

# Update



## MEDIA RELEASE

### **KINA SECURITIES SHARE INDEX REACHES MILESTONE 4500 MARK**

The Kina Securities Share Index (KSi) surged to a 2007 milestone of 4500 points, closing at 4,525.87 on the Port Moresby Stock Exchange yesterday.

This milestone is another solid indication of the increasing strength of locally listed companies and the continuing growth in the PNG economy.

Kina Securities Limited Chief Executive Officer Syd Yates said significant growth has been recorded between January 2006 and now, with stocks listed on the POMSoX increasing in market value by 22.67 a year on.

The KSi at 4,525.87 is our new record high for the year, reflecting continued investor confidence in our strengthening listed companies.

This upward trend compares favourably with other indices in major markets throughout the world. As at the close of a day's trade yesterday:

- the KSi closed at 4,525.87, an increase of 2.93%
- Dow Jones closed at 12786, a change of 0.15%
- Nasdaq Comp closed at 2513.04, a growth of 0.67%
- with only the FT 100 closing 0.50% lower at 6412.30.

In comparison to other bourse around the world, it is clear there is significant strength in companies listed on the POMSoX, and this is set to continue with more international investors eyeing off the opportunities in PNG.

With the recent announcement of Oil Search's cancellation of the multi-billion Kina gas pipeline to Australia in favour of in-county LNG and petrochemicals options, this stock is on the come-back. Yesterday, OSH traded at K8.00. Oil Search reported the best year ever this year and it looks to continue in light of its discovery and subsequent development in the middle east.

Bank of South Pacific announced a 47% increase in lending for 2006 which should filter through to a good year for them again.

This also means Credit Corporation will definitely declare record profits for a consecutive year since BSP is their premier investment and profit driver for the last three years in row.

Lihir has announced a solid profit. LHG close trade yesterday, steady at K6.41.

The previous record high for the KSi was in May 2006 when it hit past the 4,700 mark. With favourable Gold and Oil prices at the world market LHG and OSH share prices all made new highs trading at K6.20 and K9.66 respectively.

Finance stocks grew closing the 2006 calendar year on record highs, with BSP and CCP trading at K4.01 and K5.30 respectively.

The KSi opened in 2006 at 3546.46 and closed the year on 4,286.06 which represents an annual growth rate of 20.85 per cent. It is the fourth consecutive year the Index has recorded a sizeable growth, reflecting the high level of foreign and domestic interest in all sectors of the PNG economy. To date, the KSi has grown by 133.33% since its humble launch in October 2003.

The momentum of the KSi is a reflection of the growing confidence in the management of the economy, stability in the Kina, lower interest rates and growth of the 14 listed companies on POMSx.

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