



TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

Market Activity Report

April

2013

CBTT Governor dubs the short-term outlook for Trinidad and Tobago one of cautious optimism, TTSE Composite Index advances by 3.87 per cent, International Markets experience recovery while regional stock markets decline.

Table of Contents

1	Economic Overview	1
2	Trinidad and Tobago's Stock Market Performance	3
3	Trading Activity	5
4	Bond Market Activity	6
4.1	Primary Bond Market	6
4.2	Secondary GORTT Bond Market	6
5	Market Developments	7
6	Regional Developments	9
6.1	Jamaican Stock Market	9
6.2	Barbados Stock Market	11
7	International Developments	12

1 Economic Overview

Inflation

Headline inflation increased slightly by one (1) per cent to 6.9 per cent in March 2013 from 5.9 per cent the previous month, according to the Central Bank of Trinidad and Tobago's (CBTT's) 'repo' rate announcement for April 2013. Food inflation, the main driver of headline inflation rose to 12.9 per cent in March up from 10.6 per cent in February 2013. This was mainly due to the increased price of vegetables. Core inflation remained fairly stable increasing by a mere 0.1 percent to 2.2 per cent in March 2013 from 2.1 percent in February 2013. Continued stability in core inflation indicates that underlying inflationary pressures remain contained. It is in this context that the CBTT has decided to maintain the 'repo' rate at 2.75 per cent continuing in its accommodative monetary stance from 2012. The 'repo' rate has remained at 2.75 per cent since September 2012 and is consistent with the approach taken by most central banks internationally.

Liquidity, Credit & Interest Rates

According to the CBTT's monetary policy report for April 2013, consumer credit has been expanding at a slow rate and was mainly for the purchase of motor vehicles and home improvement/renovation. Lending for real estate mortgages rose at a robust rate of 13.4 per cent in February 2013 as compared to 11.6 per cent in January, according to the 'repo' rate announcement.

Liquidity in the financial system retreated in the first three weeks of April 2013. Commercial banks' excess reserves held at CBTT fell to a daily average of \$5,236 million during April 1-23 compared with a daily average of \$6,043 million in March. The CBTT's intervention in the foreign exchange market via sales of US\$60 million helped to remove TT\$383 million in excess liquidity from the system.

Excess liquidity has contributed towards short-term interest rates remaining at low levels for the first four months of 2013 and throughout 2012. Interest rates declined in April 2013 with 91-day treasury bill interest rates falling to 0.15 per cent from 0.18 per cent in March 2013. The interest

rate on the 182-day treasury bill declined to 0.36 per cent in March 2013 from 0.46 per cent in January.

Economic Outlook

Trinidad and Tobago's Economic Outlook

The Governor of the Central Bank, in his speech on the Monetary Policy report for April 2013, indicated that the overall growth for Trinidad and Tobago's economy is anticipated to strengthen to over two (2) per cent this year. Trinidad and Tobago's two largest natural gas producers BPTT and BGTT are expected to continue major maintenance operations with a significant shut down planned in September 2013, which could dramatically impact the output of the economy. This among other factors, such as the re-emergence of financial tensions in the Euro area and the deterioration of the domestic industrial relations climate, were identified as important downside risks by the Governor.

It is argued however there is no hard evidence to support growth of the economy over two (2) per cent and that the findings of April's monetary report seem to contradict the Governor's growth projection. The monetary report has suggested that the fiscal stimulus in the first half of 2012/2013 was weaker than expected and seems to be holding back a stronger pace of fiscal recovery. It is also noted in the report that the non-energy deficit was over three percentage points of GDP lower than budgeted during the first half of the fiscal year. These findings among others mentioned in the report suggest that the Governor's growth projection may be overly optimistic.

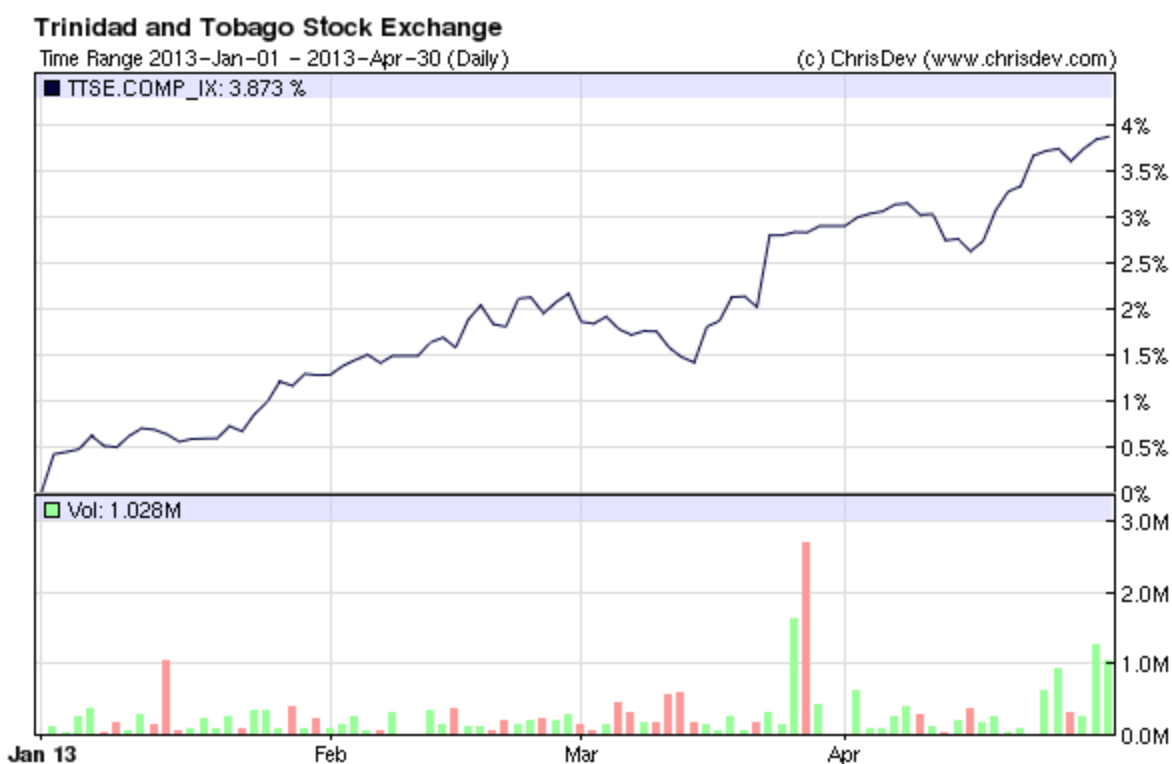
International Monetary Fund's (IMF) Economic Outlook

The IMF's World Economic Outlook for April 2013 indicated that policymakers in Latin America need to strengthen fiscal buffers, contain the build-up of financial vulnerabilities, and move forward with growth-enhancing reforms. These policy changes according to the report are more pressing in the Caribbean because growth continues to be held back by high debt levels and weak competitiveness.

2 Trinidad and Tobago's Stock Market Performance

The TTSE Composite Index advanced by 10.35 points (0.94 per cent) to close at 1,106.23 while the All T&T Index advanced by 24.49 points to close at 1,787.80. The index of cross listed companies declined by 0.39 points to close at 55.24. For the year to date, Trinidad and Tobago's stock market prices advanced by 41.25 points (3.87 per cent).

Figure 1: TTSE Composite Index for the period January 2013 - April 2013



Market activity in April 2013 resulted in trading in twenty-six (26) stocks. Of the twenty-six, sixteen (16) advanced, six (6) declined and four (4) traded firm. The advances for the month of April 2013, which were led by National Flour Mills Limited, ranged from 4.71 percent to 23.33 percent. Advances for the previous month of March 2013 ranged from 2.56 percent to 8.33 percent, led by National Commercial Bank Jamaica Limited. The top five (5) performers are listed in **Table 1** below.

Table 1: Top five (5) performing stocks for April 2013

	Security	Closing Price	Monthly Change (\$)	Monthly Change (%)
1.	National Flour Mills Limited	0.74	0.14	23.33
2.	Angostura Holdings Limited	9.50	1.50	18.75
3.	Sagicor Financial Corporation	6.86	0.83	13.76
4.	One Caribbean Media Limited	16.50	1.00	6.45
5.	The West Indian Tobacco Company Limited	97.07	4.37	4.71

The declines for the top five (5) worst performing stocks over the month of April 2013 ranged from 4.35 percent for Mora Ven Holdings Limited to 25.37 percent for Trinidad Cement Limited. This range of decline was lower than that for March 2013, which ranged from 12.61 percent for Sagicor Financial Corporation to 23.08 percent for Jamaica Money Market Brokers Limited (**Table 2 below**).

Table 2: Worst five (5) performing stocks for April 2013

	Security	Closing Price	Monthly Change (\$)	Monthly Change (%)
1.	Trinidad Cement Limited	1.00	(0.34)	(25.37)
2.	National Commercial Bank Jamaica Ltd	1.15	(0.15)	(11.54)
3.	Jamaica Money Market Brokers Limited	0.45	(0.05)	(10.00)
4.	Guardian Holdings Limited	18.00	(1.50)	(7.69)
5.	Mora Ven Holdings Limited	14.97	(0.68)	(4.35)

3 Trading Activity

For the month of April 2013 the volume of stocks traded was 7,370,401, a decrease from 8,600,989 in March 2013 by 14 percent. The value of shares traded was TT\$58,848,457, a decrease of \$56,730,581 (49 percent) from the previous period. This reduction was due in large part to the lower volume of Neal and Massy Holdings Limited (NML) shares traded in April 2013 as compared to the previous period. In March 2013 746,331 shares with a value of TT\$44,927,294 were traded as compared to only 230,980 NML shares traded in April 2013 which had a value of TT\$13,626,591, a decline of 70 per cent. **Table 3** shows a comparison of trading values and volume as at April 2013.

Table 3: Monthly and Yearly Comparison of Trading Values and Volume: April 2013

Volume/ Value	March 13	April 13	April 12	MOM change (TT\$)	MOM % change	YOY Change (TT\$)	YOY % change
Volume of Trading	8,600,989	7,370,401	4, 858, 171	(1,230,588)	(14)	2,512,230	51
Value of Trading (\$)	115,579,038	58,848,457	62,809,819	(56,730,581)	(49)	(3,961,362)	(6)
Average Daily Volume	430,049	350,971	255, 693	(79,078)	(18)	95,278	37
Average Daily Value (\$)	5,778,952	2,802,307	3,305,779	(2,976,645)	(51)	(503,472)	(15)

4 Bond Market Activity

4.1 Primary Bond Market

There were no registrations in the primary bond market during the month of April 2013.

4.2 Secondary GORTT Bond Market

There was increased activity in the Secondary Bond Market for April 2013. Eight (8) trades took place this period, having a face value of TT\$13,144,000 and a trade value of TT\$17,226,222. When compared with the same period in 2012, the volume of bonds traded was fewer, however the value of the bonds traded this period was significantly greater. In April 2012 there were ten (10) trades at a value of TT\$5,643,748.

5 Market Developments

This month's market developments highlight a few noteworthy company acquisitions and disposals that have taken place amongst market actors in the region. Of particular interest is the sale of Burn Stewart which, given the ongoing unravelling of the controversy surrounding the CL Financial Group, is of significance.

Sale of Burn Stewart to Distell

Trinidad and Tobago owned scotch whiskey distiller Burn Stewart was sold to South African drinks giant Distell for US\$244 million (TT\$1.6 billion). 28.9 per cent of Burn Stewart is owned by Angostura, while 71.1 per cent is owned by CL World Brands, a wholly owned subsidiary of CL Financial. Distell said the deal, which it estimated would reduce earnings per share by about three per cent, filled a "category gap" in its portfolio. Trinidad and Tobago's government has been selling or negotiating the sales of key CL Financial assets in a bid to recoup some of the \$20 billion it has spent since 2009 in bailing out the former financial empire.

Acquisition Consolidated Finance Co Ltd

Ansa Merchant Bank Limited (AMBL) has approved the acquisition of Consolidated Finance Co Ltd (CFC). CFC is a finance company in Barbados that is licensed under the Barbados Financial Institutions Act 1997. CFC was established in 1983 as a member of the then McEneaney Alstons Group. Some of their services include the financing of vehicle purchases, insurance premiums, mortgages and investment banking. The proposed acquisition price is BDS\$53 million.

Acquisition of Royal & Sun Alliance Insurance

Guardian Holdings Limited (GHL) has acquired 100 per cent of the share capital of Royal & Sun Alliance Insurance (Antilles) NV from the RSA Group and Maduro & Curiel's Bank, through its Dutch Subsidiary Fatum General Insurance NV (Fatum) for US\$18M. According to Acting Chief Executive Officer of GHL, this move helps to position GHL as number one in the property and casualty market and allows the company to realize its strategic objective.

Rebranding of Sigma Funds

Sagicor Life Jamaica Ltd has taken over the unit trust operations from investment subsidiary Sagicor Investments Jamaica Ltd. The unit trust funds have been rebranded from Sigma Funds to Sagicor Sigma Funds. According to Rohan Miller, executive vice-president and chief investment officer of Sagicor Life Jamaica, the move to consolidate was motivated by the drive for greater efficiency in the overall group operations.

6 Regional Developments

6.1 Jamaican Stock Market

Overall market activity for the month of April 2013 resulted from trading in thirty-three (33) stocks of which nineteen (19) advanced, nine (9) declined and five (5) traded firm. The JSE Market Index advanced by 0.53 per cent this period. This increase however was not enough to move it out of negative territory. The index closed at 83,476.38, a decline of 9.36 per cent for the year to date (See Figure 2).

For this period the volume of shares traded was 4,1629,553 valued at J\$401,748,325. In the month of March 2013, 79,015,819 shares were traded for a value of J\$959,372,093.

Figure 2: JSE Market Performance of the JSE Market Index: January 2013 – April 2013



The JSE was led by Jamaica Money Market Brokers, advancing by 29.03 per cent in the month of April 2013. The top performer for the month of March 2013 was Pulse Investments which advanced 60 per cent for that period (See **Table 4**).

Table 4: Top five (5) performing stocks in the JSE - April 2013

	SECURITIES	%	Closing Price \$	Monthly Change \$	Monthly Change %
1.	Jamaica Money Market Brokers	6.20	8.00	1.80	29.03%
2.	GraceKennedy Limited	47.31	55.02	7.71	16.30%
3.	Scotia Group Jamaica	19.09	21.00	1.91	10.01%
4.	Sagicor Life Jamaica	7.11	7.75	0.64	9.00%
5.	Kingston Wharves	5.50	5.96	0.46	8.36%

Leading the worst performers on the JSE was the Ciboney Group which declined by 33.33 per cent in the month of April 2013. In March, the worst performer was Trinidad Cement Limited which declined by 14.89 per cent (See **Table 5**).

Table 5: Worst five (5) performing stocks in the JSE - April 2013

	SECURITIES	Closing Price \$	Monthly Change \$	Monthly Change %
1.	Ciboney Group	0.02	(0.01)	(33.33%)
2.	Caribbean Cement Company	0.63	(0.21)	(25.00%)
3.	Barita Investments Limited	2.99	(0.36)	(10.75%)
4.	Pan Jamaican Investment Trust	50.20	(5.77)	(10.31%)
5.	LIME	0.18	(0.02)	(10.00%)

6.2 Barbados Stock Market

The Barbados stock market advanced 8.83 points (1.21 per cent) to close at 738.87 for the year to date (See **Figure 3**). Trading for the month of April was relatively flat with there being no advances or declines for the period. On April 30th 2013, two (2) securities traded firm as 11,462 shares traded on the Regular Market, with a total value of \$66,773.30. Goddard Enterprises Limited was the volume leader trading 10,362 shares at \$6.15. They were followed by FirstCaribbean International Bank which traded 1,100 shares (See **Table 6**).

Figure 3: Performance of the BSE Composite Index: January 2013 – April 2013



Table 6: Trading on the BSE Regular Market - April 30 2013

Security	Volume	High	Low	Market Price	Advance/Decline
GODDARD ENTERPRISES LIMITED	10,362	\$6.15	\$6.15	\$6.15	\$0.00
FIRSTCARIBBEAN INTERNATIONAL BANK	1,100	\$2.77	\$2.77	\$2.98	\$0.00

7 International Developments

International markets continued on the road to recovery as 2013 progresses with most indices experiencing gains this month. Results however were mixed when viewed from a year to date perspective.

The Nikkei 225 Japanese index was the top performer gaining 14.22 per cent in April 2013 and 29.68 per cent year to date. This was due in large part to Fast Retailing Co, Asia's biggest apparel retailer. Fast Retailing's share price closed at a record ¥35,700 (US\$365) on April 26. According to Bloomberg this stock was responsible for almost a sixth of the Nikkei's 49 per cent advance in the last two years. One senior investment strategist also indicated that the Nikkei does not properly reflect the Japanese equity market. Bloomberg argues that the stock is skewing the index and has indicated that Nikkei Inc is aware of the issues relating to Fast Retailing's weight in the measure.

The DOW advanced by 10.64 per cent for the year to date and 1.83 per cent in April 2013. The US housing market and retail sector, which had disappointing results in March 2013, appear to have rebounded this period with stocks such as Best Buy (NYSE:BBY) and UBS AG (NSYSE:UBS) closing up by 7.4 and 6 per cent respectively, contributing to the index.

The FTSE 100, while it experienced negative returns (-0.93 per cent) in April 2013 still managed to close up by 6.68 per cent four (4) months into 2013. The UK has been experiencing significantly challenging economic times over the last two (2) years but continues to strive for recovery. Another member of the Euro zone, the Dax Germany index also experienced positive results for the year to date, closing at 1.73 per cent at the end of April and advancing 1.12 percent in April alone.

The emerging markets fared the worst this period with the IBovespa (Brazil) index closing at a negative 10.62 per cent four (4) months into the year and advancing a meager 0.01 per cent in April 2013. HSBC Securities strategists say however that share prices are ripe for a rebound (Reuters).

The Ibex 35 (Spain) gained 4.58 per cent this period but lost 0.34 per cent for the year to date. The Spanish economy continues to experience high unemployment with the unemployment rate hitting a new record of 27.2 per cent as at April 25th 2013 (Euronews)

The BSE Sensex (India) reported negative returns, declining 1.07 for the year to date but advancing this month by 3.39 per cent. This gain was the highest in 1-1/2 months according to a Reuters article on April 30th 2013. The gains were led by Hindustan Unilever after its parent company made a \$5.4 billion offer to raise its stake in it.

The SSE Composite index (China) experienced declines for the month of April 2013, closing down by 2.53 per cent and 4.35 per cent for the year to date. While some stocks on the index experienced gains, the broader market experienced declines given investor concerns over economic growth. The central bank has refrained from announcing any fresh monetary easing measures and this has sparked concern amongst investors (See Table 5).

Table 5: Performance of Major International Stock Market Indices.

Market Indices	% Change April 2013	% Change March 2013	% Change for the Year-to-date
Nikkei 225 (Japan)	14.22	4.55	29.68
Dow Jones Industrial Average (US)	1.83	3.43	10.64
FTSE 100 (UK)	(0.93)	1.76	6.68
Dax (Germany)	1.52	1.13	1.73
Ibex 35 (Spain)	4.58	(1.67)	(0.34)
BSE Sensex (India)	3.39	(0.28)	(1.07)
SSE Composite Index (China)	(2.53)	(5.30)	(4.35)
IBovespa (Brazil)	0.01	(1.73)	(10.62)