the SPX Equal Weighted Price Index and the SPX Equal Weighted Total Return Index rose by 7.65% and 9.80% respectively.

Market Activity Review

Overall Trading Pattern

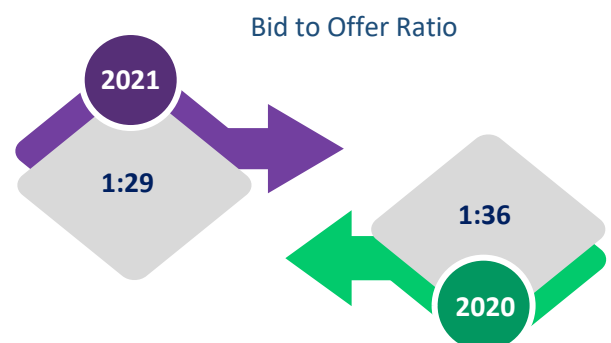
- ✘ On a consolidated basis and considering all ordinary trades as well as the one-off transactions for the year 2021, the number of trades, volume and value traded decreased in comparison to the 2020 market statistics. The number of trades was lower by 989 trades (-35.73%) and the volume and value of trades were lower by 3,440,341 shares (-37.96%) and \$2,504,827 (-13.01%). Lower trading statistics were also recorded after excluding the one-off transactions for both comparable periods.
- ✘ Historically trades originating from FHL dividend declarations contributes more than 50% of all FHL trades as well as the aggregate number of trades in a particular year. However, the year 2021 noted no dividend declarations by FHL which substantially reduced the aggregate number of transactions recorded for the year as no dividend declarations translated into nil market-based dividend reinvestment trades. However, the trading platform did record 330 transactions categorised as market-based dividend reinvestment trades but these trades originated from the earlier dividend declared in October 2020 and were essentially the trades which had remained unexecuted at the end of the previous year.
- ✘ The lower statistics recorded in terms of volume and value traded during the 2021 year is due to the ongoing impacts from the COVID-19 pandemic. However, on an optimistic note, the SPX e-trading platform recorded an increased number of one-off special crossing trades (+30.77%) and a higher value of transactions (+36.45%) during 2021 in comparison to 2020.

The key market indicators including and excluding one-off transactions recorded in 2021 in comparison to 2020 period is tabulated below:

Particulars	Includes One-Off Transactions			Excludes One-Off Transactions		
	2021	2020	% Change	2021	2020	% Change
Number of Trades	1,779	2,768	-35.73%	1,762	2,755	-36.04%
Volume Traded	5,622,571	9,062,912	-37.96%	1,836,576	4,788,097	-61.64%
Value Traded (\$)	16,747,851	19,252,678	-13.01%	3,691,519	9,684,444	-61.88%

New Order Flows

- ✘ The average weekly new order flow for 2021 recorded on the SPX e-trading platform stood at \$181,431 and is in line with the lower aggregate trading statistics noted during the year in comparison to 2020.



- ✘ Additionally, for the year 2021, the average buy to sell ratio concluded at 1:29 in comparison to an average bid to offer ratio of 1:36 in 2020. For now, while this ratio still indicates a strong presence of supply-side investors compared to buyers as was noted in 2020, the year 2021 saw a slight improvement while comparing the dominance of sell side investors for the SPX listed entities. It must also be noted that the strong presence of sellers exists for certain listed entities only, namely; ATH, FMF, KFL, PDM and FHL.
- ✘ On a year-to-date basis for 2021, the selling interests averaged at 64.30% of the total new order flow consideration (in comparison to selling interests averaging at 67.22% in 2020) while the buying interests averaged at 35.70% of the total new order flow consideration (in comparison to buying interests averaging at 32.78% in 2020).

Monthly Trading Trend and Key Events

Jan

The remaining market-based dividend reinvestment trades for FHL from December 2020 was fully executed in January 2021 resulting in the month to record the highest number of trades out of all the months in 2021. January also saw the 12-month market capitalisation value peak at \$3.51 billion and the month was also one of the two months to record the highest number of new investors for the year.

Feb

Negotiated deal transactions were recorded in KFL resulting in the volume and value traded to peak. This was further supplemented by a high-volume private transfer transaction recorded in FHL. The SPX e-trading platform also recorded an additional quotation of 478,911 shares by KFL as part of its Dividend Reinvestment Plan.

Mar

Downward pressure on share prices and ultimately on the aggregate market value continued resulting in March being the month to record the highest monthly market capitalisation fall of 4.19%. New investors continued to be recorded, although slightly lower than the previous two months.

Apr

As the economy looked to have had the first signs of recovery from the economic and human scars left by the first wave of the pandemic, identification of the Delta variant in the community once again put Fiji back in the grips of a second wave with fresh lockdowns and containment measures being instituted to curtail the spread of COVID-19. A direct impact was felt with new investors and trading volumes shrinking considerably. However, on an assenting note, the market noted two corporate actions providing some stability towards the overall market value. PBP quoted an additional 39,481 shares as part of its Dividend Reinvestment Plan while ATH quoted an additional 4,000,541 shares as part of its Rights Issue offer.

May

COVID cases continued to surge, as such the greater part of the month saw establishment of various containment zones and restrictions being instituted on movements and gatherings of people. Listed entities were required to release relevant market updates outlining the impact from the second wave of the pandemic on their business operations, financial forecasts and decisions on dividend declarations to ensure informed investment decisions are made by investors. Amongst these, there were transactions executed by various high net-worth individuals and institutional investors in select securities and an additional 6,677,646 shares was quoted by ATH as part of the ongoing Rights Issue offer.

Jun

In recognition of the apparent challenges following the resurgence of COVID-19 cases, the SPX once again granted a waiver under which timing requirements for the release of Annual Audited Financial Statements and Annual Reports were extended for listed entities. Moreover, a negotiated deal transaction was recorded in Paradise Beverages (Fiji) Limited (PBF) during the month of June. Through this negotiated deal transaction, Coca-Cola Amatil (Fiji) Pte Limited (CCEP Fiji) acquired 57,323 shares in PBF from Platinum Insurance Limited which triggered the compulsory acquisition provisions of the Companies Act 2015.

Jul

ATH quoted a further 20,000,000 shares on the SPX platform, collectively raising \$112,970,462 at the conclusion of the Rights Issue offer. ATH also witnessed a negotiated deal transaction between two high net-worth investors which added positively to the overall trading statistics for the month of July. Following the announcement by CCEP Fiji regarding the compulsory acquisition of the remaining shares in PBF to increase its shareholding to 100%, a total of 81 shareholders opted in requiring CCEP Fiji to acquire their shares during the month of July. This resulted in CCEP Fiji increasing its stake in PBF to 92.68% at the end of July.

Aug

The month of August saw the successful completion of compulsory acquisition of 100% ordinary shares in PBF by CCEP Fiji and ultimately the delisting of PBF from the official list of the SPX. While various price gains were noted during the month, the delisting of PBF eliminated \$211,805,344 in market value resulting in August being the month to record an aggregate fall of 3.92% in the overall market capitalisation.

Sep

On the back of rising vaccination statistics and consequent return to employment by various people, noticeable improvement was noted in terms of new investor participation and trading statistics also improved. This degree of market confidence witnessed in September resulted in a major improvement in the overall market value as it recorded an increase of 2.03%, being the highest monthly market capitalisation increase for the year.

Oct

Overall trading activity picked pace on the back of six negotiated deal transactions executed on the SPX e-trading platform. These one-off transactions were recorded in FBL and KFL between certain high net-worth individuals and institutional investors. The market also recorded a corporate action during the month where KFL quoted an additional 123,973 shares as part of its Dividend Reinvestment Plan.

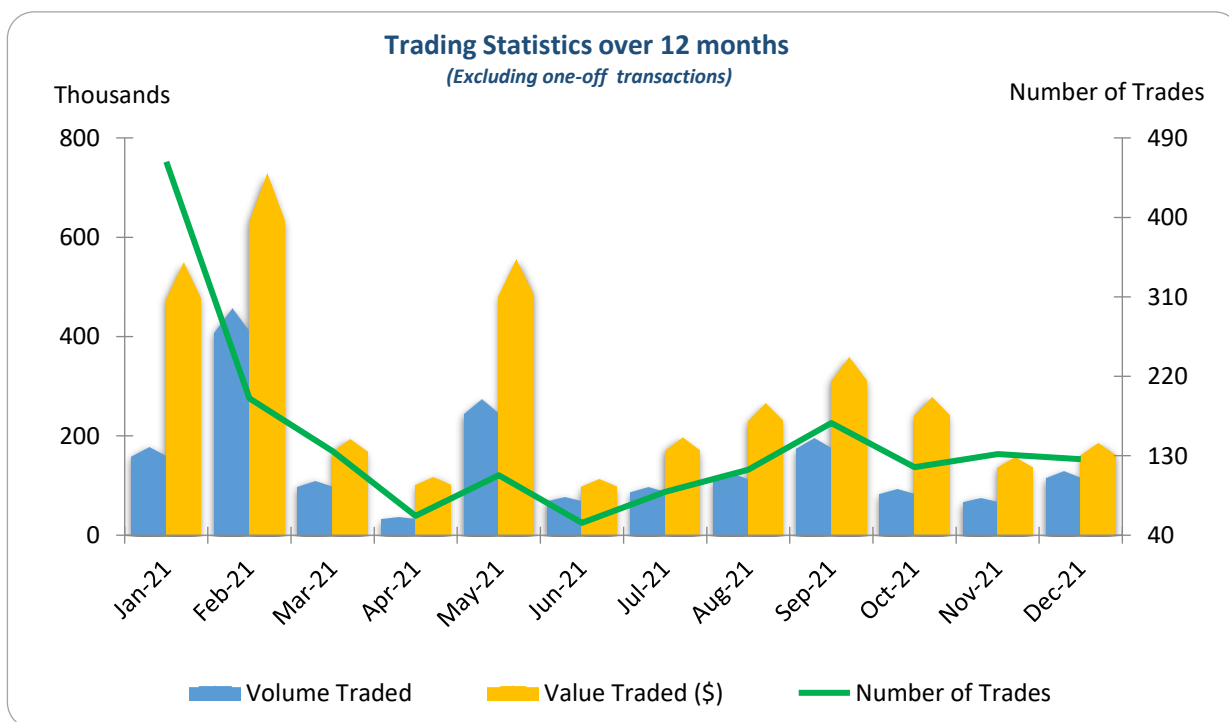
Nov

Favourable new investor statistics continued and with five negotiated deal transactions recorded on the SPX e-trading platform, this ultimately contributed positively to the overall trading statistics. These one-off transactions were recorded in BCN and VIL. November was also the month with the highest volume and value of trades in 2021.

Dec

While the trading statistics slowed as the festive season set-in, an increase of 1.49% was witnessed in the market capitalisation for the month. During the month, 14 out of the 19 listed stocks recorded market activities. Seven listed securities witnessed positive share price movements while two listed entities recorded negative share price movements. For the first time ever, FBL offered its shareholders an option to reinvest their dividend proceeds as part of its Dividend Reinvestment Plan.

The trading pattern excluding the one-off transactions over the past 12-months is portrayed below:



Trade by Security

- ✘ Considering the overall market statistics generated by each listed entity in 2021, Vision Investments Limited (VIL) shares dominated the aggregate volume and value traded by 48.03% and 61.37% respectively. The dominance in volume and value traded for VIL shares is consequent to the four negotiated deal transactions noted in VIL shares between institutional investors during the year.
- ✘ Despite the lack of market-based dividend reinvestment trades from any dividend declarations in 2021, Fijian Holdings Limited (FHL) still stood as the most active stock in terms of number of trades as it accounted for 43.11% of the total number of trades in 2021. However, it is noted that the pending market-based dividend reinvestment trades from 2020 did supplement the trading statistics resulting in FHL's dominance in the number of transactions in 2021. Overall, the number of trades noted for FHL stood approximately 3.5 times higher than the security witnessing the second highest number of trades.
- ✘ Pacific Green Industries (Fiji) Limited (PGI) was the only security that did not record any market activity in 2021 for the third consecutive year.

The trade analysis by each security for 2021 is tabulated below:

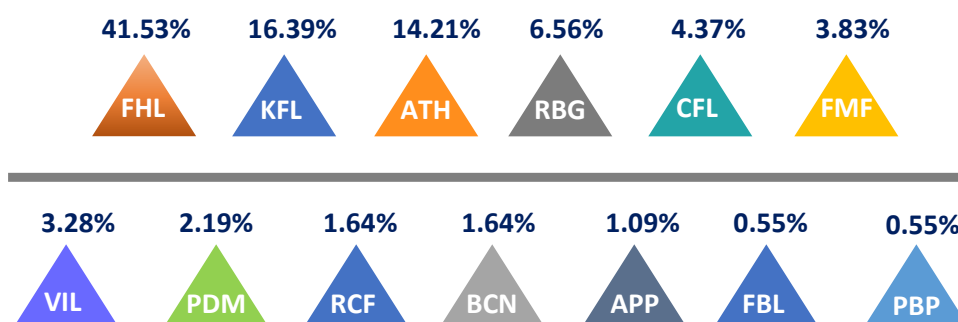
Security	Share Price as at 31/12/21 (\$)	Number of Trades	Volume Traded	Value Traded (\$)	Issued Securities	Volume Traded to Issued Securities Ratio	Market Capitalisation (\$)
APP	3.03	18	12,520	27,307	8,000,000	0.16%	24,240,000
ATH	1.76	120	195,221	331,642	478,590,099	0.04%	842,318,574
CFL	6.95	23	15,900	108,722	3,558,000	0.45%	24,728,100
FBL	4.02	24	168,803	514,133	2,375,298	7.11%	9,548,698
FIL	7.60	21	5,711	41,314	8,607,742	0.07%	65,418,839
FMF	2.00	21	15,072	31,469	150,000,000	0.01%	300,000,000
FTV	4.50	4	2,142	9,639	10,300,000	0.02%	46,350,000
KFL	1.17	219	1,213,038	1,341,839	92,877,078	1.31%	108,666,181
KGF	1.12	4	1,054	1,169	3,821,210	0.03%	4,279,755
PBF*	NA	24	61,769	1,536,108	-	-	-
PBP	3.20	27	23,967	71,434	6,802,060	0.35%	21,766,592
PDM	2.14	81	40,651	86,713	40,000,000	0.10%	85,600,000
PGI	1.08	NO TRADES			7,619,234	0.00%	8,228,773
RBG	3.38	154	173,660	566,604	150,000,000	0.12%	507,000,000
RCF	11.30	63	18,601	209,335	6,000,000	0.31%	67,800,000
TTS	19.00	16	1,663	27,540	14,032,202	0.01%	266,611,838
VBH	7.50	8	3,930	27,477	2,137,403	0.18%	16,030,523
VIL	4.15	84	2,700,798	10,277,413	103,769,425	2.60%	430,643,114
FHL	0.70	767	940,933	758,385	304,646,500	0.31%	213,252,550
BCN	32.99	101	27,138	779,607	3,064,968	0.89%	101,113,294
TOTAL		1,779	5,622,571	16,747,851	1,396,201,219	0.40%	3,143,596,831

* PBF delisted from SPX's official list at close of trading on 6th August 2021 after the successful completion of the 100% compulsory acquisition of its ordinary shares by CCEP Fiji.

New Investors

- ✘ A total of 183 new investors entered the Fijian stock market in 2021. While the new investor numbers entering the stock market remained steady in the midst of challenges noted during the year, it stands lower by 29.62% in comparison to the same period last year. The lower number of new investors recorded is owing to the emergence of the second wave of COVID -19 pandemic which asserted a greater degree of impact on investor confidence in terms of them re-evaluating their savings and investment priorities in comparison to the first wave in 2020. Additionally, with no new listings and no corporate actions such as Share Split being recorded during the year, which historically have been the two key factors contributing positively to the new investor statistics, the new investor numbers for 2021 remained lower.
- ✘ Despite the lower new investor statistics for 2021, considering the nature and investment trends of these new investors, it is apparent that investors do realise the long-term prospects of investing their savings in the stock market despite the downturn induced by the COVID-19 pandemic and its impact on decision by investors to prioritise and balance their financial commitments.
- ✘ In terms of new investor preference, it was noted that majority of the new investors were recorded for Fijian Holdings Limited (FHL) followed by Kontiki Finance Limited (KFL) and Amalgamated Telecom Holdings Limited (ATH).

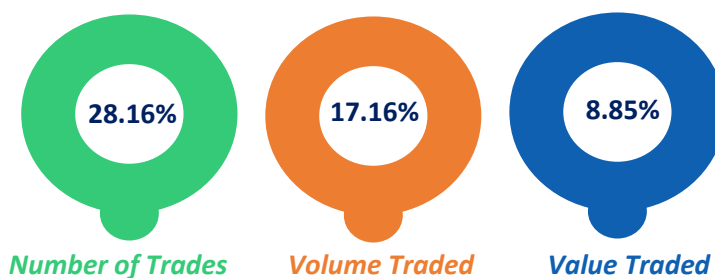
The number of new investors (expressed as a percentage of total number of new investors) recorded per listed entity is illustrated below:



- ✘ In aggregate, these new investors yielded 501 transactions and contributed 965,000 shares in volume traded and accumulated \$1,481,618 in value traded.

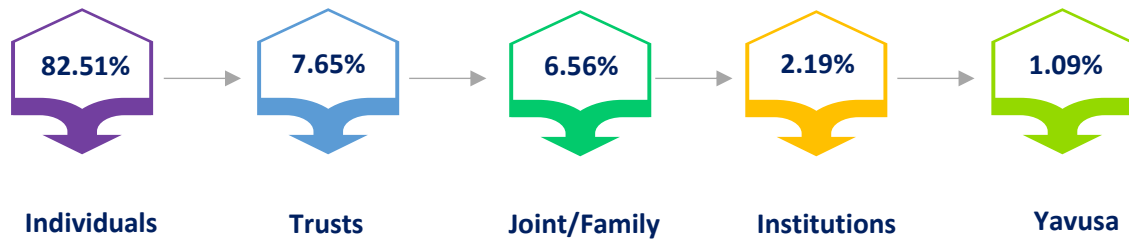
Key statistics contributed by the new investors as a percentage of overall trading statistics in 2021 is illustrated below:

- ✘ As a percentage of the aggregate trading statistics for 2021, the new investors accounted for 28.16% of the overall number of trades, 17.16% of the overall volume traded and 8.85% of the overall value traded.



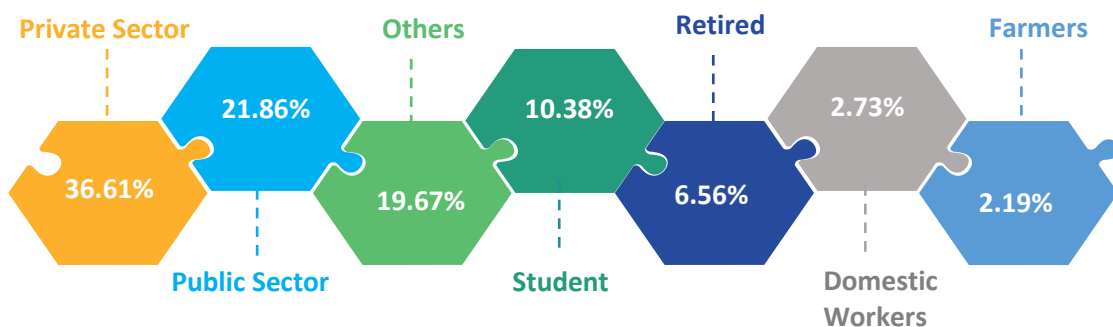
- ✘ Majority of the new shareholders that invested in the listed entities during 2021 were individuals and represented 82.51% of the overall new investment by investor type.

A detailed illustration of new investors by type is portrayed below:



- ✘ A study of the new investors by occupation indicated that majority of the new investors recorded during 2021 were those employed in the private sector. This is followed by those represented by public sector employees. Closely followed and ranked third is Others (includes a mixture of investors who are minors, institutions and self-employed amongst others).

A detailed illustration of new investors by occupation is portrayed below:



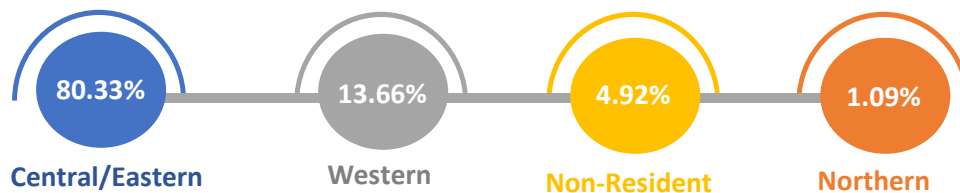
- ✘ An analysis of new investors entering the market in 2021 by age classification showed that majority of the new investors fall between the age range of 26 years to 35 years which is followed by investors in the age range of 36 years to 55 years.
- ✘ A welcome trend noted is that 57.22% of the new investors recorded were below the age of 35 years. Additionally, over the past year, it was apparent that new investors below the age of 18 years now occupy a notable portion of the new investor statistics which historically has been below 1%.

A detailed illustration of new investors by age range is portrayed below:



- ✘ As for the new investors by geographical location, it was noted that majority of the new investors in 2021 were residents and were largely from the Central/Eastern division. However, it is commendable to note new investors emerging from the Western and Northern divisions as well. New non-resident investors were also recorded in 2021.
- ✘ SPX with the three licensed stockbroking firms is located in Suva which helps investors from the Central division to access our services with more convenience, however, SPX continues to disseminate all relevant information about investing through other mediums such as SPX website, social media platforms, television and newspaper articles. The central division also houses the density of businesses and predominantly contributes to higher employment numbers resulting in the higher concentration of the new investors from the central division.
- ✘ Nevertheless, the SPX is encouraged to note investors from other divisions and strongly urges all those investors who are located outside of Suva to communicate their investment interests to the SPX via telephone, email or Facebook messages and our team will surely assist you in getting started with your investment journey.

A detailed illustration of new investors by geographical location is portrayed below:



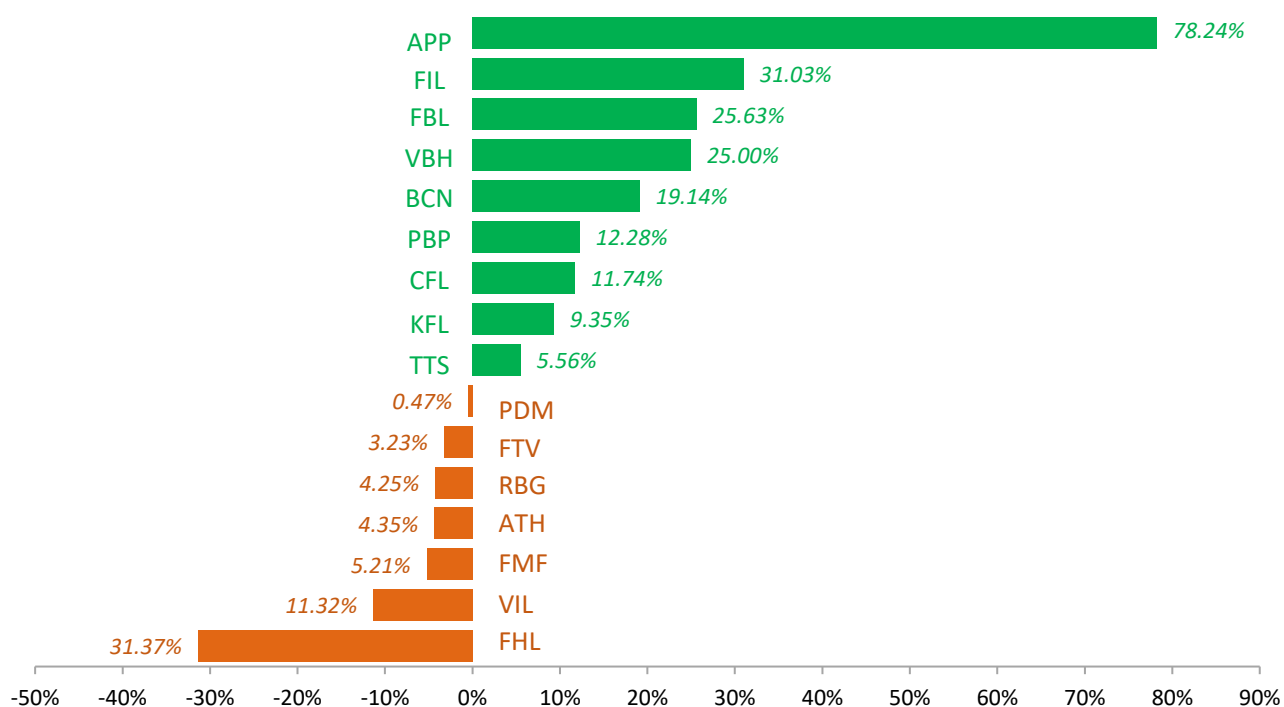
Market Returns

Price Gainers/Losers

- ✘ The SPX e-trading platform concluded the year 2021 with 9 out of the 19 listed securities recording increased share prices while 7 listed stocks recorded a fall in their share prices. Additionally, the share prices remained invariable for 3 securities during the period under review¹.
- ✘ The overall average capital growth for 2021 showed an improvement from 2020 and remained in the positive territory closing well within the long-term average return and concluded at 8.30% (tax-free) in 2021.
- ✘ During the year, 37% of the listed entities (7/19) ended the year at their all-time high share prices where few yielded strong capital gains for its shareholders.

¹ Share prices for three listed stocks, namely; KGF, PGI and RCF remained constant during the 2021 period.

Share price movements recorded during 2021 is illustrated below:



Dividend Yield

- ✘ For 2021, the average tax-free income yield for the market stood at 2.08% which is an improvement in comparison to an average income yield of 1.29% recorded in 2020.
- ✘ In 2020, it was apparent that many listed entities rushed to preserve their cash flows as earnings fell and economic outlook became uncertain in the midst of operational challenges posed by the pandemic and this resulted in a rapid uptick in the number of listed entities undertaking a decision to delay or suspend dividend payments. However, it was encouraging to note that this business norm changed during 2021 as listed entities became more accustomed and confident to mitigate and overcome the effects of the pandemic resulting in these companies to re-evaluate their stance on dividend payments to its shareholders.
- ✘ In view of the above and as appropriate considering the operational dynamics of the listed stocks on an individual basis, for 2021 it was noted that six out of the 19 entities declared higher dividend payouts compared to 2020 while four listed entities maintained similar levels of dividend payments as the previous year. It was also noted that four entities declared a lower dividend in 2021 while the remaining five listed entities did not declare any dividends during 2021.
- ✘ Overall, during 2021 an increased value of \$43.15 million was paid out in dividends in comparison to a total of \$32.58 million paid out in 2020.

Total Market Return

- ✕ The total market return to investors in listed entities encompasses the capital gain and the dividend yield from listed stocks. As such aggregating the average capital gain of 8.30% and the average dividend yield of 2.08% resulted in a **10.39% (tax-free) average total market return for 2021.**



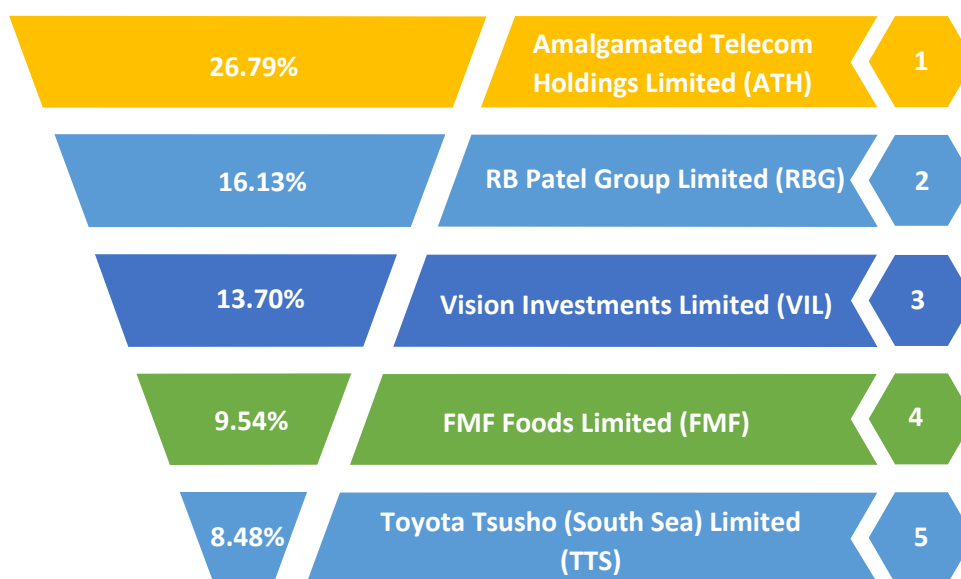
Details of price movements and dividend returns per listed entity as at 31st December 2021 is tabulated below:

	Share Price (\$)		Capital Growth	Income Yield	Total Market Return
Security	2021	2020			
APP	3.03	1.70	78.24%	1.82%	80.05%
ATH	1.76	1.84	-4.35%	1.14%	-3.21%
CFL	6.95	6.22	11.74%	1.15%	12.89%
FBL	4.02	3.20	25.63%	18.66%	44.28%
FIL	7.60	5.80	31.03%	0.66%	31.69%
FMF	2.00	2.11	-5.21%	1.50%	-3.71%
FTV	4.50	4.65	-3.23%	0.00%	-3.23%
KFL	1.17	1.07	9.35%	3.85%	13.19%
KGF	1.12	1.12	0.00%	0.00%	0.00%
PBP	3.20	2.85	12.28%	1.25%	13.53%
PDM	2.14	2.15	-0.47%	0.00%	-0.47%
PGI	1.08	1.08	0.00%	0.00%	0.00%
RBG	3.38	3.53	-4.25%	0.80%	-3.45%
RCF	11.30	11.30	0.00%	3.10%	3.10%
TTS	19.00	18.00	5.56%	1.05%	6.61%
VBH	7.50	6.00	25.00%	0.93%	25.93%
VIL	4.15	4.68	-11.32%	1.20%	-10.12%
FHL	0.70	1.02	-31.37%	0.00%	-31.37%
BCN	32.99	27.69	19.14%	2.47%	21.61%
AVERAGE:			8.30%	2.08%	10.39%

Market Capitalisation

- ✘ Given the uneven composition of individual SPX listed entities towards the aggregate market capitalisation, where the largest company by way of market share occupies more than 25% while the smallest company by way of market share occupies less than 1% only, movements in share prices of heavyweight stocks render larger changes in the aggregate market value.
- ✘ As such, negative share price returns recorded by top four of the SPX listed stocks by way of market share in 2021 as well as the delisting of Paradise Beverages (Fiji) Limited (PBF)² resulted in the overall market value to witness a decrease of \$325,834,636 (-9.39%) and conclude at a value of \$3,143,596,831 (\$3.14 billion).
- ✘ The top five listed securities in terms of market capitalisation represented 74.65% of the overall market value as at 31st December 2021.

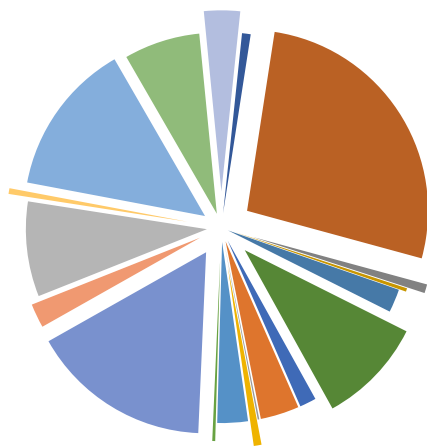
The top five listed stocks in terms of market capitalisation is illustrated below:



Details of contribution of each listed entity towards the overall market capitalisation as at end of 2021 is illustrated on the following page.

² The delisting of PBF reduced the SPX market capitalisation by \$211,805,344.

Market Capitalisation by Security



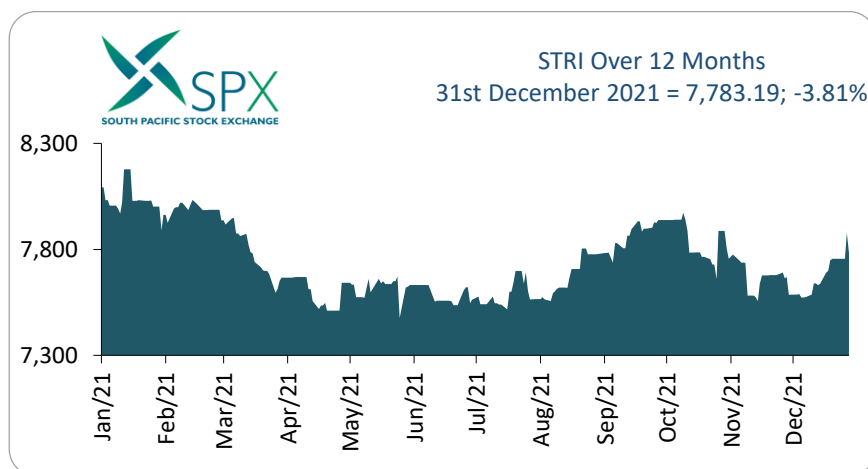
APP	ATH	CFL	FBL	FIL
0.77%	26.79%	0.79%	0.30%	2.08%
FMF	FTV	KFL	KGF	PBP
9.54%	1.47%	3.46%	0.14%	0.69%
PDM	PGI	RBG	RCF	TTS
2.72%	0.26%	16.13%	2.16%	8.48%
VBH	VIL	FHL	BCN	
0.51%	13.70%	6.78%	3.22%	

Market Indices

SPX Total Return Index (STRI)

- STRI is a market capitalisation weighted total return index, which means it accounts for both price as well as dividend returns and is dependent on the market capitalisation weighting of each entity towards the aggregate market value.
- Therefore, with the top four listed stocks by way of market share recording negative share price returns, the overall STRI value for the year 2021 fell by 3.81% (-308.70 points) and concluded at a value of 7,783.19.

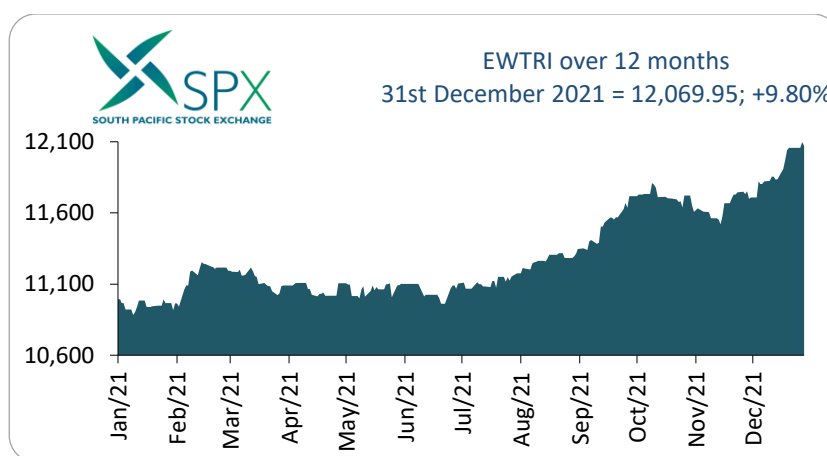
The 12-month performance for STRI is illustrated below:



Equal Weighted Total Return Index (EWTRI)

- ✘ The Equal Weighted Total Return Index weighs all the listed stocks equally without being skewed by the heavyweights and records both share price returns as well as dividend returns. As such, given the nature of this index where the impact of share price movements is identical irrespective of the composition of the listed entity towards the overall market value, EWTRI ended the year in a positive territory gaining 9.80% (+1,077.33 points) and concluded the year at a value of 12,069.95.
- ✘ The increase in EWTRI is in line with the average total market return for 2021 which remains positive and reflects the pertinence of stock market returns over the long term.

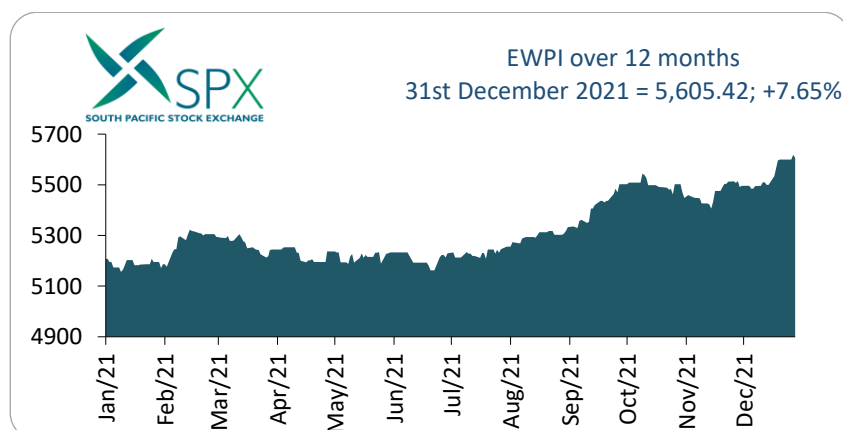
The 12-month performance for EWTRI is illustrated below:



Equal Weighted Price Index (EWPI)

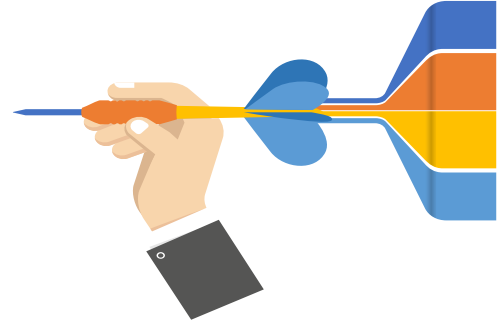
- ✘ In order to maintain investor confidence given the economic challenges posed by the COVID-19 pandemic, SPX maintained a proactive stance in monitoring daily market movements and closely followed the daily movements in the Equal Weighted Price Index during 2021. Any movements exceeding +/- 5% in EWPI in a trading day would trigger a temporary trading halt, however, no such instances were recorded during the year under review. Overall, unlike the market capitalisation weighted indices, the EWPI value for the year 2021 rose by 7.65% (+398.14 points) concluding at a value of 5,605.42.

The 12-month performance for EWPI is illustrated below:



2022 Outlook

- ✘ As we head into 2022, the Fijian economy is countering the emergence of the third wave of the COVID-19 pandemic which is exerting new events of uncertainties on people and businesses. However, there is more hope than during the previous waves, given the vaccination rates already achieved with continuing administration of booster shots as well as health experts commenting that the Omicron variant while being much more infectious is less virulent than its Delta predecessor. The hope is that the economic impact of this new wave could be relatively less severe and mild than what was experienced in 2021.
- ✘ Despite the challenging environment, the core strategic goals of the SPX remains consistent as the previous years which revolves around continuing the development of the local stock market in order to increase liquidity and trading activities, increase investor awareness and attract new investors as well as increase the multiplicity of investible products through the SPX platform. Additionally, SPX, as the front-line regulator of the stock market will continue to innovate and strive to improve its services and position the SPX group as a service-driven and operationally excellent organisation. The SPX intends to maintain its engagement with its listed entities, stockbrokers and the investors to ensure timely and balanced disclosures as well as dissemination of pertinent information to assist investors in making informed investment decisions while also providing access to capital raising and trading/investment platform for the investors and businesses with an aim to ensure efficiency of capital allocation while supporting a broader financial stability.
- ✘ On the listing and business evolution front, while SPX aims to continue promoting the various tax incentives in existence for listing of equities, it can now truly realise offering a market for the issuance of wholesale corporate bonds through the SPX platform as necessary regulatory framework for issuance and listing of this alternative investible product has already been established during 2021. This initiative is expected to not only enhance the operational dynamics of the SPX group but it is anticipated to contribute towards development of a more vibrant stock market in Fiji by offering investors an opportunity to invest in a wider range of assets while simultaneously offering companies an alternative platform to raise capital.
- ✘ SPX Trustees Limited (SPXT), which has been approved by the Reserve Bank of Fiji (RBF) to undertake the function of a Trustee in relation to borrowers that issue wholesale corporate bonds is expected to capitalise on the opportunities in the new year to further grow the business while SPX's other wholly owned subsidiary, Central Share Registry Pte Limited (CSRL) will also continue to promote its services aiming to further extend its client base while at the same time attention will be diverted to ensure CSRL employs processes to maintain and further improve its operational efficiency.
- ✘ SPX is also expected to pursue further development opportunities and initiate necessary discussions with relevant stakeholders in the area of introducing a centralised securities settlement system as well as ensure relevant progress is made related to required upgrade and amendment of the SPX business rules



in order to align it with the modern day practices and to ensure overall efficiency in business operations. SPX also aims to revisit its existing Memorandum of Understanding (MoU) and explore ways to optimise its operational capacity through fostering professional relationships with institutions with similar intent.

- ✦ As the Fijian populous continues to adapt to the new era of living with the virus, we anticipate investors as well as potential issuers regaining their confidence to re-enter the market which would ultimately ring-in optimism and growth opportunities for the capital market. Nevertheless, with ongoing support from the investment community, listed entities, licensed stockbrokers, investment advisers, RBF and the Government of Fiji, SPX anticipates a rebounding year as we get through the current unprecedented crisis.

DISCLAIMER:

The information presented in this Publication is for information purposes only and should not be construed as investment advice. All investments are subject to some degree of risk. The SPX does not guarantee investment performance or return of capital invested. It is recommended that you seek professional investment advice before proceeding with any investment.