



Trinidad and Tobago Securities and Exchange Commission

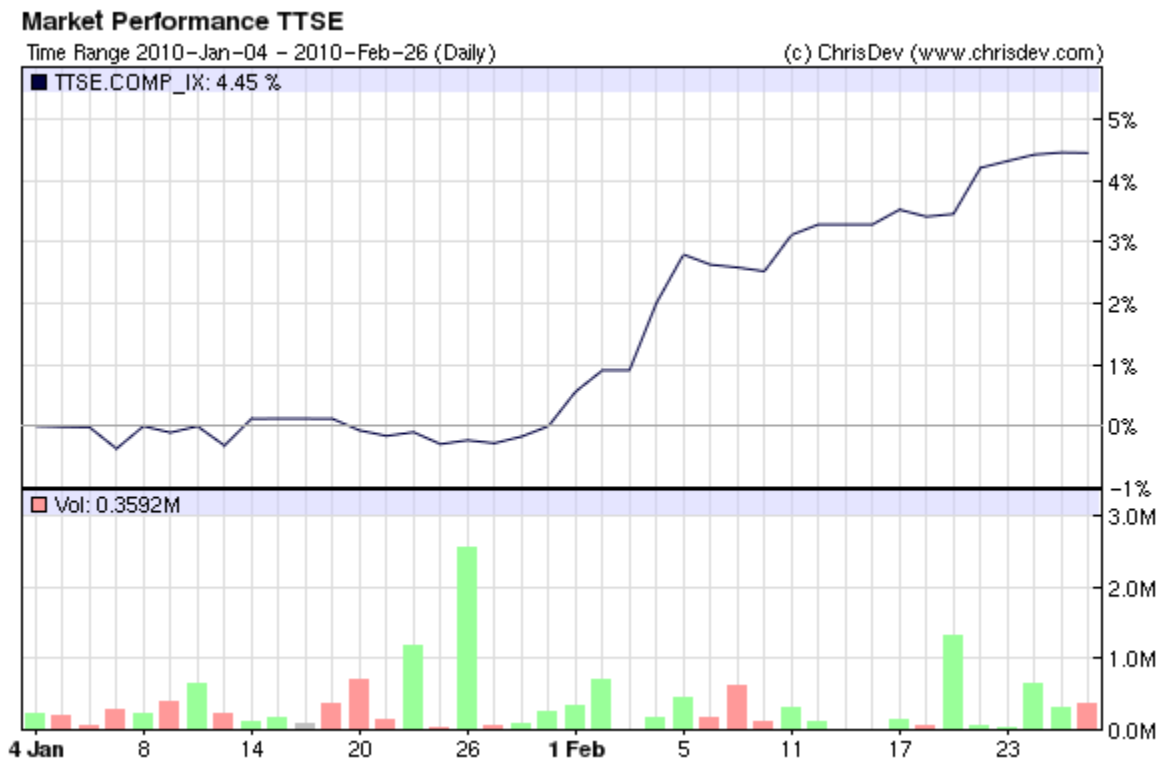
Market Activity Report- February 2010

Economic Outlook

The domestic economy has shown little signs of imminent recovery. Despite the continuing slowdown, the year-on-year headline inflation rate rose to 3.7 percent for the month of February 2010 from 1.3 percent in the previous month. This increase marked an end to the sharp disinflationary trend seen since May 2009. It should be noted the Central Bank has indicated that the increase in the inflation was not on account of any changes in the “underlying fundamentals”.

Market Performance

The domestic stock market, as measured by the TTSE Composite Index, strengthened by 3.87 percent during the month of February, the largest monthly gain since the market began its decline in July of 2008. The year-to-date increase to the end of February was 4.45 percent, indicating that most of the increase for the year took place within the month of February.



There were eleven (11) gainers for the month and three (3) losers. The top performer was National Flour Mills, which experienced a 22.2 percent increase in its share price, followed by National Enterprises, increasing 18.1 percent in terms of share price. As was the case for January, Jamaica Money Market Brokers (JMMB) again suffered the biggest loss, recording a 10.7 percent decrease in its share price.

Performance of Cross-Listed Companies

Cross-listed companies did not fare as well as their domestic counterparts, though only marginally so. The Cross-listed Index registered an increase of 3.7 percent for the month, compared with the 4.8 percent increase registered by the All T&T Index. Nevertheless, the performance of cross-listed securities on the Stock Exchange remained sluggish. Five cross-listed securities showed no movement in price during the month while two declined, including JMMB which suffered to overall largest decline for the month. By contrast three (3) securities advanced during the month with NCB Jamaica Limited showing the largest gain.

Trading Activity

Despite the positive performance of the TTSE Composite, there was a 23.8 percent fall in trading volumes over the previous month. In contrast, however, the value of trading increased by \$8.3 million or 16.4 percent over its January value. (See **Table 1 below**) Volume leaders for the month were NCB Jamaica Limited and National Enterprises Limited, with 1,537,371 and 1,294,674 respectively. In terms of value, however, National Enterprises led with \$15,138,226 with Republic Bank coming in second with \$11,352,127.

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

	January 2010	February 2010	February 2009	Month to Month Change	Year-on-year Change
Volume of Trading	7,916,818	6,030,493	9,188,821	(1,886,325) (23.8%)	(3,158,328) (34.4%)

	January 2010	February 2010	February 2009	Month to Month Change	Year-on-year Change
Value of Trading (\$)	50,705,338	59,010,650	168,237,041	8,305,312 16.4%	(109,226,391) (64.9%)
Average Daily Volume	395,841	335,028	510,490	(60,813) (15.4%)	(175,462) (34.4%)
Average Daily Value (\$)	2,535,266	3,278,370	9,346,502	742,104 29.3%	(6,068,132) (64.9%)

Bond Market

Primary Bond Market

On February 9, 2010, the Government of Trinidad and Tobago issued a \$600 million 15-year bond with a coupon rate of 6.50 percent. This bond was oversubscribed causing it to be allotted at a premium. It was cleared at a price of \$104.90 per \$100.00 face value, which effectively offered investors a yield to maturity of 6 percent. This bond will mature on February 9, 2025.

Secondary Bond Market

There was minimal trading on the secondary bond market in February, representing nonetheless, an increase over January when no trading took place on this market. With trading taking place on only three (3) out of eighteen (18) potential trading days, the volume of trades totaled 684,000 for a value of \$716,128,000.

A Government issued bond was listed on the local stock exchange on February 10. Having a face value of \$3,399.8 million, it consisted of three (3) series, each having three (3) different coupon rates and consequently differing indicative prices, as well as differing tenors. Specifically the indicative prices, coupon rates and tenors were: \$104.70 with a coupon rate of 6.60 percent and a

tenor of seventeen (17) years; \$104.40 with a coupon rate of 6.70 percent and a tenor of nineteen (19) years; and \$103.41 with a 6.80 percent coupon rate and a tenor of twenty-one (21) years. All three (3) series were fixed rate bonds.

Market Developments

Prestige Holdings Limited

Prestige Holdings Limited listed 23,681 ordinary shares on February 4, which effectively increased this company's issued share capital to 62,010,792.

Regional Stock Markets

Barbados Stock Market

The Barbados stock market, as measured by the BSE Composite Index, continued its negative performance, falling 1.9 percent during the month, the sole negative performance among regional markets for the month. For the year to date, the index fell 1.7 percent. This decline took place within the second and third weeks of the month, with the Composite showing a small increase within the first week and recording a flat performance for the last, after its two-week fall.

Barbados Stock Exchange

Time Range 2010-Feb-01 - 2010-Feb-26 (Daily)

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Jamaica Stock Market

The JSE Market Index recorded a 5.3 percent increase for the month of February, a considerable improvement over the 10.85 percent fall the previous month. Interestingly, this latest rally occurred amidst a marked slowdown in trading activity on the floor of the exchange in which trading volumes and values fell by 95.6 percent and 77 respectively compared to the previous month.

It was noted in the press on February 3, 2010, that the Jamaican stock market has been performing at six-year lows, with equities competing poorly with other forms of investment.

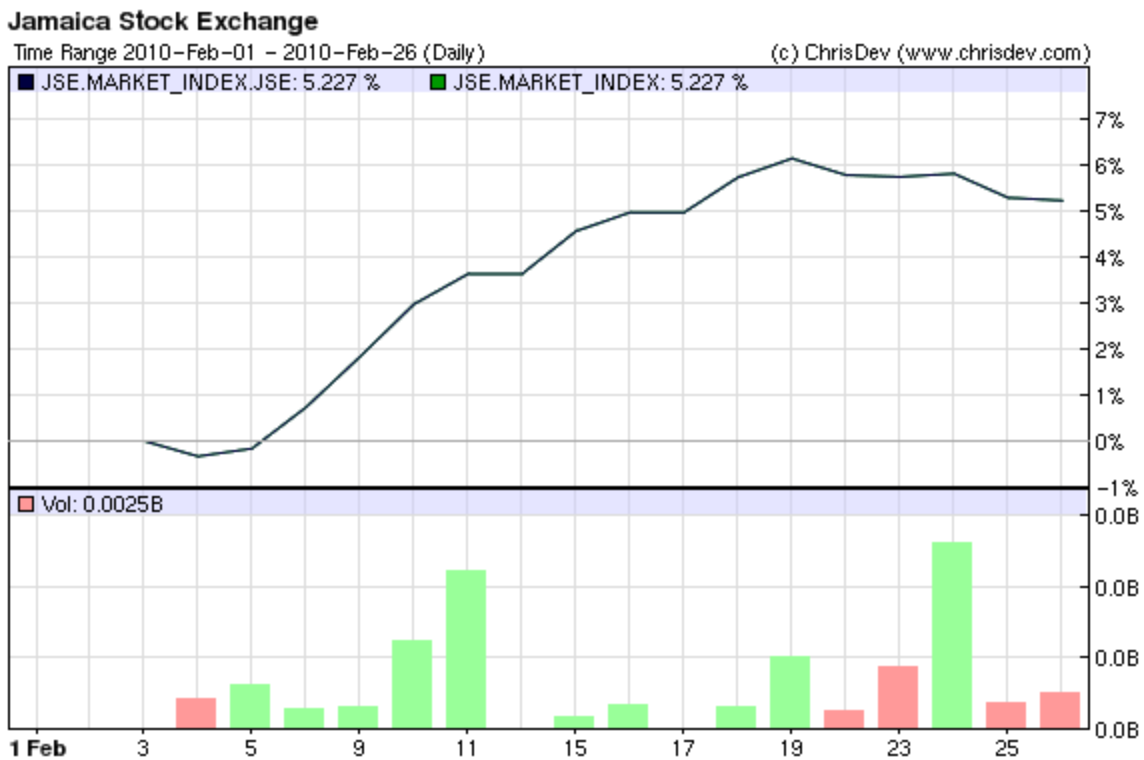
S&P moves Jamaica out of selective default

Standard & Poor's (S&P) raised Jamaica's ratings, in light of the successful completion of the debt-ex-change programme – there was a 99 percent take up of the offer – moving that country out of selective default. The long-term foreign- and local-currency sovereign credit rating moved to B- and the short-term foreign and local-currency sovereign credit rating was changed to C.

In making its decision, the rating agency also took note of the funds given to Jamaica by the International Monetary Fund. As well, S&P expects Jamaica's fiscal performance to improve in 2011.

Supreme Ventures Limited

On February 5, 2010 it was reported in the press that Intralot Caribbean Ventures Limited became the single largest shareholder in Supreme Ventures Limited (SVL) after attaining a 49.9 percent equity stake in the Jamaican-based gaming company. This followed several rounds of acquisitions of SVL shares on the JSE the last of which occurred on January 11, 2010. It should be noted that Intralot's shareholding in SVL falls just shy of the 50 percent threshold needed to trigger a take-over bid under the rules of the JSE.



International Developments

International stock markets rebounded in the month of February with several stock indices reversing the declines seen in the previous month. This apparent turnaround occurred amidst continued market uncertainty surrounding the debt crisis in Greece. The Shanghai Composite led the rally with an increase of 3.8 percent followed closely by the London FTSE 100 which rose by 2.04 percent during the month. The Dow Jones climbed by 1.4 percent buoyed by positive US economic data which showed that the US economy expanded by a higher-than-expected annual rate of 5.9 percent in the fourth quarter of 2009 as compared to the 2.2 percent annual growth rate recorded in the third quarter of 2009.

Table 2: Performance of Major Market Indices

Market Indices	Percentage Change February 2010	Percentage Change Year-to-Date
Dow Jones Industrial Average (US)	1.4	-2.4
Nikkei 225 (Japan)	-0.8	-4.9
FTSE 100 (London)	2.04	-2.6
Dax (Germany)	-0.99	-7.4
Bovespa (Brazil)	-1.2	-5.1
Shanghai Composite (China)	3.8	-5.9
BSE Sensex (India)	0.5	-6.4