



Securing Your Future Is Our Main Investment

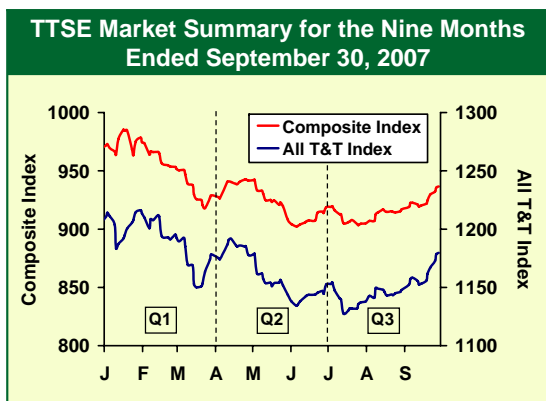
THE WISE CHRONICLE October 2007

Nine Month Review

Local Market Summary

While both Indices for the Nine Month (NM) period ended September 30, 2007 closed in negative territory, the market began to show signs of improvement towards the latter part of the third quarter as the two Indices swung upwards. The Composite Index ended the Nine Months at 936.5729 after falling 32.5940 points or 3.36 per cent, while the All T&T Index declined 26.1483 points or 2.17 per cent to 1,179.5777.

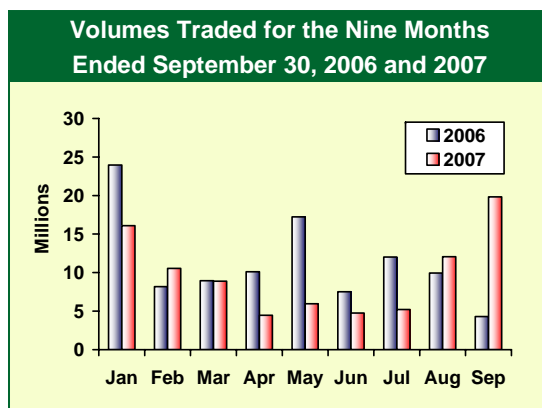
However, in Q3 alone, the Composite Index advanced 1.94 per cent or 17.78 points while the All T&T Index rose 2.36 per cent or 27.17 points. Additionally, for the Nine Month period, WISE's Top Picks for 2007 outperformed the market with an average portfolio return (exclusive of dividends) of 5.07 per cent. Advances equalled declines in a ratio of 15 to 15.



WISE Top Picks 2007					
Pick	Open	Close	Return	Dividend Paid	Return w/ Dividend
AMCL	\$43.75	\$46.95	7.31%	\$0.50	8.46%
NML	\$42.66	\$48.00	12.52%	\$1.10	15.10%
OCM	\$18.99	\$17.03	-10.32%	\$0.72	-6.53%
SBTT	\$27.03	\$28.49	5.40%	\$0.42	6.96%
TCL	\$7.01	\$7.74	10.41%	\$0.06	11.27%
Avg. Ret.			5.07%		7.05%
Composite	969.17	936.57	-3.36%		
All T&T	1205.73	1179.58	-2.17%		

Trading activity for the period was slow when compared to 2006, with a total of 87,789,556 shares changing hands. This represented a decline of 14.11 per cent when compared to the 102,212,496 shares traded for the same period in 2006. The value of shares traded however, was only down a minimal 0.14 per cent from \$1,679,539,979.90 in NM06 to \$1,677,130,443.32 in NM07.

Conversely, Q307 on Q306, market activity picked up with 37,099,674 shares changing ownership, a significant increase of 41.25 per cent on the 26,266,021 shares traded in Q306. The value of shares traded increased substantially from \$259,468,534.51 (Q306) to \$622,767,713.93 (Q307). Additionally, Q307 on Q207, volumes traded were up an astounding 144.50 per cent from 15,173,747 shares.



The volume leader for the period under review was National Commercial Bank Jamaica Limited (NCBJ) with 12,703,537 shares traded or 14.47 per cent of the market. Sagicor Financial Corporation (SFC) followed with 8,513,779 shares changing hands or 9.70 per cent

of all trades. Republic Bank Limited (RBL) came in as the third volume leader with 8,232,648 shares crossing the floor or 9.38 per cent of the total volume traded.

The major advance for NM07 went to the much sought after Barbados Shipping & Trading Company Limited (BS&T), which rose an outstanding 78.30 per cent or \$12.45 to end the period at \$28.35. As at September 30, 2007 this price was the 52 week high for BS&T. Following as the second major advance was Readymix West Indies Limited (RML), rising 69.43 per cent or \$2.93 to \$7.15. ANSA Merchant Bank Limited (AMBL) was next in line, advancing 17.01 per cent or \$3.18 to \$21.88.

National Flour Mills Limited (NFM) was the major decline for NM07, down 80 cents or 50 per cent to \$0.80. Jamaica Money Market Brokers Limited (JMMB) came in as the second major decline, moving from a 52 week high of \$1.85 to end the Nine Months at \$0.93. This represented a considerable decline of 49.73 per cent or 92 cents. In Jamaica, this share closed the period at JMD9.51, down 32.55 per cent or JMD4.59. Capital & Credit Merchant Bank Limited (CCMB) followed, falling 74 cents or 44.85 per cent to \$0.90. This share closed at JMD10.50 in Jamaica, down 43.24 per cent or JMD8.00.

Top 5 Advances for Nine Months 2007				
Rank	Company	Open	Close	Change
1	BST	\$15.90	\$28.35	78.30%
2	RML	\$4.22	\$7.15	69.43%
3	AMBL	\$18.70	\$21.88	17.01%
4	PLD	\$6.93	\$8.00	15.44%
5	WCO	\$24.00	\$27.01	12.54%

Top 5 Declines for Nine Months 2007				
Rank	Company	Open	Close	Change
1	NFM	\$1.60	\$0.80	-50.00%
2	JMMB	\$1.85	\$0.93	-49.73%
3	CCMB	\$1.65	\$0.91	-44.85%
4	NEL	\$7.51	\$6.10	-18.77%
5	DBG	\$2.50	\$2.20	-12.00%

Highlights for the Third Quarter of 2007

July

- Under a share purchase agreement GraceKennedy Limited, through its subsidiary, First Global Holdings ("FGH") acquired a 90 per cent holding in ONE1

Financial Limited, a financial services company in Trinidad and Tobago.

- Agostini's Limited acquired US-based MECAG LLC.
- Angostura Holdings Limited and CL Financial disposed of their 68 per cent stake in the French spirits company Belvedere for EURO345 million.

August

- Neal & Massy Holdings Limited informed the Board of Directors of BS&T of its intention to make a Take-Over Bid for 100% of the shareholding in BS&T. The offer comprised of two options. Option 1 – a cash offer of BDS\$7.20 (US\$3.60) for each Ordinary Share in BS&T. Option 2 – a combination of one Neal and Massy Ordinary Share for every 2.75 Ordinary Shares of BS&T plus BDS\$1.80 (US\$0.90) in cash for each Ordinary Share in BS&T.
- Ansa McAl Holdings Limited amended its original cash offer to BS&T shareholders from BDS\$7.00 to BDS\$8.00 (US\$4.00).
- Sagicor Financial Corporation, through its subsidiary Sagicor Europe Limited, announced its purchase of Gerling at Lloyd's Group ("Gal"). The transaction is subject to regulatory approval.
- National Flour Mills Limited CEO Mr. Neil Rolingson resigned and Mr. Anthony Joseph was appointed as acting CEO.

September

- Mr. Don Wehby resigned from GraceKennedy Limited to assume the role of Minister without Portfolio in the Ministry of Finance.
- Neal & Massy Holdings Limited amended its original cash offer to BS&T shareholders to BDS\$8.50 (US\$4.25).
- Ansa McAl Holdings Limited (AMCL) amended its original cash offer to BS&T shareholders two times, from BDS\$8.00 to BDS\$9.00 (US\$4.50) and then to BDS\$10.00 (US\$5.00).

Fixed Income Market Summary for 2007

As at August 31, the Central Bank of Trinidad and Tobago managed to bring the inflation rate down to 7.90 per cent from 10 per cent at the start of the year. This is despite the slow down in the rate of decline in between the last two months of the quarter where the rate only fell by 0.1 per cent. Food price inflation continued to have the largest influence on headline inflation over this period ending August 31 at 16.70 per cent after falling 0.5 per cent from the previous month.

The Central Bank has continued its initiative to decrease liquidity and has in fact promised to intensify this initiative by issuing more Treasury-bills and increasing its Open Market Operations issues (as mentioned in the Budget presentation for 2007/2008.) Interest rates on these issues have been basically flat over the last quarter moving only to 7.58 per cent on 6-month issues and 7.76 per cent on 1-year issues.

Finally, the Central Bank has continued discussions with the Securities and Exchange Commission and the Trinidad and Tobago Stock Exchange on the establishment of a bond trading platform and has now set a tentative launch date of mid-October 2007. This is expected to aid our financial markets tremendously in the areas of liquidity and fair and accurate pricing of debt securities.

Outlook for the Fourth Quarter of 2007

While many investors have adopted a wait and see approach in the hope that the market will turn around, the recent upsurge of merger and acquisition activity currently abound should be enough evidence to indicate that there is much value to be sought in some of the listed companies.

For the remainder of the year, it is not expected that the equity market will show any drastic changes, however investor confidence does seem to be picking up as volumes traded increased significantly as previously mentioned.

Additionally, with the upcoming local General Elections, it is anticipated that the last quarter should show positive returns as the fourth quarter in the past two election years posted the most significant gains.

WISE STOCK MARKET QUOTATIONS AS AT SEPTEMBER 30, 2007

	Hist Eps	Est Eps	Est Div	Curr Price	Est Yield %	Est P/E Ratio
Bank						
FirstCaribbean	70.0	95.0	43.0	11.10	3.87	11.68
NCB Jca	21.0	26.0	6.0	1.95	3.08	7.50
RBTT Fin Hold	276.0	300.0	135.0	34.01	3.97	11.34
Republic Bank	401.0	760.0	265.0	80.00	3.31	10.53
Scotiabank	178.7	215.0	85.0	28.49	2.98	13.25
Non-Bank Fin						
ANSA Fin & Merch	177.0	215.0	90.0	21.88	4.11	10.18
Capital & Credit	11.0	8.0	1.8	0.91	1.98	11.38
DB&G	22.0	24.0	8.0	2.20	3.64	9.17
Guardian Holdings	-114.0	0.00	15.0	25.00	0.60	0.00
JMMB	7.0	8.0	1.8	0.93	1.94	11.63
National Enterprises	46.0	55.0	60.0	6.10	9.84	11.09
Sagicor Financial Corp	158.0	175.0	44.0	14.25	3.09	8.14
Conglomerates						
Ansa Mcal Ltd	276.0	350.0	95.0	46.95	2.02	13.41
Bdos Ship & Trad	138.0	165.0	69.0	28.35	2.43	17.18
GraceKennedy	53.3	65.0	12.0	5.60	2.14	8.62
Neal and Massy	337.0	430.00	133.0	48.00	2.77	11.16
Trading						
Agostini's Ltd	81.3	110.0	37.0	10.01	3.70	9.10
Furness Trinidad	68.0	80.0	0.0	6.15	0.00	7.69
L J Williams Ltd. - 'A'	0.8	0.5	0.2	0.60	0.33	120.00
L J Williams Ltd. - 'B'	15.0	20.0	9.0	1.33	6.77	6.65
Prestige Holdings	23.9	45.0	20.0	5.76	3.47	12.80
Property						
PLIPDECO	372.00	410.0	20.0	8.00	2.50	1.95
Valpark	47.3	47.3	0.0	5.00	0.00	10.57
Manufacturing						
Angostura Holdings	91.0	0.0	0.0	4.99	0.00	0.00
Berger Paints	-27.0	7.0	19.0	3.50	5.43	50.00
Flavorite Foods	67.0	80.0	35.0	5.11	6.85	6.39
National Flour Mills	-45.0	10.0	8.0	0.80	10.00	0.00
One Caribbean Media	131.0	140.0	77.0	17.03	4.52	12.16
Readymix WI	129.0	300.0	3.0	7.15	0.42	2.38
Trinidad Cement	60.0	90.0	20.0	7.74	2.58	8.60
Trinidad Publishing	117.0	130.0	55.0	20.00	2.75	15.38
Unilever Caribbean Ltd	133.0	145.0	120.0	17.49	6.86	12.06
WITCO	171.0	200.0	196.0	27.01	7.26	13.51

A Member of the  FINANCIAL GROUP

West Indies Stockbrokers Limited (WISE) is a subsidiary of RBTT Financial Group. From time to time WISE and/or its staff may take positions in some or all of the shares mentioned in our report. WISE welcomes your comments. Please e-mail us at info@wisett.com.

Head Office

1st Floor Albion Plaza, 22-24 Victoria Avenue, P.O.S.
Tel: 625-WISE (9473) • Fax: 627-5002
Email: info@wisett.com • Website: www.wisett.com