



TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

MARKET ACTIVITY REPORT

APRIL 2011

Economic Overview

Headline inflation continued its downward trend, declining to 9.4 percent in March 2011, down from 10.7 percent registered in February. Also on a positive note, for the month of February 2011, consumer credit increased to 3.9 percent, up from the 3.4 percent measured the previous month.

Notwithstanding this positive sign of an improvement in private sector confidence, the domestic economy continued to show signs of weakness. Central Bank Governor Ewart Williams has indicated that there was an overall decline in GDP of 0.6 percent for 2010 and that without government spending within the next 6 months, there would also be a decline in 2011, resulting in three (3) consecutive years of decline.

The 'Repo' rate has again been maintained at 3.25 percent by the Central Bank, again indicating that previous reductions are still working their way through the system. The most recent reduction occurred in February 2011 when the rate was reduced to its current level.

Stock Market Performance

In April 2011, there was a reversal in the decline that had been taking place in the stock market over the two (2) previous months. The TTSE Composite Index registered a positive 3.01 percent, bringing the year-to-date performance to 7.50 percent, the second best performance among the three (4) regional markets, behind Barbados. For the year ending April 2011, the Index experienced a positive performance, increasing 9.003 percent over that twelve-month period **(Figure 1)**.

There were seventeen (17) advances and three (3) declines. The advances were lead by Angostura Holdings Limited which saw an increase in its share price over the month of 31 percent. Capital and Credit Finance Group Limited followed with advancement in price of 17.65 percent. National Flour Mills Limited rounded off the top three, advancing 17.28 percent in terms of share price. The top three declines were One Caribbean Media Limited (16.96%), Williams LJ (14.81%) and Sagicor Financial Corporation (5.88%).

Figure 1

Twelve Month Performance of the TTSE Composite Index: May 1st 2010 – April 30th 2011.



Performance of Cross Listed Companies

In April 2011, the performance of the Cross Listed Index exceeded that of the previous month, registering an increase compared to a decline in March. However, when compared to the All T&T Index, the performance was similar, in that it was once again outperformed by this Index. For April, the Cross Listed Index increased by a marginal 0.63 percent, whereas the All T&T Index increased by a more substantial 4.12 percent for the month.

Trading Activity

There were considerable increases in trading activity on the stock market for April 2011, reversing the declines experienced the previous month. Volume traded increased by 137 percent,

Table 1: Monthly and yearly comparison of trading volumes and values: April 2011.

Volume/Value	March 2011	April 2011	April 2010	Month to Month Change	Year-on-year Change
Volume of Trading	3,309,206	7,850,935	6,273,144	4,251,729 137%	1,577,791 25%
Value of Trading (\$)	42,502,199	70,745,225	42,806,083	28,243,026 66%	27,939,142 65%
Average Daily Volume	165,460	413,207	313,657	247,747 150%	99,550 32%
Average Daily Value (\$)	2,125,110	3,723,433	2,140,304	1,598,323 75%	1,583,129 74%

Bond Market Activity

Primary Bond Market

There was no activity on the primary bond market for the month of March 2011.

Secondary Bond Market

Similar to the primary bond market, there was no activity on the secondary bond market during the month of April 2011. Trades for the year to date totalled seventeen (17), with total volume recorded being 81,819, for a value of \$85,923,860.

Market Developments

Sagicor Financial Corporation

Sagicor Financial Corporation (SFC) signed an agreement with the International Finance Corporation (IFC), which saw the latter institution investing up to US\$100 million in SFC. This investment represents IFC's largest in the insurance industry, and largest also in a single Caribbean entity. It consists of up to US\$20 million in common shares, which roughly equates to a 4 per cent share in Sagicor, and up to US\$80 million in convertible and redeemable preference shares. The investment is not a "done deal" however, as it is subject to regulatory and shareholder approval.

Regional

Jamaica Stock Market

The Jamaican stock market registered a growth of 3.12 percent for the month of April, surpassing its performance of March when it advanced a mere 0.85 percent. This bolstered the year-to-date performance, bringing it to 4.71 percent. Total volume traded amounted to 97,273,170, for a value of J\$644,990,828. These represented declines of 34 percent and 72 percent, respectively, over the month of March. There were twenty-four (24) advances during the month, with nine (9) declines. Seven (7) stocks traded firm. As shown in Figure 2 below, for the twelve-month period ending April 30th, 2011, the JSE Market Index increase by a modest 0.8106 percent. This compares unfavourably to the TTSE Stock Market Index, which increase by a more substantial 9 percent over the same period.

Figure 2:

Performance of the JSE Market Index – May 1st 2010 – April 30th 2011



Barbados Stock Market

The BSE Composite Index declined 0.0435 percent for the month of April 2011. Despite this however, the year-to-date performance of the Barbados stock market topped the three (3) regional markets, increasing by 8.91 percent. Most of this increase took place within the last two weeks of January and first week of February, with the Index maintaining an almost level performance thereafter.

Figure 3

Performance of the BSE Composite Index – May 1st 2010 – April 30th 2011



International Developments

In almost a complete reversal to that which obtained the previous month, in April 2011 emerging economies' markets fared poorly, whereas their more developed counterparts all registered positive performances. Germany's DAX led the way among the developed stock markets, increasing 4.66 percent during the period, while London's FTSE was the worse performer among these, registering a more dismal but still positive 1.00 percent increase.

Among the emerging economies, which all registered negative growth, the worse performance was that of Brazil's BOVESPA, which declined 4.53 percent, followed by China's SSE which declined by 1.88 percent. India's BSE Sensex declined 1.46 percent.

Table 2: Performance of Major Market Indices

Market Indices	Percentage Change April 2011	Percentage Change March 2011	Percentage Change Year-to- Date
Dow Jones Industrial Average (US)	3.51	2.17	9.77
Nikkei 225 (Japan)	1.46	(9.29)	5.27
FTSE 100 (London)	1.00	(0.45)	0.93
Dax (Germany)	4.66	(2.52)	7.51
Bovespa (Brazil)	(4.53)	3.54	(5.47)
SSE Composite Index (China)	(1.88)	0.31	2.06
BSE Sensex (India)	(1.46)	5.41	(6.93)

Financial News

- NASDAQ OMX Group, an American stock exchange, joined with InterContinentalExchange (ICE), a smaller American trading platform, to bid on NYSE Euronext, competing with the German Deutsche Borse for that exchange. The German exchange offered \$9.6 billion, whereas NASDAQ and ICE offered \$11.3 billion. In the end however, NYSE Euronext opted to merge with Deutsche Borse, rejecting the offer made by NASDAQ/ICE.
- The IMF projected world GDP to increase by 4.4 percent for 2011. The Fund stated that concerns of a double-dip recession are fading but added that higher commodity prices could threaten the recovery.