



**Media Release**

**PNGX Announces New PNG Market Indices**

**Port Moresby, 25 October 2019:** PNGX, Papua New Guinea's national stock exchange, will launch 6 indices for the PNG market on 1 November 2019.

A stock market index is a measurement of the performance of the stock market. It is calculated based on the prices of stocks included in the index and is used by investors and investment managers to compare the return on investments.

On 1 November 2019, PNGX will implement the following 6 equity capitalisation indices to reflect the PNGX market:

<b>Full name</b>	<b>Short Name</b>	<b>Code</b>
PNGX PNG domestic freefloat capitalisation weighting Index	PNGX Domestic Index	PNGXD
PNGX whole of market freefloat capitalisation weighting Index	PNGX Market Index	PNGXI
PNGX PNG domestic capitalisation Index	PNGX Domestic Capitalisation Index	PNGXDC
PNGX whole of market capitalisation Index	PNGX Market Capitalisation Index	PNGXIC
PNGX PNG domestic equal weight capitalisation Index	PNGX Equal Weight Domestic Index	PNGXDE
PNGX whole of market equal weight capitalisation Index	PNGX Equal Weight Market Index	PNGXIE

It is anticipated that the PNGXD and PNGXI will become the predominantly utilised indices.

The three domestic indices are restricted to PNG incorporated companies only. The remaining three indices include all domestic and foreign companies listed on PNGX.

“The new indices are another step in improvement of the PNG market infrastructure to allow measurement of the performance of the PNG market, create new financial products, attract new investors and create a more efficient capital market” said PNGX Chairman, David Lawrence.

The complete definition of the indices is set out in the attachment.

**ENDS**

### **About PNGX Markets Limited**

PNGX Markets is the national stock exchange of Papua New Guinea. PNGX is responsible for providing an orderly and fair market in relation to securities which are traded through its facilities and for acting in the public interest having regard to the need for protection of investors. PNGX is regulated and licensed by the Papua New Guinea Securities Commission. PNGX is the National Numbering Agency for Papua New Guinea.

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## Attachment

### **PNGX domestic capitalisation weighting (PNGXDC)**

Composition: All quoted ordinary shares for all PNG incorporated entities listed on PNGX which have ordinary shares quoted.

Weighting: The weighting of an entity will be all quoted ordinary shares on issue multiplied by the most recent on-market price ("market capitalisation") as a percentage of the sum total of the market capitalisation of all entities comprising the index. As the number of shares on issue by a company changes, the weighting within the portfolio will be recalculated.

### **PNGX whole of market capitalisation weighting (PNGXIC)**

Composition: All quoted ordinary shares (100%) for all entities listed on PNGX which have ordinary shares quoted.

Weighting: The weighting of an entity will be all quoted ordinary shares on issue multiplied by the most recent on-market price ("market capitalisation") as a percentage of the sum total of the market capitalisation of all entities comprising the index. As the number of shares on issue by a company changes, the weighting within the portfolio will be recalculated.

### **PNGX PNG domestic freefloat capitalisation ("PNGX Domestic Index") (PNGXD)**

Composition: Quoted ordinary shares for all PNG incorporated entities listed on PNGX.

Weighting: The weighting of an entity will be all freefloat quoted ordinary shares on issue multiplied by the most recent on-market price ("freefloat market capitalisation") as a percentage of the sum total of the freefloat market capitalisation of all entities comprising the index. As the number of shares on issue by a company changes, the weighting within the portfolio will be recalculated.

### **PNGX whole of market freefloat capitalisation ("PNGX Market Index") (PNGXI)**

Composition: Quoted ordinary shares for all entities listed on PNGX.

Weighting: The weighting of an entity will be all freefloat quoted ordinary shares on issue multiplied by the most recent on-market price ("freefloat market capitalisation") as a percentage of the sum total of the freefloat market capitalisation of all entities comprising the index. As the number of shares on issue by a company changes, the weighting within the portfolio will be recalculated.

### **PNGX Domestic equal weighting (PNGXDE)**

Composition: All quoted ordinary shares for all PNG incorporated entities listed on PNGX which have ordinary shares quoted.

Weighting: The weighting of an entity will be 100% percent divided by the number of all entities comprising the index.

## **PNGX whole of market equal weighting (PNGXIE)**

Composition: All quoted ordinary shares for all entities listed on PNGX.

Weighting: The weighting of an entity will be 100% percent divided by the number of all entities comprising the index.

### **Freefloat**

Freefloat adjustments seek to overcome the supply and demand imbalance by reducing a company's weight in an index to take account of restricted holdings of the company's shares that are not freely available for purchase by outside investors. Examples of such restricted holdings include strategic investments by governments and other companies, directors, founder family holdings, holdings of other major investors who have influence over the direction of the company, and shares held by investors with restrictions on trading ("lock-ins"). The aggregate restricted holdings are rounded up to the nearest 1%. The freefloat percentage will be calculated to zero (0) decimal places. The freefloat percentage is used to calculate the number of "freefloat quoted ordinary shares" (freefloat percentage multiplied by the number of quoted ordinary shares).

For example, a listed company with 1,000,000 quoted ordinary shares and a controlling shareholder who holds 67.4% (674,000 quoted ordinary shares) – rounded up to 68% - will have 32% (320,000 freefloat quoted ordinary shares) included in the freefloat capitalisation indices.

### **Index composition review**

It is expected that the composition of the index will be reviewed every six months based on the share price, freefloat and restricted holdings on 31 March and 30 September, with changes to the composition to take effect from the following 1 May and 1 November respectively. The market will be given 1 months' notice of any changes to index composition. Entities listed before a review date will be included in the index from the review date. Entities delisted before a review date will be removed from the index from the delisting date and the remaining portfolio reweighted accordingly to retain the index value.

### **Index Data**

All indices commenced on 1 July 2019, each with a nominal value of 1000. There is no back data prior to that date. As at the close of business on 22 October 2019 the indices had the following values:

<b>Code</b>	<b>ISIN</b>	<b>Value as at 1 July 2019</b>	<b>Value as at 24 October 2019</b>
PNGXD	PG0000000011	1000	1017.87
PNGXI	PG0000000029	1000	824.60
PNGXDC	PG0000000037	1000	1016.53

PNGXIC	PG0000000045	1000	825.83
PNGXDE	PG0000000052	1000	996.52
PNGXIE	PG0000000060	1000	854.32

Entity	Code	Freefloat	Domestic freefloat capitalisation index weighting	Whole of market freefloat capitalisation index weighting	Domestic capitalisation index weighting	Whole of market capitalisation index weighting	Domestic equal weighting index weighting	Whole of market equal weighting index weighting
			PNGXD	PNGXI	PNGXDC	PNGXIC	PNGXDE	PNGXIE
Bank South Pacific	BSP	82%	13.9547%	4.9095%	16.3635%	5.9027%	11.1111%	7.6923%
Credit Corporation (PNG) Limited	CCP	100%	1.5417%	0.5424%	1.4824%	0.5347%	11.1111%	7.6923%
PNG Air Limited	CGA	100%	0.1158%	0.0407%	0.1113%	0.0402%	11.1111%	7.6923%
City Pharmacy Limited	CPL	100%	0.4195%	0.1476%	0.4034%	0.1455%	11.1111%	7.6923%
Kina Asset Management Limited	KAM	75%	0.1090%	0.0383%	0.1397%	0.0504%	11.1111%	7.6923%
Kina Securities Limited	KSL	100%	1.7293%	0.6084%	1.6628%	0.5998%	11.1111%	7.6923%
New Guinea Islands Produce Agmark Limited	NGP	63%	0.0597%	0.0210%	0.0911%	0.0329%	11.1111%	7.6923%
Oil Search Limited	OSH	100%	81.1071%	28.5349%	77.9884%	28.1323%	11.1111%	7.6923%
Steamships Trading Company Limited	SST	28%	0.9634%	0.3389%	3.3083%	1.1934%	11.1111%	7.6923%
			<b>100.0000%</b>		<b>101.5509%</b>		<b>100.0000%</b>	
Kina Petroleum Corporation	KPE	100%		0.0375%		0.0370%		7.6923%
Coppermoly Limited	COY	39%		0.0148%		0.0374%		7.6923%
Newcrest Mining Limited	NCM	100%		64.7596%		63.8459%		7.6923%
Niuminco Group Limited	NIU	85%		0.0063%		0.0073%		7.6923%
				<b>100.0000%</b>		<b>100.5594%</b>		<b>100.0000%</b>