



TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

Market
Activity
Report

December

2009

The Central Bank of Trinidad and Tobago decreases the repo rate by 50 basis points to 5.25 per cent

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1 Economic Outlook

The recession in the domestic economy persists despite continued high levels of liquidity in the system and the attendant fall in interest rates. These have also had little impact on domestic demand, resulting in an inflation rate of 1.5 percent, down from 2.7 percent the previous month. There has also been little impact on the stock market which continues to decline, registering an overall negative performance for the calendar year 2009. In an effort to stimulate economic activity the Central Bank has decreased the 'repo' rate by a further 50 basis points, to 5.25 percent. This policy rate has been reduced by 350 basis points for 2009.

2 Market Performance

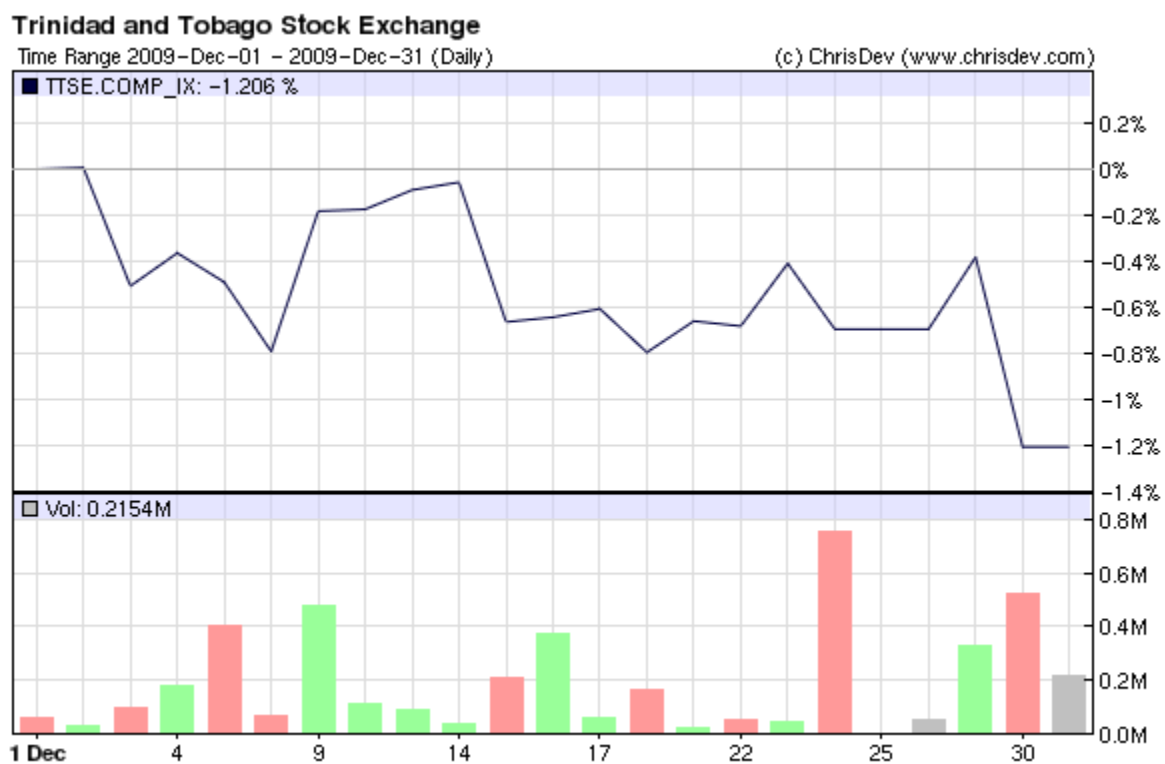
The TTSE Composite Index experienced some volatility within a narrow band during the month of December, falling by 1.3 percent overall. For the calendar year 2009, the Index fell 9.21 percent, an improvement over the 14.16 percent decline registered in calendar year 2008. Further historical lows were registered in December as the market continued to decline, the Index registering its lowest level in five (5) years on December 31.

There were nine (9) advances and six (6) declines, with eleven (11) stocks trading firm. The largest gain was recorded by Grace Kennedy Limited, which increased 19.52 percent. Trinidad Cement Limited followed with an increase in share price of 9.38 percent. The biggest loss in share price was that of Point Lisas Industries Port Development Company Limited, falling 18.88 percent.

3 Performance of Cross-listed Companies

Cross listed companies fared the worst on the domestic stock market as evidenced by a 6.55 percent decrease in the Cross-listed Index. Domestic companies proved more resilient in December as the All T&T Index increased 1.28 percent, the only positive performance among the three (3) indices. Among the cross listed companies, the worst performance was that of First

Caribbean International Bank Limited, which experienced a 13.10 percent decrease in its share price



3.1 Trading Activity

As in the previous month, trading volume fell in December. However, the decline measured a lower 12.98 percent, compared with 48 percent in November. The value of trading also decreased, declining 18.37 percent, in sharp contrast to the increase experienced the previous month (see Table 1).

3.2 Bond Market

The primary bond market saw the auctioning of a fixed rate, 5-year bond, due 2014, in the amount of \$320.693 million. It was issued on December 4 by Trinidad and Tobago Mortgage Finance Company Limited and was oversubscribed. It was allotted at par, which gave investors a yield of 6 percent.

The secondary bond market saw reduced activity when compared to the previous month. In five (5) days trading, volume traded totaled 28,155, a 76 percent decrease when compared to

November. The total value of bonds traded was \$29.6 million, down from the \$133.9 million of the previous month.

Table 1: Monthly and yearly comparison of trading volumes and values: November 2009

	November 2009	December 2009	December 2008	Month to Month Change	Year-on-year Change
Volume of Trading	5,009,505	4,359,167	8,323,072	650,338 (12.98%)	(3,963,905) (47.63%)
Value of Trading (\$)	82,053,529	66,981,847	173,609,741	(15,071,682) (18.37%)	(106,627,894) (61.42%)
Average Daily Volume	238,548	198,144	396,337	(40,404) (16.94%)	(198,193) (50%)
Average Daily Value (\$)	3,907,311	3,044,629	8,267,131	(862,682) (22.08%)	(5,222,502) (63.17%)

3.3 Barbados Stock Market

The Barbados stock market, as measured by the BSE Composite Index, declined 3 percent in December, continuing and worsening its decline of November. Most of this decrease took place within the last two (2) weeks of the month with the Index falling approximately 2.5 percent within that period. Index performance to mid-December was fairly flat. The BSE Composite declined 14.54 percent for the calendar year 2009, the worst performance of the three (3) regional stock markets.

Barbados Stock Exchange

Time Range 2009-Dec-01 - 2009-Dec-31 (Daily)

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3.4 Jamaica Stock Market

The Jamaica stock market suffered a minute decrease in December of 0.04 percent, the first monthly decline for that market in several months. Similar to the Trinidad and Tobago market, there was much volatility, within a 2 percent band. For the calendar year, the JSE Index increased 3.95 percent, the only positive performance among regional markets for the year.



4 International Developments

Except for a negligible decline in the DJIA, international indices continued their positive performances, with the Japan Nikkei showing the strongest performance of a 10.17 percent increase, reversing its negative performance of the previous month. Emerging market indices were the weaker performers in December, albeit by very small margins, unlike in November when they fared better than their more developed counterparts. India’s BSE Sensex increased 1.55 percent, the highest performance among emerging market indices.

For the year 2009, however, the emerging market indices performed formidably, far surpassing the indices of more developed countries. Positive performances were measured by all indices, with the lowest increase being recorded by the DJIA, which increased 15.42 percent for the calendar year 2009. The best performer was India’s BSE Sensex, which increased 75.38 percent for the year.

Table 2: Performance of Major Market Indices

Market Indices	Percentage Change December 2009	Percentage Change Year-to-Date
Dow Jones Industrial Average (US)	(0.42)	15.42
Nikkei 225 (Japan)	10.17	16.62
FTSE 100 (London)	1.89	18.66
Dax (Germany)	3.13	19.79
Bovespa (Brazil)	0.06	70.43
Shanghai Composite (China)	1.29	74.25
BSE Sensex (India)	1.55	75.38