



Trinidad and Tobago Securities and Exchange Commission

Market Activity Report- December 2010

Economic Outlook

The domestic economy experienced small positive growth in the last quarter of 2010. However, for the year, economic growth was flat with some quarters showing declines. Economic activity in the non-energy sector remained subdued.

Anecdotal evidence suggested that unemployment continued to increase as activity in the non-energy sector showed signs of decline, with the non-energy sector accounting for 97 percent of total employment. Private spending was low, as a result of both increased unemployment and consumer preference to save despite low interest rates offered by commercial banks. This risk averse preference also had a negative impact on the stock market.

The repo rate was unchanged in the month of December 2010, remaining at the 3.75 basis points it was reduced to in November.

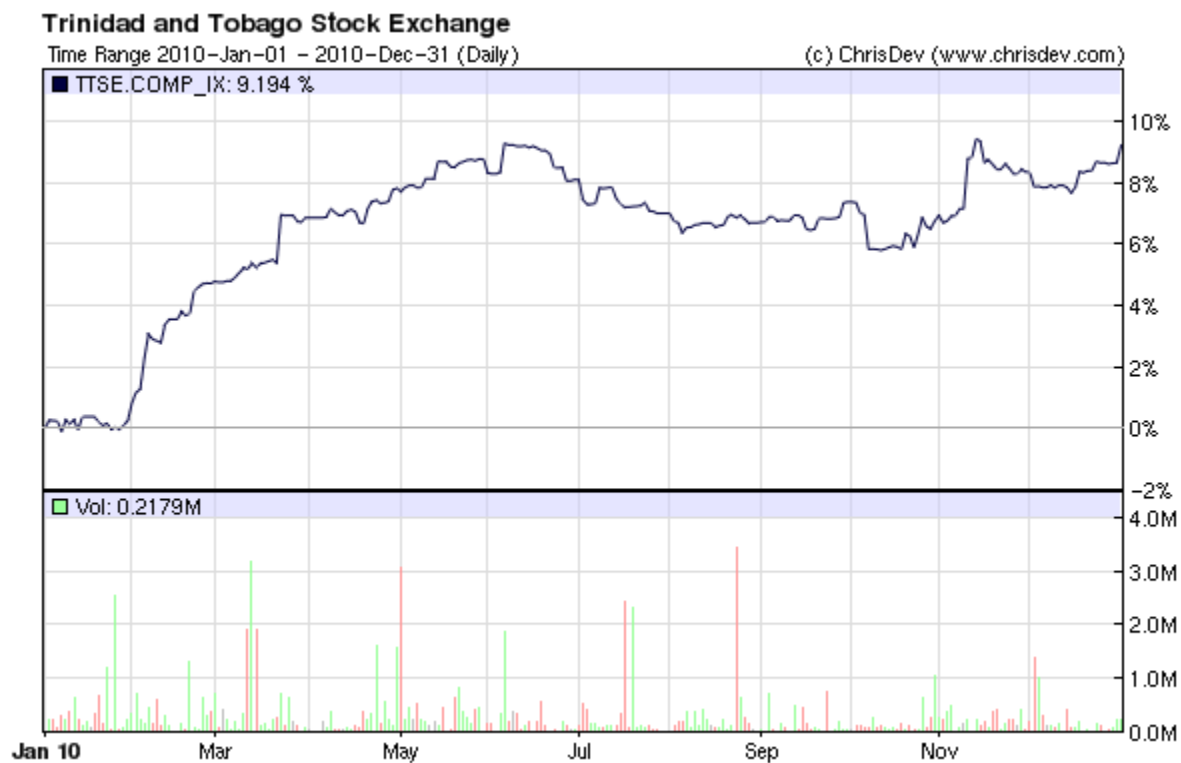
Market Performance

The TTSE Composite Index increased by 9.19 percent for calendar year 2010, an improvement on its performance for the previous calendar year when it decreased by 9.2 percent. For the month of December, the Index increased by a marginal 0.78 percent, less than the increase measured in November. The Index has registered a 28.66 percent decline between August 2008, when the impact of the financial crisis was first felt on the domestic stock market, and December 2010.

Looking at individual stocks, there were twelve (12) advances, led by Prestige Holdings Limited, which advanced 6.48 percent during the month, followed by the West Indian Tobacco Company Limited, which advanced 4.39 percent. Jamaica Money Market Brokers closed off the top three, advancing by 4.00 percent during the month. Six (6) stocks declined, with the top three (3) being

Capital and Credit Financial Group Limited, BCB Holdings Limited and Trinidad Cement Limited, falling by 18.18 percent, 9.78 percent and 6.67 percent respectively.

Figure 1:
TTSE Composite Index – December 1, 2009 to November 30, 2010



Performance of Cross Listed Companies

The performance of cross listed companies, as measured by the Cross Listed Index, was below that of their local counterparts. The Cross Listed Index declined 0.26 percent for the month of December, whereas the All T&T Index registered an increase of 1.28 percent. Experiencing the worst decline among these companies was Capital and Credit Financial Group Limited which declined by 18.18 percent, followed by BCB Holdings Limited, which declined by 9.78 percent.

Trading Activity

The volume of stocks traded on the stock exchange has continued to increase in December 2010, a trend which began in October 2010. Prior to then, there was much volatility in this area when viewed month to month. Total volume traded increased by 12 percent in December. Year-on-year, however, volume traded decreased by 14 percent.

The value of stocks traded has shown no discernable trend over the 2010 calendar year. In December, value traded increased by a considerable 77 percent, after falling 44.53 percent in November and increasing by a whopping 190.07 percent in October. The increase in December was led by conglomerates, specifically ANSA McAl Limited, which, with a value traded of \$61,835,704, accounted for 57 percent of the total value traded on the Exchange. Neal & Massy Holdings Limited accounted for a further 17 percent. All together, conglomerates accounted for 74 percent of total value traded and 40 percent of total volume traded.

Table 1: Monthly and yearly comparison of trading volumes and values: December 2010

	November 2010	December 2010	December 2009	Month to Month Change	Year-on-year Change
Volume of Trading	4,407,541	4,956,207	4,359,167	548,666 12%	(597,040) (14%)
Value of Trading (\$)	58,147,491	108,024,219	66,981,848	49,876,728 86%	(41,042,372) (61%)
Average Daily Volume	209,883	225,282	198,144	15,399 7%	(27,138) (14%)
Average Daily Value (\$)	2,768,928	4,910,192	3,044,629	2,141,264 77%	(1,865,562) (61%)

Bond Market Activity

Primary Bond Market

There were no bond issues in the primary bond market for the month of December 2010.

Secondary Bond Market

The secondary bond market has experienced its fair share of volatility over the calendar year 2010, both in terms of volume and value.

The number of transactions for the month remained unchanged at eighteen (18), when compared to November. However, there was a considerable fall off in both volume and value traded – 98.58 percent and 98.50 percent respectively. The volume of trades fell to 1,080, down from 75,827, after increasing by 154.52 percent in November in comparison to October. The value of trades for December totalled \$1,217,397, down from \$81,303,476.

For the year to date, there were 137 transactions taking place on the bond market, for a total volume of 1,737,619 and a value of \$1.8 billion.

Regional

Jamaica Stock Market

The Jamaica stock market, as measured by the JSE Market Index, gained 0.89 percent during the month of December, continuing the increase in the Index that began the previous month, after experiencing declines since June 2010. For the year to date, the stock market increased a mere 2.279 percent.

Out of thirty-nine (39) stocks traded during December, there were eighteen (18) advances and fourteen (14) declines. Trading volumes increased to 104.3 million from the 60.9 million registered in November, an increase of 71.3 percent. Trading values also increased, by 69.5 percent, from \$795.45 million to approximately \$1.3 billion.

Figure 2:

Performance of the JSE Market Index – January 1, 2010 to December 31, 2010



Barbados Stock Market

The Barbados stock market suffered the worst performance among the three regional markets being reviewed, both for the month of December and for the calendar year 2010. The BSE Composite Index declined by 1.31 percent in December and closed the year 14.12 percent lower than it began. For the month, most of the decline took place over within one day of trading mid-month, when the Index fell by 1.24 percent.

Figure 3:

Performance of the BSE Composite Index – January 1, 2010 to December 31, 2010



International Developments

The news on the international market was mixed when looking at the performance of the major stock market indices during the month of December. While for the most part the performances were positive, the actual results were comparatively low, with the highest performance being that of India's Sensex, which registered an increase of 3.32 percent, followed by the US's DJIA, increasing by 2.86 percent. The exceptions to the positive performances were Brazil's Bovespa and China's SSE, both of which fell during the month of December, albeit by small amounts – by 0.06 percent and 0.54 percent respectively.

Year-to-date the performances were again mixed. India's Sensex experienced the greatest increase of 16.80 percent, followed by Germany's DAX which increased by 14.32 percent.

Japan's Nikkei, Brazil's Bovespa and China's SSE all saw negative results for the year, decreasing by 4.00 percent, 1.06 percent and 13.43 percent, respectively.

Table 2: Performance of Major Market Indices

Market Indices	Percentage Change December 2010	Percentage Change November 2010	Percentage Change Year to Date
Dow Jones Industrial Average (US)	2.86	(1.07)	9.39
Nikkei 225 (Japan)	2.41	8.55	(4.00)
FTSE 100 (London)	4.56	(2.92)	7.27
Dax (Germany)	0.69	1.27	14.32
Bovespa (Brazil)	(0.06)	(5.39)	(1.06)
SSE Composite Index (China)	(0.54)	(7.66)	(13.43)
BSE Sensex (India)	3.32	(4.10)	16.80