



TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

Market Activity Report

December

2013

International markets rebound while Barbados public sector employees face layoffs and CBTT's governor projects 2.50 percent growth in 2014.

Table of Contents

1	Economic Overview	1
1.1	Review of the Economy	1
1.2	Monetary Policy	3
1.3	Capital Market Development	4
1.4	Regional Highlights	5
2	Stock Market Performance	8
3	Trading Activity	11
4	Bond Market Activity	12
4.1	Primary Bond Market	12
4.2	Secondary GORTT Bond Market	12
5	Market Developments	13
5.1	Profit Announcements	13
5.2	New Product Announcements	14
5.3	Prominent Events	14
5.4	Regional Developments	15
5.4.1	Jamaica Stock Market	15
5.4.2	Barbados Stock Market	17
5.4.3	Global Political Outlook	19
6	International Developments	20
7	Bibliography	23

1 Economic Overview

1.1 Review of the Economy

The festive season in December has always been a time for introspection as well as thinking forwardly towards the upcoming New Year.

The Trinidad and Tobago economy continues to show a heavy dependence on the energy sector with little diversification achieved. The performance of the economy continues to be affected by economic shocks based on the routine maintenance work of the oil and gas companies. To this end, the Honourable Minister of Finance and the Economy, Mr. Larry Howai, announced in mid-December that he had a “very positive outlook for the economy in 2014.” He further noted at a media conference held at the Ministry of Finance, Port of Spain on December 18, 2013;

“Based on normal performance and reasonable expectation we expect next year to see a much stronger return to growth and a much more robust performance.” (Bridglal, 2013)

In its release of its Monetary Policy Report in December, the Central Bank stated that the country’s economic growth was 1.5 percent in 2013 with a projection of 2.5 percent in 2014. Central Bank governor, Mr. Jwala Rambarran, once again referenced the coordinated energy maintenance that occurred in the third quarter of 2013 and stated;

“The mere fact you had this big maintenance in September is what really compressed the overall level of growth. The last two years show how vulnerable we are to the energy sector. Large-scale maintenance by one energy company has been able to basically dampen the overall growth process. It means we have to diversify.” (Bridglal, 2013)

Minister Howai concurred with this assessment by stating:

“The effect of the maintenance work in the energy sector was a little more than anticipated. With such a large contraction in a single quarter for a large part of our economy the effect has been dampening as to what we had projected. The non-energy sector, which had at the end of September recorded eight consecutive quarters of growth, has been fairly buoyant and recording growth rates in excess of two percent; that is what has resulted in slightly better performance—or improved performance up from the 0.3 percent growth (in 2012). Next year will be better because we expect the continued strength of the non-energy sector; the energy sector will be back up to 100 percent capacity so our expectation will be a much stronger year for the economy. In 2015 we expect, based on some of the investment we see starting to materialise—Mitsubishi for example and increased exploration and production activity, in 2015 we expect to see that increase more to 2.5 to three percent.” (Bridglal, 2013)

However, Dr. Roger Hosein, Economics lecturer from the University of the West Indies, has voiced his concern about the official figures provided by the Central Bank. He stated,

“The Central Bank downgraded its projection for 2013 from 2.5 percent to 1.5 percent and one wonders if even this can be maintained. This is the second straight year that the Central Bank has made this type of error in forecasting the national real economic growth rate.”

He also was concerned about the margins of error that seemed to be widening and had wondered aloud whether *“there is scope at some point to revisit the macroeconomic model used to forecast economic growth in the economy”* (Trinidad Express Newspapers, 2013). Dr. Hosein argued for the need by the Central Bank *“to take into consideration the fact, ..., that there is an*

element of a slowdown in the world economy and, certainly, the pace of growth of the developed economy has fallen from almost consistently over the listed time period and may no longer carry the 'engine-of-growth' status that it once did."

Dr. Hosein further argued that slow economic growth of the developed world has severely affected tourism flows to CARICOM destinations, which are major export market destinations for our locally manufactured products. As such, he concluded,

"It is against this type of back-drop that a strategy of efficient internal demand has great merit and perhaps Government would want to pay more dedicated attention to its growth-pole exercises." (Trinidad Express Newspapers, 2013)

1.2 Monetary Policy

In a speech given in a Monetary Policy Forum on December 18, 2013; Governor Rambarran highlighted the changes made to the Bank's monetary policy decision making framework in 2013. These included:

1. Inclusion of two external members on the Monetary Policy Committee, to ensure that the MPC benefits from specialized expertise and diverse viewpoints in its policymaking deliberations.
2. Changing the MPC meeting frequency from once a month to every two months to give the MPC a better opportunity to fully consider economic and financial conditions, including important issues and policy alternatives; and

3. Communication of the Bank’s monetary policy decisions, including the setting of the repo rate, to the public in the form of a “Monetary Policy Announcement” on the Friday evening of the week in which the MPC meeting is held.

The Governor noted that the Bank has maintained what he termed “*a monetary stance geared towards supporting economic activity*” (Rambarran, 2013, p. 8). Furthermore, it was stated that this accommodative stance was reflected in the maintenance of the repo rate at its historical low of 2.75 percent for the past fifteen months. The Governor had noted that the observed high liquidity levels in the system necessitated corrective actions be taken in order to curb the excess liquidity. These included the seeking of approval from the Ministry of Finance and the Economy for the issue of two Treasury bonds: one issued in May 2013 at a face value of \$1 billion and the other in August 2013 with a face value of \$559.3 million taken from a \$1 billion offering. The Bank also rolled over the commercial banks’ fixed deposits held at the Central Bank for one year. Another measure employed was the sales of foreign exchange to the banking system which resulted in the removal of a little over \$8 billion from the system in the first eleven months of 2013. He further noted that the Bank’s liquidity management framework was enhanced in December 2013 with an increase from \$15 billion to \$30 billion in the borrowing limits under the Treasury Bills Act (Rambarran, 2013, pp. 8-9).

1.3 Capital Market Development

The year 2013 has seen some improvement being affected within the Primary Market of the local stock exchange. As noted in this week’s Business Guardian (dated Thursday 2nd January), the Initial Public Offering of First Citizens Bank Limited was the headline attraction for 2013 (Chouthi, 2014). The Offering managed to add approximately TT \$1.1 billion to the

market capitalisation of the Trinidad and Tobago Stock Exchange's Primary Market at the time of its listing, with a share price of twenty-two dollars(TT\$22.00). Since then, the share price of First Citizens has maintained its upward trajectory whereby its last trading price was TT \$40.25 as at January 2, 2014. The net effect of this has been an additional increase in market capitalisation equivalent to approximately TT \$885 million.

Presently, 2014 appears to be filled with promise as the investing public can hopefully look forward to the Initial Public Offering of Phoenix Park Gas Processors Limited, the first energy sector listing on the Primary Market. It will provide the investing public with its first opportunity to claim a stake in the sector which has long driven Trinidad and Tobago's economic fortunes. Additionally, there is also the hope that the Initial Public Offering of Trinidad and Tobago Mortgage Bank will also come to fruition within the coming year along with additional share issues in First Citizens and Point Lisas Industrial Port Development Corporation Limited.

1.4 Regional Highlights

In a recent editorial, Sir Ronald Sanders spoke to the challenges that many of the CARICOM territories had faced in 2013. He commented:

“All the countries were beset by high unemployment; there was high debt in 10 of them; decline in inclusive economic growth in 11 of them; unsustainable fiscal deficits and widening trade deficits in goods and services in all of them; and foreign exchange losses in many of them.” (Sanders, 2014)

He further argued that *“.... bank lending and private spending tightened in 11 of them, causing a contraction in the private sector to which all countries had been looking to lead economic*

recovery in the wake of cash-strapped governments being compelled to retreat as both investor and employer.” (Sanders, 2014)

Sanders was left bewildered over the policy actions of the CARICOM nations by what he termed, *“an insistence by governments to seek only national solutions, even though there is great bewilderment about what national measures could be taken to improve the economic situation”* (Sanders, 2014). He commented that this led to inaction because he argued that *“governments failed to engage meaningfully with other crucial actors in their countries, such as the opposition political parties, the trade unions, the private sector, and the universities, to develop an agreed national plan to help take their economies out of a prolonged stagnation”* (Sanders, 2014).

The bygone year has seen a number of our CARICOM neighbours back at the doorstep of the International Monetary Fund (I.M.F). In his recent commentary, Dr. Trevor Farrell spoke to the current difficulties that have besieged Barbados which have landed them in the firm, unyielding grasp of the I.M.F (Farrell, 2014). It is public knowledge that their Government has embarked on a retrenchment programme which will trim its public service by an estimated 3,000 workers. Indeed, this has elicited a sharp response from one of that country’s unions. The National Union of Public Workers accused the government of *“using technical maneuvers ahead of the January 15 date for trimming the public service by an estimated 3,000”* in order to send home 500 workers that were attached to the Drainages Division on the last day of 2013 (Trinidad Guardian Newspaper, 2014). The rationale behind the retrenchment was that it would result in cost savings of BDS \$143 million¹. The loss of employment should not be lightly regarded in our context as it will force Barbadians to cut back on their consumer spending. This will most

¹ This approximates to TTD \$450 million.

certainly impact Trinidadian companies that export their products to Barbados as well as local banks that maintain a presence within the ‘Land of the Flying Fish.’ Many of these companies would be currently listed on the local stock exchange.

As Sanders argued, there is a need for regional governments to stop paying lip service to the notion of regional integration and actually take recognizable steps towards its achievement as it should be painfully obvious that it will be through a unified, regional approach that CARICOM nations will be able to become more resilient to the global shocks that are ‘part and parcel’ of the global economic and financial landscapes. He argued the need for a stronger institutional base for CARICOM than what is currently in place, as well as “*change of mindset and a will to act regionally.*” Sanders concluded by opining:

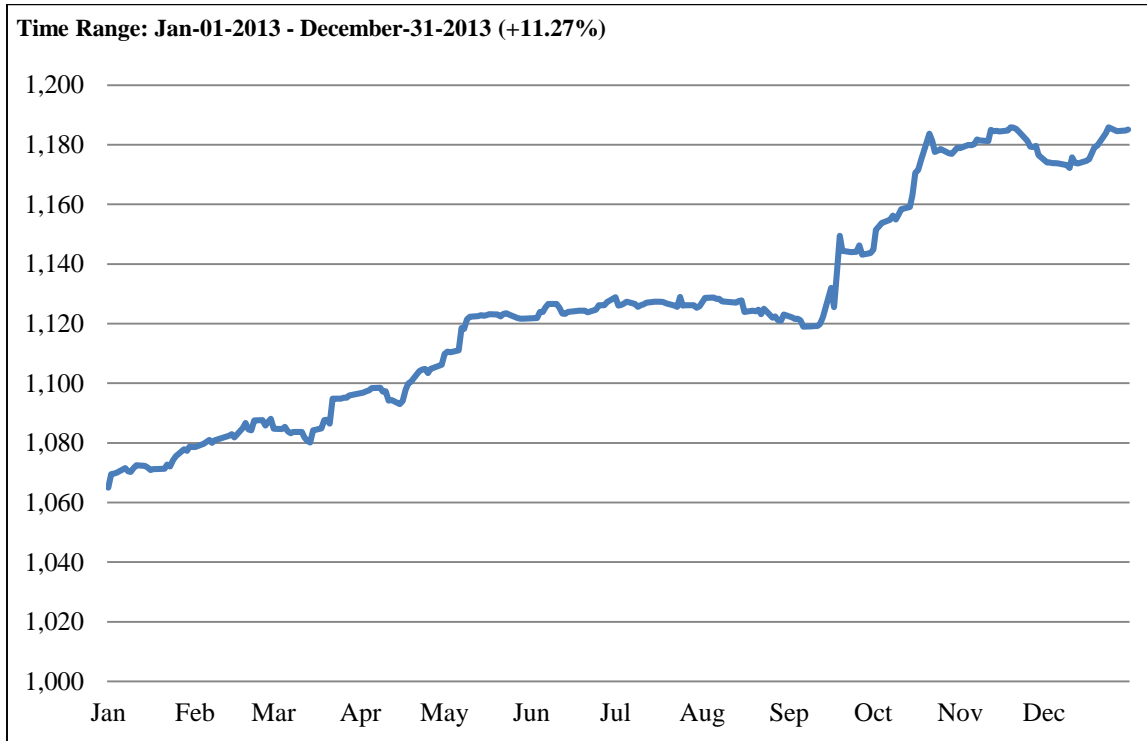
“The New Year can be a year of improved prospects if Caricom governments end the ‘pause’ they applied to economic integration in May 2011” (Sanders, 2014).

2 Stock Market Performance

The Composite Index advanced from its November closing position by 8.55 index points (or 0.73 percent) to close at 1,185.05. This represented a reversal of its fortunes for the Index, which had experienced a loss of 2.36 points (0.20 percent) in November. For 2013, the Composite Index advanced by 120.07 points to finish the year with an increase of 11.27 percent.

The All T&T Index posted much stronger gains in December than those in November which saw the Index gaining 24.75 points (1.26 percent) to close the calendar year at 1,993.72. This is as opposed to its increase of 7.56 index points (0.39 percent) in November. However, the Cross Listed Index continued its decline in the month of December to finish the year at 49.43 for a loss of 0.94 index points (1.87 percent). This was a slight improvement from November's performance which saw the Index decline by 1.54 points (2.97 percent). In terms of yearly figures, the All T&T Index advanced by 299.45 points (or 17.67 percent) while the Cross Listed Index declined by 6.91 points or 12.26 percent from its 2013 opening position. The locally listed companies performed much better than regional companies as was evidenced by the better performance of Trinidad and Tobago's economy compared to Jamaica and Barbados. See **Figure 1** for performance of TTSE Composite Index for 2013.

Figure 1: TTSE Composite Index for the period January 2013 – December 2013



Market activity for the month of December was once again dominated by the impressive performance by First Citizens Bank Limited. The recently listed state-owned bank saw a price increase of \$4.23 per share or 11.74 percent, which led all advancers based on dollar value as well as percentage change. There was trading in twenty four (24) stocks of which ten (10) advanced, eleven (11) declined and three (3) traded firm. The range of advances was between 11.74 percent and 0.07 percent. The top five (5) performers are listed in **Table 1** below.

Table 1 - Top five (5) performing stocks for December 2013

	Security	Closing Price	Monthly Change (\$)	Monthly Change (%)
1.	First Citizens Bank Limited	40.25	4.23	11.74
2.	CLICO Investment Fund	21.99	0.44	2.04
3.	Neal & Massy Holdings Limited	60.01	0.88	1.49
4.	One Caribbean Media Limited	18.50	0.19	1.04
5.	Sagicor Financial Corporation Limited	7.25	0.06	0.83

Of the eleven (11) decliners in December, Scotia Investments Jamaica Limited led in terms of percentage change with a decline of 16.67 percent. The range of declines varied between 16.67 percent and 0.008 percent. In terms of lost dollar value, Angostura Holdings Limited endured a loss of \$0.53 per share. The range of loss was observed to be between \$0.53 and \$0.01 per share. The worst five performing stocks for December 2013 are listed in **Table 2** below.

Table 2 - Worst five (5) performing stocks for December 2013

	Security	Closing Price	Monthly Change (\$)	Monthly Change (%)
1.	Scotia Investments Jamaica Limited	1.50	(0.30)	(16.67)
2.	National Commercial Bank Jamaica	1.11	(0.05)	(4.31)
3.	GraceKennedy Limited	3.45	(0.15)	(4.17)
4.	Angostura Holdings Limited	12.47	(0.53)	(4.08)
5.	Point Lisas Port Development	3.70	(0.10)	(2.63)

3 Trading Activity

Market activity in the month of December 2013 resulted in the trading of 8,502,457 shares at a value of TT \$115,358,667. Trading volumes increased by 1,056,566 shares or 14.19 percent while trading value declined by TT \$431,985 to finish marginally down by 0.37 percent from the previous month's closing total. Trinidad Cement Limited dethroned Jamaican Money Market Brokers Limited (JMMB) as the volume leader in the Primary Market with 3,039,169 of its shares being traded at a value of TT\$6,636,678. Following Trinidad Cement Limited (TCL) was CLICO Investment Fund which had 1,454,484 of its shares being traded at a value of TT\$31,567,768. See **Table 3** for comparisons in these two statistics.

**Table 3 - Monthly and Yearly Comparison of Trading Values and Volume:
November 2013 - December 2013**

Volume/ Value	November 2013	December 2013	December 2012	MOM change (\$)	MOM % change	YOY Change (\$)	YOY % change
Volume of Trading	7,445,891	8,502,457	3,805,378	1,056,566	14.19	4,697,079	123.43
Value of Trading (\$)	115,790,652	115,358,667	36,266,156	(431,985)	(0.37)	79,092,511	218.09
Average Daily Volume	354,566	425,123	200,283	70,557	19.90	224,840	112.26
Average Daily Value (\$)	5,513,841	5,767,933	1,908,745	254,092	4.61	3,859,188	202.18

4 Bond Market Activity

4.1 Primary Bond Market

There was no activity in the primary bond market for the month of December 2013.

4.2 Secondary GORTT Bond Market

On the secondary GORTT bond market; there was one (1) solitary trade this month, unchanged from its November total.

5 Market Developments

5.1 Profit Announcements

CIBC FirstCaribbean Bank announced its first ever loss since its formation when it was announced that the bank had recorded a net loss of BDS \$27.5 million for its fiscal year ended October 31, 2013. FirstCaribbean's profits have been observed to have been steadily declining over the past five years due to protracted economic downturns occurring within Barbados and other regional territories in which the bank operates (NationNews Barbados, 2013).

In contrast, Point Lisas Industrial Port Development Corporation Limited (PLIPDECO) recorded profits of TT \$188.1 million for the nine months ended September 30, 2013. This was substantially more than the profits earned over the same period last year (TT \$ 25.6 million). The massive increase was attributed to TT \$168.26 million in unrealised fair value gain in investment properties (Khan, 2013).

Angostura Holdings Limited recorded third quarter profits of TT \$40 million in 2013, which was an increase of 10.5 percent from its 2012 third quarter results. Its year-to-date profits was said to be TT \$110.6 million more than the previous year. Its Chairman attributed the company's improved performance to "*strategic restructuring decisions aimed at focusing the business on core activities*" (Trinidad Guardian, 2013).

Republic Bank (Guyana) Limited reported a net profit after taxation, for the year ended September 30, of Guy\$2.35 billion, up from the 2012 figure of Guy\$2.01 billion, according to third quarter (Q3) results released December 2. The company's earnings per share (EPS) rose

from 6.71 to 7.85 year (2013) on year (2012), and from 1.57 to 2.11 quarter (Q3 2013) on quarter (Q3 2012). The bank holds Guy\$1.36 billion in cash, Guy\$39.71 billion in treasury bills, and Guy\$5.2 billion in premises and equipment. The bank's balance sheet boasts total assets of Guy\$132.53 billion and total liabilities of Guy\$120.35 billion. Guyanese customers have Guy\$117 billion in chequing, saving and deposit accounts (WISE Equities, 2013).

5.2 New Product Announcements

National Commercial Bank (Jamaica) Limited announced the launch of three unit trust products in December 2013. The funds would be focused at first in investing in *“long-term corporate and government debt instruments as well as local and regional stocks.”* The funds include the M Fund, for money market, B Fund (bonds) and E Fund for equities. The main strategy for the equities-based unit trust fund is *“to target undervalued stocks in companies with attractive dividend yield as well as companies with strong growth potential...”* with a primary focus on local and regional stocks. The money market fund would consist primarily of short-term liquid securities, while the bond fund would be comprised of longer- term debt securities which provide a higher rate of return (Scott, 2013).

5.3 Prominent Events

Among the many events that occurred, the one is most prominent is the voluntary delisting of Guardian Holdings Limited from the Jamaica Stock Exchange. The company was to

close its register on December 24, 2013 with its delisting of shares scheduled to occur on December 31, 2013 (WISE Equities, 2013).

There were also two major acquisitions by market registrants in December. National Commercial Bank Jamaica Limited completed the acquisition of AIC Finance Limited through its subsidiary, NCB Capital Markets Limited (WISE Equities, 2013). National Enterprises Limited (NEL) has informed the Stock Exchange that the company closed an agreement with BP to purchase its 10% shareholding in Powergen effective 18th December, 2013. NEL has finalized the purchase of a BP company called Amoco Trinidad Power Resources Corporation (ATPRC) which held the 10% shareholding in Powergen as its only asset and transferred the assets of this Company into a newly formed subsidiary of NEL called NEL Power Holdings Limited (NPHL). The Unit Trust Corporation was invited to participate in the purchase and will acquire 10% of NPHL (WISE Equities, 2013).

The Chief Executive Officer of Neal and Massy Group announced a strategy in December which sought to make United Insurance Trinidad and Tobago's second largest insurance company in two (2) years. The strategy will eventually see United Insurance kiosks being placed in a number of its subsidiaries (examples given were Supercentres in Barbados and Hi-Lo Food Stores in Trinidad (WISE Equities, 2013).

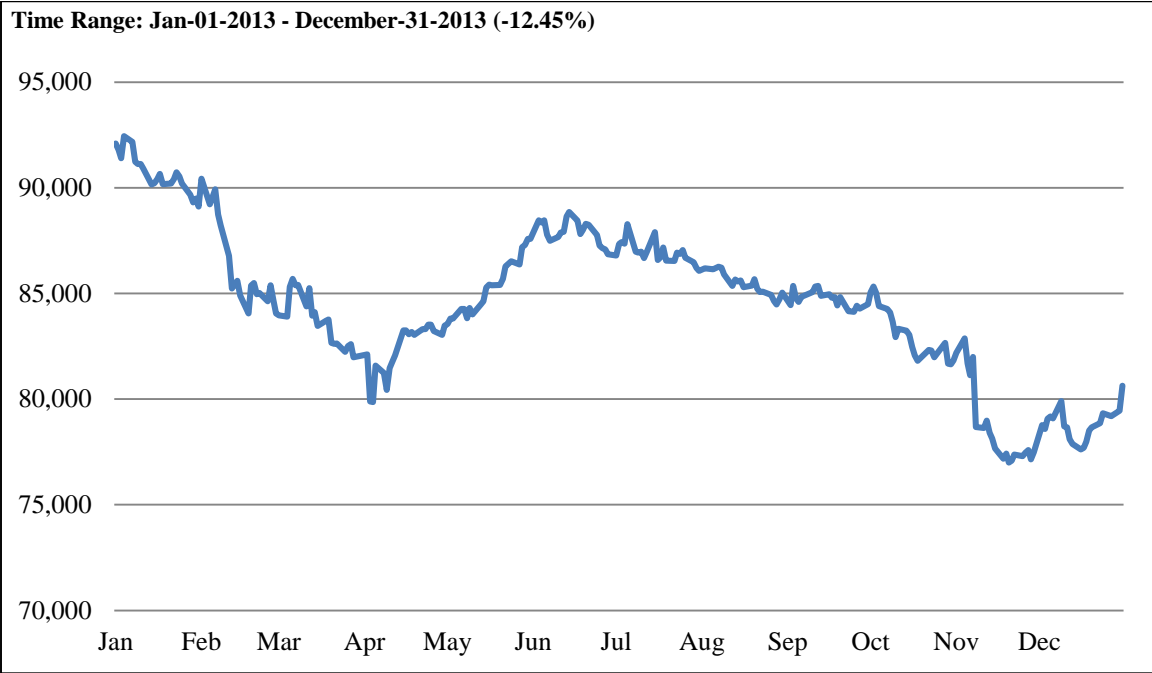
5.4 Regional Developments

5.4.1 Jamaica Stock Market

The JSE Market Index ended the year on a high note to close at 80,633.55. This represented a gain of 3,151.72 index points or 4.07 percent from its November 2013 closing position. This

arrested a market decline which had begun in early June. For the year to date, the JSE declined by 11,467.7 points (12.45 percent) as seen in **Figure 2** below.

Figure 2: JSE Market Performance of the JSE Market Index: January - December 2013



There was trading in thirty four (34) companies of which there were eighteen (18) advancing, nine (9) declining and seven (7) trading firm. Market volume amounted to 202,748,258 shares changing hands at a market value of approximately J\$2,688,729,391.72. Tables 4 and 5 provide a breakdown of the top advances and declines for the period under review. Caribbean Cement Limited led all advancers (percentage wise) with an increase of 69.9 percent in its share price. The range of price increases for December 2013 was between 69.9 and 0.36 percent. The top five performing stocks were rounded out by Hardware & Lumber, Sagicor Group Jamaica Limited, Barita Investments Limited and Ciboney Group Limited. In terms of dollar value, Pan-Jamaican Investment Trust Limited was the market leader for December with a price increase of J\$4.89 per share.

Table 4: Top five (5) performing stocks in the JSE – December 2013

SECURITIES		Closing Price \$	Monthly Change \$	Monthly Change %
1.	Caribbean Cement Company Ltd.	3.50	1.44	69.90
2.	Hardware & Lumber	6.10	1.90	45.24
3.	Sagicor Group Jamaica Ltd. ²	10.17	2.12	26.34
4.	Barita Investments Ltd.	2.50	0.50	0.25
5.	Ciboney Group Ltd.	0.05	0.01	0.25

Table 5: Worst Five (5) performing stocks in the JSE – [month & year]

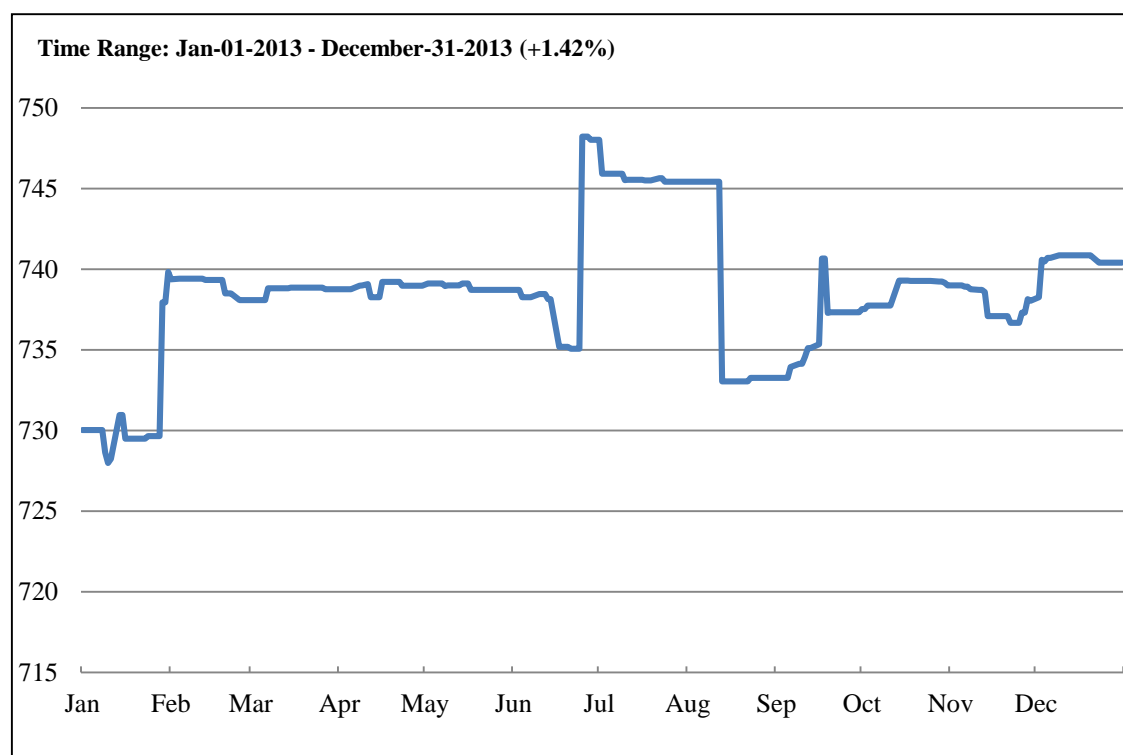
SECURITIES		Closing Price \$	Monthly Change \$	Monthly Change %
1.	Jamaica Stock Exchange Ltd.	1.80	(0.40)	(18.18)
2.	National Commercial Bank of Jamaica Ltd.	16.38	(1.42)	(7.98)
3.	Seprod Ltd.	10.50	(0.80)	(7.08)
4.	Jamaica Money Market Brokers Ltd.	7.50	(0.40)	(5.06)
5.	Scotia Investments Jamaica Ltd.	25.17	(0.84)	(3.23)

5.4.2 Barbados Stock Market

Barbados' market activity remained at the same level for the month of December 2013 with the composite index remaining increasing by 2.37 points (0.32 percent) to close at 740.42 points. For the year to date, the index has advanced by a mere 1.42 percent. (See **Figure 3** below).

² This formally replaced Sagicor Life Jamaica Limited on the Jamaica Stock Exchange as at December 23, 2013. The closing share price of Sagicor Life Jamaica Limited was J \$8.05.

Figure 3: Performance of the BSE Composite Index: January 2013 - December 2013



As Barbados' economy continues to struggle during a tough period, this can be seen in the stock market and is the prime reason for the minimal activity on the exchange. Market activity during the final week of the year resulted from the trading in nine (9) securities of which eight (traded firm and one (1) declined. (See **Table 6**).

Table 6: Traded Securities on the BSE for the last week of December 2013

DATE	SECURITY	VOL	Adv/Decline	Price ³
31/12/2013	Sagicor Financial Corporation	11,645	0.00	2.24
30/12/2013	Banks Holdings Limited	2000	0.00	3.03
30/12/2013	Cable And Wireless (Barbados) Limited	65	0.00	3.40
27/12/2013	Sagicor Financial Corporation	10,991	0.00	2.24
27/12/2013	Firstcaribbean International Bank	3,000	0.00	2.98
27/12/2013	Insurance Corporation Of Barbados Limited	1,982	0.00	2.60
27/12/2013	Fortress C'bean Property Fund - Value Fund	1,140	0.00	0.40
27/12/2013	Cable And Wireless Barbados Limited	801	0.00	3.40
23/12/2013	Barbados Farms Limited	10,000	-0.32	0.50

³ Closing price in Barbados dollars as at December 31st 2013.

5.4.3 Global Political Outlook

Emerging markets (Ems) stand to face significant political activity in 2014 according to a report from Business Monitor International (BMI). In its global political outlook for 2014, the BMI has indicated that Ems such as Bangladesh, Brazil, Colombia, Egypt, India, Indonesia, South Africa, Thailand and Turkey will face much activity in 2014 in the political arena. The report specifically indicated:

“.....the best years for Ems in terms of rapid economic growth and the pace of improvements in living standards are over,....governments will face greater challenges in managing the expectations of voters who have become accustomed to the economic rewards of the 2000s.”

6 International Developments

Japan's Nikkei 225 continued its upward trend advancing by 4.06 percent in December 2013 and 52.42 percent for the year to date. The index saw a 56.00 percent gain in 2013, its biggest since 1972 (Pisani, 2013). CNBC however indicated that while the Nikkei may have clocked its biggest gain in over forty (40) years, it wasn't 2013's best performing stock index. According to the report, Venezuela's benchmark IBC index was the best performing index for 2013. The IBC lists *"the Caracas Stock Exchange's eleven (11) most liquid and highly capitalized stocks traded and appreciated a whopping 480 percent this year. It was also the world's best performing exchange last year with a rise of 303 percent and gained 79 percent in 2011."* (Clinch, 2013).

The Dow Jones Industrial Average hit its 52nd record close on December 31st (Rooney, 2013) when it closed at 16,576.66⁴. It advanced by 3.55 percent in December 2013 and 23.59 percent for 2013. The markets appear to have entered a period of greater certainty with the Central Banking announcing on December 18th 2013 that it will reduce its monthly bond buying from \$85 billion to \$75 billion starting in January 2014 (Thalman, 2013). This could be a sign that the Fed sees a strengthening in the US economy.

The German Dax advanced by 1.60 percent in December 2013 and 22.80 percent for the year to date after the European Central Bank pledged to keep interest rates low for a prolonged period after the Federal Reserve's decision to slow the pace of its bond buying program (Xydias, 2013).

Also hailing from the Eurozone, Spain's Ibex 35 clocked its best performance since 2009 (Peres, 2013) closing at 9,916.70⁵. The Spanish economy may have grown by approximately 0.30 percent in the fourth quarter of 2013 according to the Economy Minister Luis de Guindos. According to the minister, advanced macroeconomic indicators showed that Spain's economic recovery would accelerate in 2014 (Reuters, 2014).

The FTSE 100 advanced by 2.33 percent in December and 11.97 percent for the year to date. Markets across Europe clocked their strongest gains in several years, the FTSE 100 being no exception. Traders toasted to the strongest year since 2009. *"In 2008 the index suffered the worst*

⁴ <https://www.google.com/finance/historical?q=indexdjx:.dji>

⁵ <http://www.bloomberg.com/quote/IBEX:IND/chart>

year in its 30 year history with losses of 31.30 percent against the backdrop of the global financial crisis” (Allen, 2013).

In the emerging markets, India’s BSE Sensex increased by 1.30 percent in December 2013 and 7.39 percent for the year. 2013 brought small gains for the index and were influenced mainly by the Fed’s bond buyback program, the weaknesses of the rupee as well as expectations on the political front. *“Slowing growth also kept market sentiment subdued. Within this, defensive sectors did well. However, the cyclical and investment-oriented sectors suffered due to lower growth and rising interest rates” (The Financial Express, 2014).*

The Chinese SSE Composite Index was the only index and that declined this month, falling by 4.14 percent in December 2013 and 7.07 percent for the year. China’s economy may have grown around 7.60 percent in 2013. This appears to be its weakest growth since 1999 in the aftermath of the Asian financial crisis (The Economic Times, 2014).

Finally, the worst performer for the year to date is Brazil’s IBovespa which advanced by 0.51 percent in the month of December 2013. These gains were insufficient to improve the performance of the index which declined by 17.65 percent for 2013. The index closed at 51,507.16⁶ on December 30th 2013. The Brazilian President pledged to continue the fight against inflation and indicated that the economy is facing much structural inflation and the government’s finances are deteriorating quickly (Leite, 2013). See **Table 7** below.

⁶ <http://www.bloomberg.com/quote/IBOV:IND/chart>

Table 7: Performance of Major International Stock Market Indices.

Market Indices	% Change November 2013	% Change December 2013	% Change for the Year-to- date
Nikkei 225 (Japan)	10.28	4.06	52.42
Dow Jones Industrial Average (US)	3.02	3.55	23.59
Dax (Germany)	4.41	1.60	22.80
Ibex 35 (Spain)	-0.01	1.76	17.39
FTSE 100 (UK)	-1.25	2.33	11.97
BSE Sensex (India)	-1.91	1.30	7.39
SSE Composite Index (China)	3.30	-4.14	-7.07
IBovespa (Brazil)	-2.83	0.51	-17.65

Source: Yahoo Finance

7 Bibliography

- Allen, K. (2013, 12 31). *FTSE 100 and European indices record best annual rise since 2009*. Retrieved from theguardian: <http://www.theguardian.com/business/2013/dec/31/ftse-100-records-best-annual-rise-since-2009>
- Bridglal, C. (2013, December 19). *Howai's 'very positive' outlook for 2014 economy*. Retrieved January 2, 2014, from Trinidad Express Newspapers: <http://www.trinidadexpress.com/business/Howais-very--positiveoutlook-for-2014-economy-236649091.html>
- Chouthi, S. (2014, January 2). *First Citizens IPO tops business agenda*. Retrieved January 3, 2014, from The Trinidad Guardian - Business Guardian: <http://www.guardian.co.tt/business-guardian/2014-01-02/first-citizens-ipo-tops-business-agenda>
- Clinch, M. (2013, 12 31). *Economy*. Retrieved from CNBC: http://www.cnbc.com/id/101303043?__source=yahoo%257cfinance%257cheadline%257cheadline%257cstory&par=yahoo&doc=101303043%257cHere+it+is...the+world%27s+
- Cummings, W. (2013, 12 30). *Dow hits 51st record close of the year*. Retrieved from USA TODAY: <http://www.usatoday.com/story/money/markets/2013/12/30/stocks-monday/4247039/>
- Dow Jones Industrial Average 2 Minute*. (2013). Retrieved from <https://www.google.com/finance/historical?q=indexdix:.dji>
- Farrell, T. (2014, January 6). *Denting Bajan pride*. *Trinidad Express Newspaper*, p. 13.
- Khan, A. (2013, December 11). *Plipdeco profits soar on investment gains*. Retrieved January 7, 2014, from Trinidad Guardian: <http://www.guardian.co.tt/business/2013-12-11/plipdeco-profits-soar-investment-gains>
- Leite, J. (2013, 12 30). *Bloomberg News*. Retrieved from Ibovespa Advance Pares World's Worst Loss in 2013 as Vale Climbs: <http://www.bloomberg.com/news/2013-12-30/ibovespa-futures-advance-in-sao-paulo-on-last-2013-trading-day.html>
- NationNews Barbados. (2013, December 11). *\$27.5m loss first for CIBC FirstCaribbean*. Retrieved January 7, 2014, from NationNews.com: <http://www.nationnews.com/articles/view/27.5m-loss-first-for-cibc-firstcaribbean/>
- Peres, E. (2013, 12 31). Retrieved from El Mundo: <http://www.elmundo.es/economia/2013/12/31/52c2f020268e3ed87a8b4570.html>

- Pisani, B. (2013, 12 31). *Trader Talk*. Retrieved from CNBC:
http://www.cnbc.com/id/101303430?__source=yahoo%257cfinance%257cheadline%257cheadline%257cstory&par=yahoo&doc=101303430%257cParty+like+its+2013!+Inde
- Rambarran, J. (2013, December 18). *Feature Address at the Inaugural Monetary Policy Forum with the Penal/Debe Chamber of Commerce*. Retrieved January 2, 2014, from Central Bank of Trinidad and Tobago: <http://www.central-bank.org.tt/sites/default/files/Monetary%20Policy%20Forum%20-%20Speech%20Penal%20Debe%20Dec%202013.pdf>
- Reuters. (2014, 1 13). *Spain economy expanded by about 0.3 pct in Q4 2013 - De Guindos*. Retrieved from Reuters: <http://www.reuters.com/article/2014/01/13/spain-economy-idUSE8N0FI01Z20140113>
- Rooney, B. (2013, 12 31). *Stocks: Stellar year ends on a high note*. Retrieved from CNN Money: <http://money.cnn.com/2013/12/31/investing/stocks-markets/>
- Sanders, R. (2014, January 1). *Lost opportunities*. Retrieved January 6, 2014, from Trinidad Express Newspaper: <http://www.trinidadexpress.com/commentaries/Lost-opportunities-238387111.html>
- Scott, S. (2013, December 11). *NCB Cap Markets launches unit trust*. Retrieved January 7, 2014, from Jamaica Observer: http://www.jamaicaobserver.com/business/NCB-Cap-Markets-launches-unit-trust_15614408#ixzz2nCHog964
- Thalman, M. (2013, 12 29). *Lack of Uncertainty and High Hopes Send Every Dow Stock Higher*. Retrieved from The Motley Fool: <http://www.fool.com/investing/general/2013/12/29/lack-of-uncertainty-and-high-hopes-send-every-dow.aspx>
- The Economic Times. (2014, 01 05). *China's GDP growth in 2013 set to be weakest since 1999*. Retrieved from <http://economictimes.indiatimes.com/news/international/business/chinas-gdp-growth-in-2013-set-to-be-weakest-since-1999/articleshow/28439530.cms>
- The Financial Express. (2014, 01 14). *BSE Sensex, NSE Nifty brought small gains in 2013, for 2014 buy into defensives, cyclicals: Dipen Shah*. Retrieved from <http://www.financialexpress.com/news/bse-sensex-nse-nifty-brought-small-gains-in-2013-for-2014-buy-into-defensives-cyclicals-dipen-shah/1213951>
- Trinidad Express Newspapers. (2013, December 24). *Doubts over growth in economy: UWI economist concerned after 2nd year of forecast errors*. Retrieved January 2, 2014, from Trinidad Express Newspapers: <http://www.trinidadexpress.com/business/Doubts-over-growth-in--economy-237202991.html>

- Trinidad Guardian. (2013, December 11). *Angostura goes into 4Q with profit*. Retrieved January 7, 2014, from Trinidad Guardian: <http://guardian.co.tt/business/2013-12-11/angostura-goes-4q-profit>
- Trinidad Guardian Newspaper. (2014, January 6). *Barbados government starts sending home workers*. Retrieved January 6, 2014, from Trinidad Guardian Newspaper: <http://www.guardian.co.tt/business/2014-01-06/barbados-government-starts-sending-home-workers>
- WISE Equities. (2013, December 16). *Guardian Holdings Limited voluntarily delists from the Jamaica Stock Exchange*. Retrieved January 7, 2014, from WISE Equities: <http://www.wiseequities.com/home/news.php?id=3620>
- WISE Equities. (2013, December 24). *National Enterprises Limited - Purchase of Powergen sharing from BP*. Retrieved January 7, 2014, from WISE Equities: <http://www.wiseequities.com/home/news.php?id=3640>
- WISE Equities. (2013, December 16). *NCBJ - Acquisition of AIC Finance Limited*. Retrieved January 7, 2014, from WISE Equities: <http://www.wiseequities.com/home/news.php?id=3622>
- WISE Equities. (2013, December 10). *Neal and Massy is back in the insurance business*. Retrieved January 7, 2014, from WISE Equities: <http://www.wiseequities.com/home/news.php?id=3618>
- WISE Equities. (2013, December 11). *Republic Bank's Guyana profits up*. Retrieved January 7, 2014, from WISE Equities: <http://www.wiseequities.com/home/news.php?id=3616>
- Xydias, A. (2013, 12 30). *German Stocks Drop in 2013's Last Trading Day After DAX Record*. Retrieved from Bloomberg: <http://www.businessweek.com/news/2013-12-30/german-stocks-drop-in-2013-s-last-trading-day-after-dax-record>