



TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

MARKET ACTIVITY REPORT JULY-AUGUST 2011

Economic Overview

According to data coming out from the Central Bank (CBTT), real GDP is projected to grow by a modest 1.2 percent for 2011, this after two (2) consecutive years of negative performances. The bank has also estimated that it declined 1.7 percent for the first quarter of the year. These performances point to a weak economy, which is further borne out by subdued economic activity in the private sector. More specifically, the non-energy sector remains weak. This sector may be further negatively impacted by the current state of emergency and attendant curfew which has resulted in limited business hours. In addition, as suggested by the British based Business Monitor, such a measure can present T&T in a negative light to foreign investors.

Over the two month period July – August 2011, headline inflation has experienced a marked slowing, followed by a modest increase, over the 3.9 percent measured in May 2011. In June 2011, inflation measured 0.8 percent, the lowest level recorded in over forty (40) years. It subsequently increased to 1.4 percent in July 2011. This increase was occasioned by rising international prices for agricultural commodities which fuelled the domestic food inflation rate.

In an effort to boost economic activity by the private sector, and given the decrease in inflation allowing for a more accommodating monetary stance, the CBTT has decreased the ‘repo’ rate to 3.00 percent in July 2011, a rate it has maintained in August.

Stock Market Performance

The domestic stock market, as measured by the TTSE Composite Index, increased 2.731 percent over the two month period July – August 2011, closing the period at 976.49. The increase was almost even for each month - 1.54 percent in July and 1.2 percent in August. For the year to date, the Index increased 16.86 percent (**Figure 1**), a marked improvement when compared to the 6.4 percent increase recorded for the same period in 2010. When viewed over a five year period to date, the market reached its highest point of 1174.56 in July 2008, falling by 34.88 percent eighteen (18) months later to its lowest point of 764.81, recorded in January 2010. It has taken twenty (20) months - January 2010 to August 2011 - for the market to recover 27.67 percent of this loss.

It should be noted that the market has shown a decreasing rate since June 2011, measuring a 3.13 percent increase in May, 2.55 percent in June, 1.54 percent in July and 1.22 percent in August.

For the month of July, there was trading activity in twenty-eight (28) stocks, with seventeen (17) advances and six (6) declines. Five (5) stocks traded firm. The top three (3) advances were Capital and Credit Financial Group Limited, advancing 36.36 percent, Scotia Investments Jamaica Limited, which advanced 26.58 percent, with Prestige Holdings Limited closing off the top three by advancing 14.04 percent. The top three declines were Trinidad Cement Limited, National Flour Mills and Sagicor Financial Corporation, declining 16.28 percent, 3.40 percent and 3.00 percent respectively.

Table 1: Stocks Advancing for July 2011

No.	Security	Closing Quote (\$)	Change (\$)	Percentage Change
1	CAPITAL AND CREDIT FINANCIAL GROUP LIMITED	0.30	0.08	36.36%
2	SCOTIA INVESTMENTS JAMAICA LIMITED	2.00	0.42	26.58%

No.	Security	Closing Quote (\$)	Change (\$)	Percentage Change
3	PRESTIGE HOLDINGS LIMITED	6.50	0.80	14.04%
4	JAMAICA MONEY MARKET BROKERS LIMITED	0.42	0.04	10.53%
5	GRACEKENNEDY LIMITED	4.20	0.30	7.69%
6	SUPREME VENTURES LIMITED	0.15	0.01	7.14%
7	UNILEVER CARIBBEAN LIMITED	28.20	1.70	6.42%
8	NATIONAL COMMERCIAL BANK JAMAICA LIMITED	2.00	0.10	5.26%
9	AGOSTINI'S LIMITED	12.05	0.37	3.17%
10	ONE CARIBBEAN MEDIA LIMITED	11.50	0.26	3.14%
11	SCOTIABANK TRINIDAD & TOBAGO LIMITED	43.06	1.01	2.40%
12	NATIONAL ENTERPRISES LIMITED	14.59	0.34	2.39%
13	REPUBLIC BANK LIMITED	91.30	1.58	1.44%
14	ANSA McAL LIMITED	52.15	0.65	1.26%
15	POINT LISAS INDUSTRIAL PORT DEVELOPMENT CORPORATION LIMITED	4.92	0.02	0.40%
16	GUARDIAN HOLDINGS LIMITED	15.05	0.05	0.27%
17	THE WEST INDIAN TOBACCO COMPANY LIMITED	55.11	0.11	0.20%

Table 2: Stocks Declining for July 2011

No	Security	Closing Quote (\$)	Change (\$)	Percentage Change
1	TRINIDAD CEMENT LIMITED	1.80	-0.35	16.28%
2	NATIONAL FLOUR MILLS LIMITED	0.85	-0.03	3.40%
3	SAGICOR FINANCIAL CORPORATION	7.76	-0.25	3.00%
4	GUARDIAN MEDIA LIMITED	21.50	-0.37	1.69%
5	NEAL & MASSY HOLDINGS LIMITED	47.98	-0.02	0.04%
6	SAVINVEST INDIA ASIA FUND	62.50	-0.01	0.02%

In August, trading activity was also twenty-eight (28) stocks, with fifteen (15) advances, ten (10) declines and three (3) stocks trading firm. Again, the market is showing signs of an overall decrease as the number of advances have decreased from July to August while the number of declines has increased.

The top three (3) advancers was led by Scotia Investments Jamaica Limited, which advanced 20 percent in price, followed by JMMB (19.05%) and National Commercial Bank of Jamaica (12.5%). The top declines were Guardian Holdings Limited (10.95%), Neal and Massey Holdings Limited (10.42%) and Point Lisas Industrial Port Development Corporation Limited (8.74%).

Table 3: Stocks Advancing for August 2011

No	Security	Closing Quote (\$)	Change (\$)	Percentage Change
1	SCOTIA INVESTMENTS JAMAICA LIMITED	2.40	0.40	20.00%
2	JAMAICA MONEY MARKET BROKERS LIMITED	0.50	0.08	19.05%

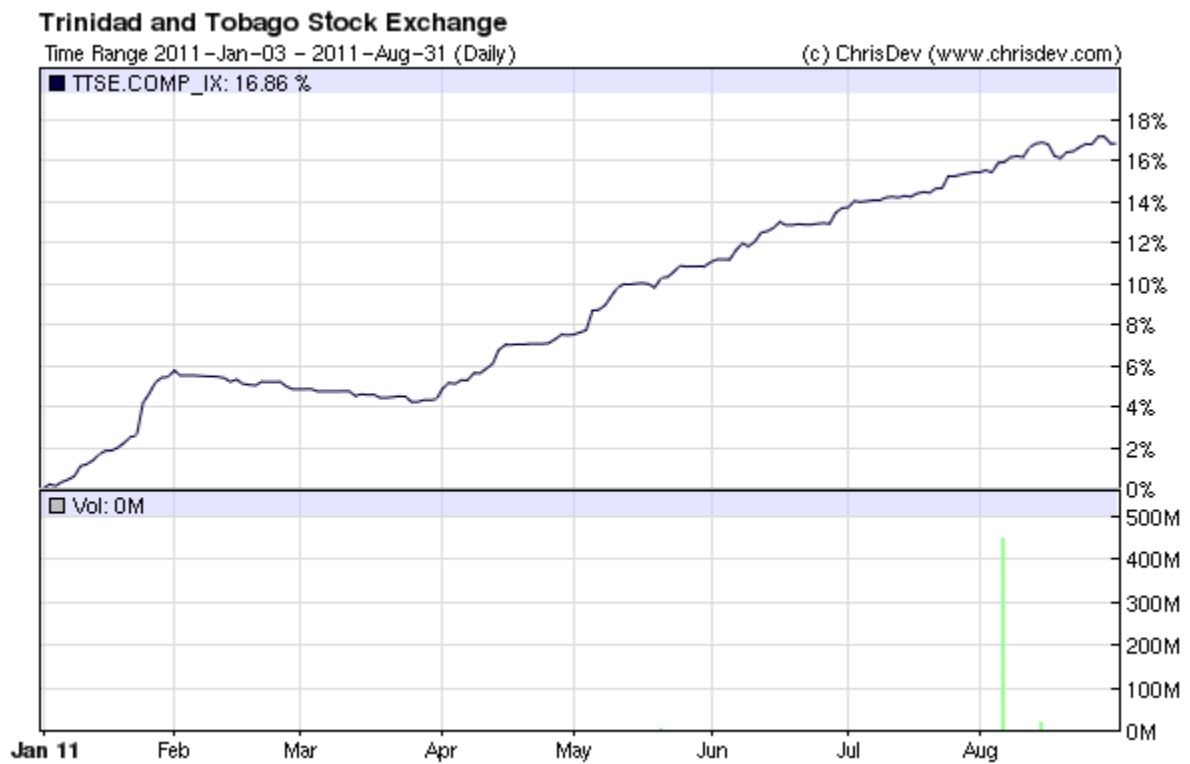
No	Security	Closing Quote (\$)	Change (\$)	Percentage Change
3	NATIONAL COMMERCIAL BANK JAMAICA LIMITED	2.25	0.25	12.50%
4	SCOTIABANK TRINIDAD & TOBAGO LIMITED	46.54	3.48	8.08%
5	UNILEVER CARIBBEAN LIMITED	30.25	2.05	7.27%
6	SUPREME VENTURES LIMITED	0.16	0.01	6.67%
7	PRESTIGE HOLDINGS LIMITED	6.90	0.40	6.15%
8	CAPITAL AND CREDIT FINANCIAL GROUP LIMITED	0.31	0.01	3.33%
9	NATIONAL ENTERPRISES LIMITED	14.90	0.31	2.12%
10	AGOSTINI'S LIMITED	12.25	0.20	1.66%
11	THE WEST INDIAN TOBACCO COMPANY LIMITED	56.00	0.89	1.61%
12	ONE CARIBBEAN MEDIA LIMITED	11.61	0.11	0.95%
13	ANSA MERCHANT BANK LIMITED	32.10	0.30	0.94%
14	REPUBLIC BANK LIMITED	92.10	0.80	0.88%
15	FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED	9.05	0.05	0.56%

Table 4: Stocks Declining for August 2011

No	Security	Closing Quote (\$)	Change (\$)	Percentage Change
1	GUARDIAN HOLDINGS LIMITED	13.42	-1.63	10.95%
2	NEAL & MASSY HOLDINGS LIMITED	42.98	-5.00	10.42%
3	POINT LISAS INDUSTRIAL PORT DEVELOPMENT CORPORATION LIMITED	4.49	-0.43	8.74%

4	FLAVORITE FOODS LIMITED	7.75	-0.44	5.37%
5	NATIONAL FLOUR MILLS LIMITED	0.81	-0.04	4.71%
6	TRINIDAD CEMENT LIMITED	1.75	-0.05	2.23%
7	GRACEKENNEDY LIMITED	4.11	-0.09	2.14%
8	SAGICOR FINANCIAL CORPORATION	7.60	-0.16	2.06%
9	ANGOSTURA HOLDINGS LIMITED	8.99	-0.01	0.11%
10	ANSA McAL LIMITED	52.10	-0.05	0.10%

Figure 1: TTSE Composite Index for the period January to August 2011



Performance of Cross Listed Companies

The Cross Listed Index advanced 5.39 percent over the July-August period – 2.10 percent in July and 3.25 percent in August – performing considerably better than its local counterpart – the All T&T Index. This latter Index advanced 1.30 percent in July and a mere 0.33 percent in August.

Trading Activity

Trading activity during the month of July, when compared to June, reflected the declining activity on the stock market alluded to previously. There was a 21 percent decrease in total volume traded in July, falling from approximately 6.9 million to 5.4 million. There was a concomitant fall in the value of stocks traded, from \$55 million to \$46.8 million, a fall of 15 percent (**Table 5**).

The volume leader was Capital and Credit Financial Group Limited with 22.86 percent of the total volume traded, followed by First Caribbean International Bank Limited - 12.93 percent - with Guardian Holdings Limited closing off the top three (3) – 8.26 percent.

Table 5: Monthly and Yearly Comparison of Trading Values and Volume: July 2011

Volume/ Value	Jun-11	July-11	July-10	MOM change (\$)	MOM % change	YOY Change (\$)	YOY % change
Volume of Trading	6,916,824	5,446,919	7,424,682	(1,469,905)	(21%)	(1,977,763)	(27%)
Value of Trading (\$)	55,147,281.89	46,827,024.83	50,313,129	(8,320,257)	(15%)	(3,486,104)	(7%)
Average Daily Volume	345,841.20	259,377	337,486	(86,464)	(25%)	(78,108)	(23%)
Average Daily Value (\$)	2,757,364.09	2,229,858	2,286,960	(527,506)	(19%)	(57,102)	(2%)

The picture is considerably different for August however, which saw major increases in both volume and value traded (**Table 6**). This is attributed to trading in JMMB shares – on August 5th, NCB Jamaica purchased 428 million JMMB shares at \$0.38 a share from a block of shares once owned by Clico Investment Bank (CIB). This was valued at \$160 million. As such, JMMB was the volume leader during the month of August, accounting for 99 percent of total volume traded, followed by National Commercial Bank Limited and Capital and Credit Financial Group Limited.

It should be noted that the Jamaican regulator, the FSC, has expressed some concern at the legality of this transaction as its approval was not sought.

Table 6: Monthly and Yearly Comparison of Trading Values and Volume: August 2011

Volume/ Value	July-11	August-11	August-10	MOM change (\$)	MOM % change	YOY Change (\$)	YOY % change
Volume of Trading	5,446,919	475,016,427	9,673,872	469,569,508	8,621%	465,342,555	4,810%
Value of Trading (\$)	46,827,024.83	226,548,491	178,498,111	179,821,466	384%	48,050,380	27%
Average Daily Volume	259,377	22,619,830	483,694	22,360,453	8,621%	22,136,136	4,576%
Average Daily Value (\$)	2,229,858	10,788,023	8,924,906	8,558,165	384%	1,863,118	21%

Bond Market Activity

Primary Bond Market

There was no activity on the primary bond market over the two month period July – August 2011.

Secondary Bond Market

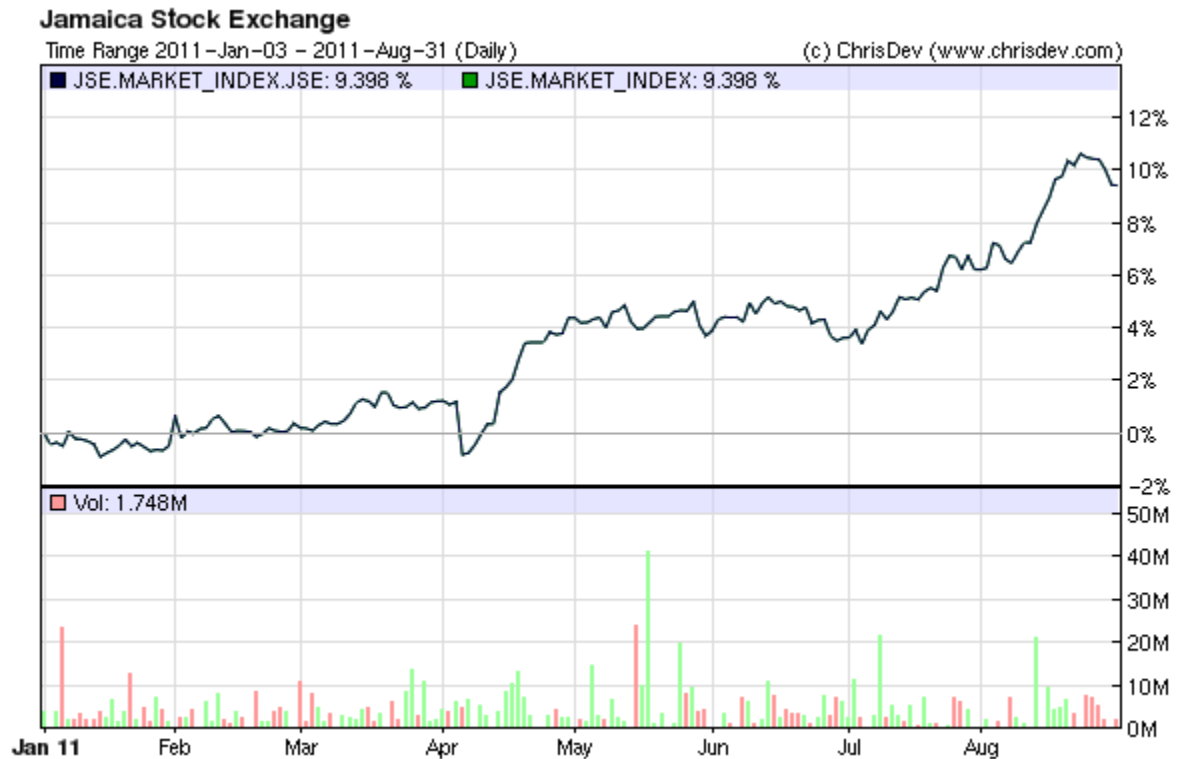
For the month of July, there were two (2) trades on the government bond market. Total volume amounted to 100, representing a value of \$101,375. For August, there was only one (1) trade taking place, valued at \$105,000.

Year to date, there were a total of twenty-six (26) trades, with a volume of approximately 86,200, valued at \$89,686,793

Jamaica Stock Market

The JSE Market Index advanced 5.51 percent over the period under review. In July 2011, the stock market experienced an increase of 2.51 percent and of 3.00 percent in August 2011. For the year to date, the index has climbed fairly steadily and has registered an increase of 9.40 percent. For the same eight-month period the previous year, the index increased by a dismal 1.53 percent.

Figure 2: JSE Market Index for the period January – August 2011



Barbados Stock Market

During the months of July-August 2011, the Barbados stock market registered a 1.22 percent decline, the worst performance among the three (3) regional stock markets. The BSE Composite Index declined by 0.66 percent in August and by 0.56 percent in July. For the year to date, the index increased 8.32 percent. However, most of this increase took place over a two week period between January and February. The index has remained fairly flat since then.

Figure 3: BSE Composite Index for the period January – August 2011



International Developments

International stock indices fared poorly over the two month period under review. All selected indices, representing both developed and emerging economies, registered declines over the period, with the worst performance being that of Germany’s Dax, falling 22.03 percent, followed by India’s BSE Sensex, which fell by 11.12 percent. US’s Dow Jones Industrial Average, though also registering a decline, experienced the best performance with a decline of 7.70 percent.

Year to date performances were similarly dismal. Again the Dow Jones was the best of the worst, declining 0.49 percent year-to-date. Brazil’s Bovespa experienced the worst performance, falling 19.25 percent over the period, followed by the Sensex, which fell 18.89 percent.

Table 7: Performance of Major Market Indices

Market Indices	Percentage Change July-August 2011	Percentage Change June 2011	Percentage Change Year-to- Date
Dow Jones Industrial Average (US)	(7.70)	(1.01)	(0.49)
Nikkei 225 (Japan)	(9.25)	1.11	(13.88)
FTSE 100 (London)	(9.94)	(0.74)	(10.30)
Dax (Germany)	(22.03)	0.90	(17.24)
Bovespa (Brazil)	(10.88)	(3.42)	(19.25)
SSE Composite Index (China)	(6.96)	0.91	(10.00)
BSE Sensex (India)	(11.12)	1.72	(18.89)

International stock markets have been hard hit by several issues over the period being reviewed. The possible and subsequent downgrading of US sovereign had a deleterious effect on stock markets around the world. There are also concerns about the US economy as a whole. Added to this were the debt challenges being faced in Europe. These issues served to wipe out all the gains that were made in the stock markets in the earlier part of the year.