



TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

MARKET ACTIVITY REPORT

March 2012

Economic Overview

Following its February 2012 Article IV Consultation of Trinidad and Tobago, the International Monetary Fund (IMF) stated that the domestic economy is turning the corner and projected growth of 1.7 percent for 2012. This follows on from a 1.4 percent decline in 2011, a result of a fall in activity in both the energy and non-energy sectors. This decline in 2011 was the third consecutive decline experienced by the domestic economy.

In February 2012, headline inflation continued to show signs of increase, after reaching a low of 0.6 percent in August 2011. The rate, as measured by the twelve-month change in the Index of Retail Prices, rose to 9.2 percent in February 2012, up from the 6.8 percent in January 2012 and 5.3 percent in December 2011. However, core inflation, the measure of inflation minus the impact of food prices, remained unchanged at 1.8 percent, suggesting that overall, private domestic demand remains subdued.

Credit to the private sector continued to increase into 2012, by 3.4 percent, though at a reduced rate from December 2011, when it increased 3.7 percent. This is contributing to the continued high liquidity in the financial system. On March 16, 2012, the central bank attempted to mop up this excess by withdrawing \$1.5 billion from the system, through voluntary deposits by commercial banks.

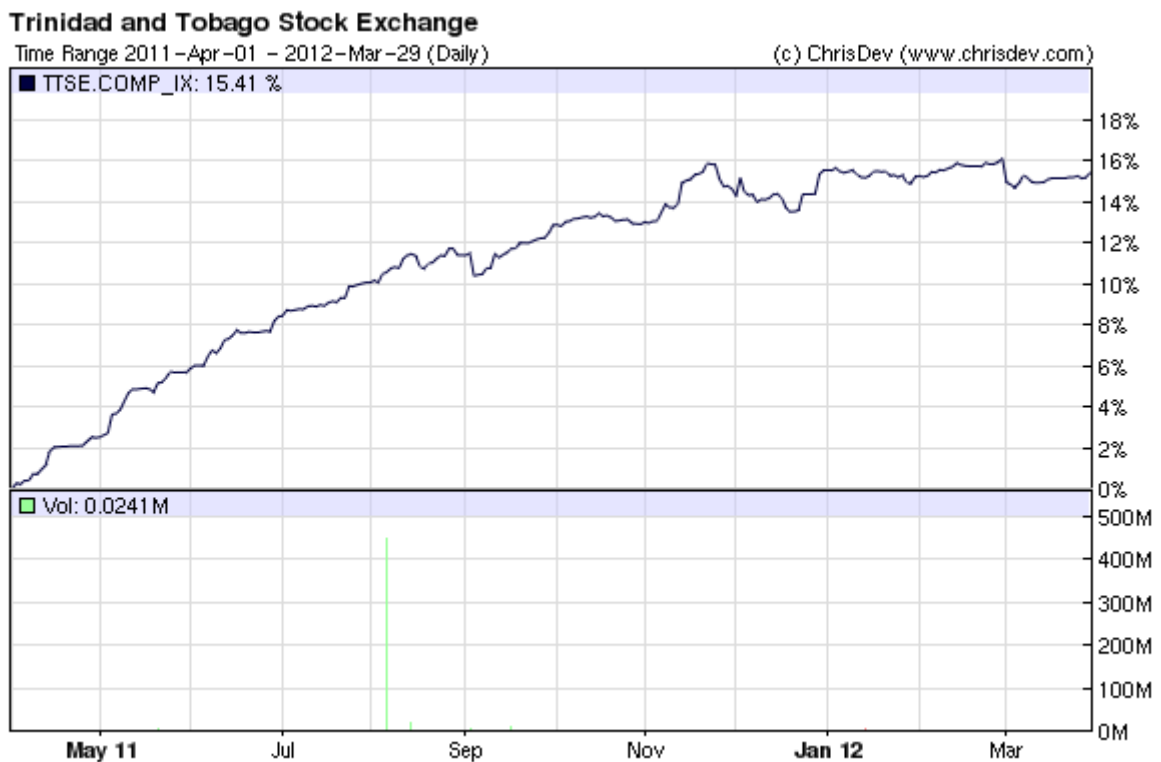
The Central Bank first announced a repo rate of 3.00 percent in July 2011, and has continued to maintain this rate to March 2012.

Stock Market Performance

The performance of the domestic stock market for the first quarter of 2012 has been poor, with the TTSE Composite Index registering a decline of 0.13 percent for the year to March 31. For the month of March, the index declined 0.62 percent. These performances may be attributed to the poor performance of cross-listed companies, which produced a reduced consolidated total. A measure of this, the Cross-Listed Index, declined 4.14 percent for the month of March and 4.25 percent for the year to date. In contrast, the All T&T Index posted a gain of 0.92 percent for March and 1.68 percent for the year to date.

However, the Composite Index increased 15.41 percent over the period April 1, 2011 to March 31, 2012 (**Figure 1**). Despite this positive performance over the last year, the stock market has yet to recover to pre-crisis levels – the Composite Index is down over 13 percent from its highest value achieved in late July 2008 before the crisis impacted the market.

Figure 1: TTSE Composite Index for the period April 2011 to March 2012



There were eleven (11) advances for the month of March 2012. The top five (5) performers are listed in **Table 1** below. Prestige Holdings Limited led the five (5) with a 10.34 percent increase in its share price. The other top performers included Flavorite Foods Limited, with a share price increase of 10.00 percent Neal and Massy Holdings Limited, increasing 6.97 percent and The West Indian Tobacco Company Limited, which increased 4.78 percent. One Caribbean Media Limited came in at fifth place with a share price increase of 4.17 percent.

There was a similar amount of declines (11) during the month. Williams LJ declined 15.00 percent, followed by Trinidad Cement Limited which declined 8.11 percent, National Flour Mills Limited which declined 7.14 percent, First Caribbean National Bank which saw a 6.59 percent decline in its share price and Guardian Media Limited, which declined 5.00 percent (**Table 2 below**).

Table 1: Top five (5) performing stocks for March 2012

	Security	Closing Price	Monthly Change (\$)	Monthly Change (%)
1	Prestige Holdings Limited	8.00	0.75	10.34
2.	Flavorite Foods Limited	8.25	0.75	10.00
3.	Neal and Massy Holdings Limited	44.99	2.93	6.97
4.	The West Indian Tobacco Company Limited	61.35	3.04	4.78
5.	One Caribbean Media Limited	11.50	0.50	4.17

Table 2: Worst five (5) performing stocks for March 2012

	Security	Closing Price	Monthly Change (\$)	Monthly Change (%)
1	Williams LJ \$.10 A	0.34	(0.06)	(15.00)
2.	Trinidad Cement Limited	1.70	(0.15)	(8.11)
3.	National Flour Mills Limited	0.65	(0.05)	(7.14)
4.	First Caribbean National Bank	8.50	(0.60)	(6.59)
5.	Guardian Media Limited	18.99	(1.00)	(5.00)

Trading Activity

Both the volume and value of trading taking place during the month of March 2012 showed increases when compared to the previous month's activity. Total volume traded increased 121 percent, totaling 5,285,010 for March as opposed to the 2,395,976 measured in February 2012. This represented a value of \$102,628,810, a 298 percent increase over the total value traded the previous month.

Trading activity during the month also surpassed that of the same month the previous year. Volume traded in March 2012 was 60 percent greater than in March 2011, while the value of shares traded was 141 percent higher (See Table 3).

Table 3: Monthly and Yearly Comparison of Trading Values and Volume: March 2012

Volume/ Value	Feb-12	March-12	March-11	MOM change (\$)	MOM % change	YOY Change (\$)	YOY % change
Volume of Trading	2,395,976	5,285,010	3,309,206	2,889,034	121	1975,804	60
Value of Trading (\$)	25,805,740	102,628,810	42,502,199	76,823,070	298	60,126,611	141
Average Daily Volume	126,104	251,667	164,460	125,563	100	86,207	52
Average Daily Value (\$)	1,358,197	4,887,086	2,125,110	3,528,889	260	2,761,976	130

Bond Market Activity

Primary Bond Market

There were no issues in the primary bond market during the month of March 2012, and for the year to March 31, 2012. In addition, the Commission had no new registrations or notice of registrations of bonds during this period.

Secondary GORTT Bond Market

The secondary bond market saw little activity in March 2012. Three (3) trades took place during this month, having a face value of \$40,000,000 and a trade value of \$43,648,300. For the year to date there has been a total of seven (7) trades for a face value of \$196,700,000 and a trade value of \$211,846,000.

Compared to the first quarter of 2011, this represented a 58.82 percent decrease in trades. There were seventeen (17) trades over this similar period in 2011. However, both the trade value and the face value increased, by 137.5 percent and 146.6 percent respectively.

Market Developments

Two (2) companies increased the amount of ordinary shares they had listed on the stock exchange during the month of March. RBL Limited announced the listing of an additional 256,926 ordinary shares on the domestic stock market bringing their issued share capital to 160,884,951. RBL carried out this increase by listing new shares on three (3) separate days over the period: March 2 – 64,440 shares, March 20 – 126,518 shares and March 22 – 65,968 shares. First Caribbean International Bank also increased its issued share capital to 1,577,094,570 shares, after listing 51,917,808 new shares on March 29.

Flavorite Foods Limited reduced its issued share capital during the month on March 15, removing 118 shares from its total issued.

Regional Developments

Jamaica Stock Market

During the month of March, Jamaica was visited by an International Monetary Fund (IMF) mission, which aim was to conduct an Article IV Consultation. Following this consultation, the IMF concluded that Jamaica faces the risk of an economic downturn given the prevailing high unemployment levels, high government spending, lower tax revenues and high oil prices. The IMF projected economic growth at 1 percent.

Against this backdrop, the Jamaican stock market experienced much volatility during the month of March 2012. It ended the month on a positive note, increasing by 0.55 percent. However, for the year to March 31, the stock market decreased 4.12 percent. For the one-year period to March 31, 2012, the JSE Market Index increased 5.132 percent (See Figure 2 below).

Despite the minor increase in the market index for the month, there were eighteen (18) declines in stock prices, twelve (12) advances, with four (4) stocks trading firm.

Figure 2: JSE Market Performance of the JSE Market Index: April 2011 to March 2012



Barbados Stock Market

The Barbados stock market, which had been performing more poorly than its regional counterparts, registered an increase for the month of March. The BSE Composite Index increased 0.41 percent over the period, the second best performance of the region. For the quarter ending March 31, the Index increased by a similar amount, that is, 0.41 percent. The Barbados stock market was the only one to register an increase over this period among the three (3) main regional stock markets. Over the one-year period to March 2012, however, the BSE Composite Index declined 1.60 percent. The Index peaked in June 2011 during this period and has trended downwards since then, though it has picked up somewhat since mid-February (See Figure 3).

Figure 3: Performance of the BSE Composite Index: April 2011 to March 2012



International Developments

The global economy continued to be dominated and impacted by Europe's crisis during the month of March 2012. In an effort to address the most pressing issue, that of Greece's debt crisis,

during the month, the IMF had approved a bailout for Greece to the tune of US\$36.56 billion. This is to be given out over a four-year period, with an immediate release of US\$2.15 billion.

International stock indices have reacted to these and other global developments. The Japanese stock market stands out among its peers for the month of March. The Nikkei 225 increased 3.88 percent during this month, compared to the 1.79 percent increase of the US DJIA and the 0.07 percent increase of the German Dax, the other two (2) of the three (3) indices that experienced positive performances in March 2012. London's FTSE was the sole negative performer among developed markets, declining 2.74 percent.

Stock markets of developing countries all fared poorly, with China's stock market experiencing the worst performance for the month. The SSE Composite Index declined 6.73 percent, followed by Brazil's IBovespa, which declined 3.44 percent.

For the year to date, performances were all positive, with Japan again leading the change, with its Nikkei 225 increasing 17.80 percent. The German Dax followed with an increase of 14.34 percent and Brazil's IBovespa with 11.55 percent (See Table 5).

Table 5: Performance of Major International Stock Market Indices.

Market Indices	% Change March 2012	% Change February 2012	% Change for the Year-to-date
Dow Jones Industrial Average (US)	1.79	1.85	6.57
Nikkei 225 (Japan)	3.88	10.37	17.80
FTSE 100 (UK)	-2.74	1.40	1.20
Dax (Germany)	0.07	3.62	14.34
IBovespa (Brazil)	-3.44	1.93	11.55
SSE Composite Index (China)	-6.73	7.07	4.31
BSE Sensex (India)	-1.02	2.61	12.16