

Stock Market Recap for the First Quarter of 2007

Local Market Summary

The first three months of 2007 failed to bring comfort to local investors as both indices ended in negative territory. The Composite Index closed at 929.1124 down by 40.0545 points or 4.13 per cent while the All T&T Index ended the three month period at 1,178.1750 after falling by 27.5510 points or 2.29 per cent. (See **Graph 1**) While these declines were not desirable, investors can find some consolation when looking at the same period in 2006 which produced much larger declines, such that: the Composite Index fell by a considerable 10.19 per cent while the All T&T declined by a significant 11.54 per cent. Additionally, for the quarter WISE's Top Picks for 2007 outperformed the market with an average portfolio return of 13.04 per cent. (See **Table 1**)

The first quarter saw advances outnumbered by declines by a margin of 13 to 15.

Graph 1

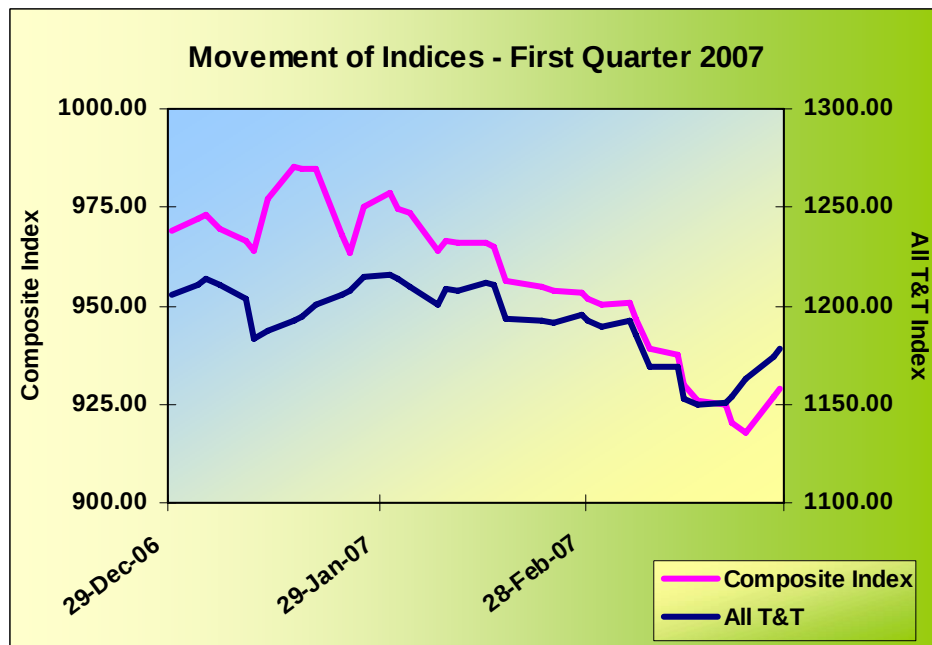


Table 1

WISE TOP PICKS				
	Company	Open	Close	Change
1	AMCL	\$43.75	\$50.00	14.29%
2	NML	\$42.66	\$46.50	9.00%
3	SBTT	\$27.03	\$31.74	17.43%
4	TCL	\$7.01	\$7.80	11.27%
5	OCM	\$18.99	\$21.50	13.22%
Average Portfolio Return				13.04%
Composite Index		969.1669	929.1124	-4.13%
All T&T Index		1205.726	1178.175	-2.29%

Trading activity continues to be weak as institutions for the most part, continue to be out of the market. As a result, the volume of shares traded for the quarter amounted to 35,516,135 shares and was down by 13.53 per cent or 5,558,927 shares on the volume for the first quarter of 2006. However, on a brighter note, the value of shares traded for Q1 2007 exceeded that of Q1 2006 by \$61,272,720 or 8.53 per cent to end the period at \$779,406,405.

Jamaican bank, National Commercial Bank Jamaica (NCBJ), led the volumes this quarter trading 7,900,885 shares or 22.25 per cent of the market. During the quarter, NCBJ released exceptional results for its first quarter of FY2007, with Earnings Per Share (EPS) of JMD0.61 which represented an increase of 32.61 per cent on the comparable period in FY2006. Republic Bank Limited (RBL) was the second volume leader with 6,190,637 shares changing ownership, representing 17.43 per cent of all trades. This Bank also released commendable first quarter results in the quarter under review- with an EPS of \$1.41 showing an increase of 45.36 per cent on the corresponding quarter of FY2006. While Trinidad Cement Limited (TCL) was next in line for volume leaders with 3,277,107 shares traded or 9.23 per cent of all trades. TCL released its year end results for FY2006 and while these results were not as impressive as those in the Banking sector, the year end EPS of \$0.60 was “spot on” WISE’s expectations for the Group.

The major advance for the first quarter of 2007 went to PLIPDECO (PLD), which rose 26.26 per cent or \$1.82 to end the period at \$8.75. Following as the second major advance was Readymix Limited (RML) which rose 89 cents or 21.09 per cent to \$5.11. Like TCL, this Company also released its year end results for FY2006 during the quarter- with an EPS of \$1.29 RML was up by 160.28 per cent on the comparable period in FY2005. While Scotiabank Trinidad and Tobago (SBTT) came in as the third major advance after closing at \$31.74, up by \$4.71 or 17.43 per cent. SBTT released its Q12007 results during the quarter and similar to most of the banks listed, this Bank showed impressive growth in EPS- a 26.02 per cent increase on the comparable EPS of Q12006.

Jamaica Money Market Brokers Limited (JMMB) was the major decline for this quarter, moving from a 52 week high of \$1.85 to close at \$1.12. This represented a significant decline of 39.46 percent in share price and follows the release of poor Nine Months results from the Company. In Jamaica, this share closed the quarter at JMD10.50 after falling 25.53 percent or JMD3.60. Guardian Holdings Limited (GHL) was next in line after suffering a drop of 28.57 per cent or \$8.00 to close the three months at \$20.00. Just before the end of the quarter, GHL released its year end results for FY2006 in which the company reported a Loss Per Share of \$1.14 representing a decline of 163.33 per cent on the EPS reported at the end of FY2005. While Jamaican Company- Capital and Credit Merchant Bank (CCMB) - followed as the third major decline after falling 21.21 per cent or 35 cents to close at \$1.30. This Company also released poor year end results for FY2006 during the quarter and fell by 35.14 per cent in Jamaica to close at JMD12.00.

See Table 2 for the Top 5 Advances and Declines for the First Quarter of 2007.

Table 2

Top 5 Advances for Q1-2007				
	Company	Open	Close	Change
1	PLD	\$6.93	\$8.75	26.26%
2	RML	\$4.22	\$5.11	21.09%
3	SBTT	\$27.03	\$31.74	17.43%
4	AMCL	\$43.75	\$50.00	14.29%
5	OCM	\$18.99	\$21.50	13.22%
Top 5 Declines for Q1-2007				
	Company	Open	Close	Change
1	JMMB	\$1.85	\$1.12	-39.46%
2	GHL	\$28.00	\$20.00	-28.57%
3	CCMB	\$1.65	\$1.30	-21.21%
4	RBTT	\$37.50	\$32.00	-14.67%
5	DBG	\$2.50	\$2.20	-12.00%

Market Summary for Jamaica

The Jamaican Stock Exchange (JSE) saw pretty much the same fate as the local market as all three Indices ended the period lower than their opening values. The Market Index closed at 90,595.04 after falling by 10,082.92 points or 11.13 per cent; the Select Index declined by 12.97 per cent or 337.86 points to end at 2,605.01 and the All Jamaican Composite closed at 94,529.93 after dropping by 12,683.50 points or 13.42 per cent. This was also reflected in the advance to decline ratio in which advances were significantly outnumbered by declines by a ratio of 6 to 36.

The volume of shares traded for the quarter was 396,027,039 shares of which Cable and Wireless Jamaica Limited (CWJA) was the volume leader trading 113,688,171 shares or 28.71 per cent of all trades. Supreme Ventures Limited (SVL) was next with 50,829,608 shares or 12.8 per cent of the market while NCBJ was the third volume leader with 29,910,764 shares traded or 7.55 per cent of the market. The total value of shares traded for the quarter amounted to JMD4,788,383,308.

The major advance for period under review was Salada Foods Limited (SALF) which advanced 37.50 per cent or JMD15.00 to close at JMD55.00. Next in line was Supreme Ventures Limited (SVL) which closed at JMD2.10 after rising by 30 cents or 16.67 per cent. While Mobay Ice (MBICE) was the third major advance moving from JMD6.56 to JMD7.00- an increase of 6.71 per cent or 44 cents.

The major decline went to Dyol Group Limited (DYOL) which fell 71.11 per cent to JMD0.26. This company was suspended from trading on the JSE from March 22, 2007, as a result of its non-compliance with the Jamaica Stock Exchange Rules. The second major decline went to Ciboney Group Limited (CBNY), as this stock fell by 42.86 per cent or 3 cents to JMD0.04. While the third major decline belonged to CCMB which declined by 35.14 per cent or JMD6.50 to JMD12.00.

Noteworthy Events for Q1 2007

- Sagicor Financial Corporation listed on the London Stock Exchange on February 14, 2007.
- On March 1, 2007, the Barbados Stock Exchange (BSE) commenced trading five days a week instead of the previous three days per week.
- On March 2, 2007, GraceKennedy Limited (GKC) announced the acquisition of United Kingdom-based food supplier WT (Holdings) Limited Group, or WT Foods, for £23million (JMD3.04 billion) from European private equity firm Bridgepoint Capital Limited. The Jamaican conglomerate plans to use the operation to launch its own distribution and sales networks in Europe.
- In an effort to revive T&T's faltering stock market, the local Government announced on March 23, 2007, its plans to increase the amount pension plan providers can invest in equity.

Suffice to say, the bear is still amidst us and although listed companies are producing generally good results in most sectors (the exception being the Non-Banking Finance sector) - the future of this market really depends on whether or not the institutions re-enter and how soon we move towards a Regional Stock Exchange so that we can reap the benefits of such a system.