



**TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION**

# **Market Activity Report**

**March**

# **2013**

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The Central Bank of Trinidad and Tobago maintains the repo rate at 2.75 per cent as at March 2013.

*Policy, Research and Planning*

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## ***1. Economic Overview***

In its repo rate announcement for March 2013, the Central Bank of Trinidad and Tobago (CBTT) indicated that Trinidad and Tobago's headline inflation rate had slowed to 5.9 percent in February 2013 down from 7.3 percent in January 2013.

Food inflation, which continues to exert a strong influence on the headline inflation rate, slowed to 10.6 percent in February, down from 13.8 percent in January 2013. Core Inflation, which excludes movements in food prices decreased further to 2.1 percent (year-on-year) in February 2013 from 2.2 percent in January.

The CBTT stated that private sector credit remained subdued in early 2013 and because of significant net domestic injections and relatively low demand for credit, liquidity in the financial system continued to increase. On a year-on-year basis to January 2013, credit granted by the consolidated financial system slowed to 1.9 percent from 2.1 percent in December 2012. In March 2013, Commercial banks' holdings of excess reserves at the Central bank rose to a daily average of \$5,961.9 million, an increase from \$5,125.5 million in February 2013.

Short-term interest rates fell further during the month of March 2013, with the discount rate on three-month TT Treasury bills falling to 0.18 percent as at March 18, 2013. The US three-month treasury rate reached 0.10 percent and as a result, the differential between the TT and US three-month treasury rates narrowed to 0.08 percent in March 2013 from 0.11 percent in February 2013.

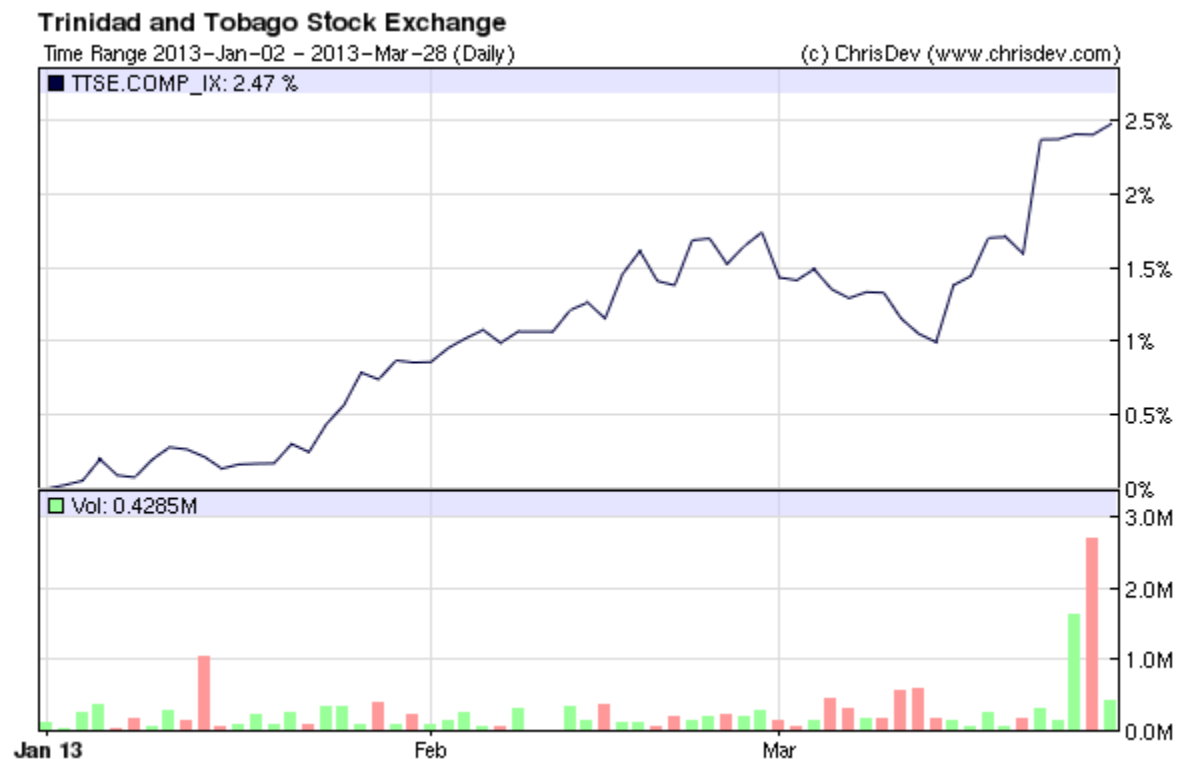
The CBTT has rolled over for one year \$1.5 billion in fixed deposits which the commercial banks held at the bank as a means of addressing the liquidity situation. Foreign exchange sales to authorized dealers also helped to remove \$415 million from the banking system. The CBTT stated that it stands ready to employ additional measures in coming months based on the evolution of financial system liquidity and views these present accommodative monetary policies stances as appropriate and has decided to maintain the 'Repo' rate at 2.75 percent.

## 2. Stock Market Performance

The TTSE Composite Index increased by 0.72 percent in March 2013 to close at 1095.89. The previous month of February 2013, the market was up 2.17 percent. The Index of cross-listed companies posted a marginal increase of 0.91 percent in March 2013, an improvement from February 2013, when this index was down by 3.86 percent.

The All T&T index advanced by 0.67 percent, a lower gain from the previous month when it was up 2.33 percent. Overall, for the three month period January 2013 to March 2013, stock market prices rose by 2.47 percent (**Figure 1**).

**Figure 1: TTSE Composite Index for the period January 2013 to March 2013**



Market activity in March 2013 resulted in trading in twenty-seven (27) stocks. Of the twenty-seven, twelve (12) advanced, ten (10) declined and five (5) traded firm. The advances for the month of March 2013, which were led by National Commercial Bank Jamaica Limited, ranged from 2.56 percent to 8.33 percent. Advances for the previous month of February 2013 ranged from 2.27 percent to 13.21 percent, led by Neal and Massy Holdings Limited. Noteworthy was that for the previous month February 2013, National Commercial Bank Jamaica Limited was the worst performing stock with a decline of 16.67 percent.

The top five (5) performers are listed in **Table 1** below.

**Table 1: Top five (5) performing stocks for March 2013**

	<b>Security</b>	<b>Closing Price</b>	<b>Monthly Change (\$)</b>	<b>Monthly Change (%)</b>
1	National Commercial Bank Jamaica Limited	1.30	0.10	8.33
2.	First Caribbean International Bank Limited	8.00	0.51	6.81
3.	Unilever Caribbean Limited	51.12	3.12	6.50
4.	The West Indian Tobacco Company Limited	92.70	2.69	2.99
5.	Angostura Holdings Limited	8.00	0.20	2.56

The declines for the top five (5) worst performing stocks over the month of March 2013 ranged from 12.61 percent for Sagicor Financial Corporation to 23.08 percent for Jamaica Money Market Brokers Limited. This range of decline was more than that for February 2013 which ranged from 3.29 percent for Clico Investment Fund to 16.67 percent for National Commercial Bank Jamaica Limited (**Table 2 below**).

**Table 2: Worst five (5) performing stocks for March, 2013**

	<b>Security</b>	<b>Closing Price</b>	<b>Monthly Change (\$)</b>	<b>Monthly Change (%)</b>
1	Jamaica Money Market Brokers Limited	0.50	(0.15)	(23.08)
2.	Scotia Investments Jamaica Limited	1.50	(0.44)	(22.68)
3.	Gracekennedy Limited	3.11	(0.64)	(17.07)
4.	Praetorian Property Mutual Fund	3.40	(0.60)	(15.00)
5.	Sagicor Financial Corporation	6.03	(0.87)	(12.61)

### 3. Trading Activity

For the month of March 2013 the volume of stocks traded was 8,600,989, a noteworthy increase from 3,229,002 in February 2013 by 166 percent. The value of shares traded was TT\$115,579,038, an increase of 59 percent from the month of February 2013. In the month of March 2013, four (4) shares contributed 72 percent of the aggregate value of shares traded on the TTSE. Trading in Neal and Massy Holdings Limited (“NMHL”) accounted for 39 percent of cumulated trading values with a value of TT\$44,927,294. Sagicor Financial Corporation (“SFC”) and Guardian Holdings Limited (“GHL”) recorded trading values of TT\$27,398,559 and TT\$10,042,711 respectively. The SFC share was the most widely traded security on the TTSE with a traded volume of 4,537,593, followed by NMHL with 746,331 shares traded during the month (See Table 3).

**Table 3: Monthly and Yearly Comparison of Trading Values and Volume: March 2013**

Volume/ Value	February13	March 13	March 12	MOM change (\$)	MOM % change	YOY Change (\$)	YOY % change
Volume of Trading	3,229,002	8,600,989	5,285,010	5,371,987	166	3,315,979	63
Value of Trading (\$)	72,797,605	115,579,038	102,628,810	42,781,433	59	12,950,228	13
Average Daily Volume	179,389	430,049	251,667	250,660	140	178,382	70
Average Daily Value (\$)	4,044,311	5,778,952	4,887,086	1,734,641	43	891,866	18

#### ***4. Bond Market Activity***

##### **Primary Bond Market**

There were no registrations in the primary bond market during the month of March 2013.

##### **Secondary GORTT Bond Market**

The secondary bond market continues to show little activity. One (1) trade took place during the month of March 2013, having a face value of TT\$13,094,000 and a trade value of TT\$16,957,279.95. There were no trades in the secondary market for the month of February. Compared to the same period of March 2013, there were three (3) trades with a face value of TT\$40,000,000 with a trade value of TT\$43,648,300.00. Total trades for 2013 were forty four (44).



## ***5. Market Developments***

### **GraceKennedy approves acceptance of Private Exchange Offer**

The Board of GraceKennedy Limited has approved the participation by its subsidiaries, First Global Bank Limited (“FGB”) and First Global Services Limited (“FGFS”) in Government of Jamaica’s (GOJ) Private Exchange Offer made on March 22, 2013. This will involve the exchange of a number of GOJ Bonds for lower coupon bonds with different tenures.

### **Republic Bank Limited – Listing of Shares**

The Trinidad and Tobago Stock Exchange stated that 13,846 ordinary shares in Republic Bank Limited (“RBL”) were listed on the Stock Exchange on March 20, 2013, thus increasing RBL’s issued share capital to 160,958,671 ordinary shares.

### **NML – Withdrawal of NML Shares**

3,500,000 Ordinary Shares of Neal and Massy Holdings Limited were removed from the company’s issued share capital effective March 19, 2013, thus reducing the issued share capital to 96,246,215 ordinary shares. This withdrawal is pursuant to the company’s acquisition of Barbados Shipping & Trading Company Limited.

### **Sagicor Life Jamaica expands operations in Costa Rica**

Sagicor Life Jamaica Limited (“SLJ”) announced that it has, through its St. Lucian subsidiary, obtained regulatory approval to operate an insurance company in Costa Rica. SLJ advised that it partnered with Capital and Advice S.A. a retail and investment services company in Costa Rica to operate this new entity. This partnership will see both companies taking 50 percent equity each in this new company which will operate under the Sagicor Brand.

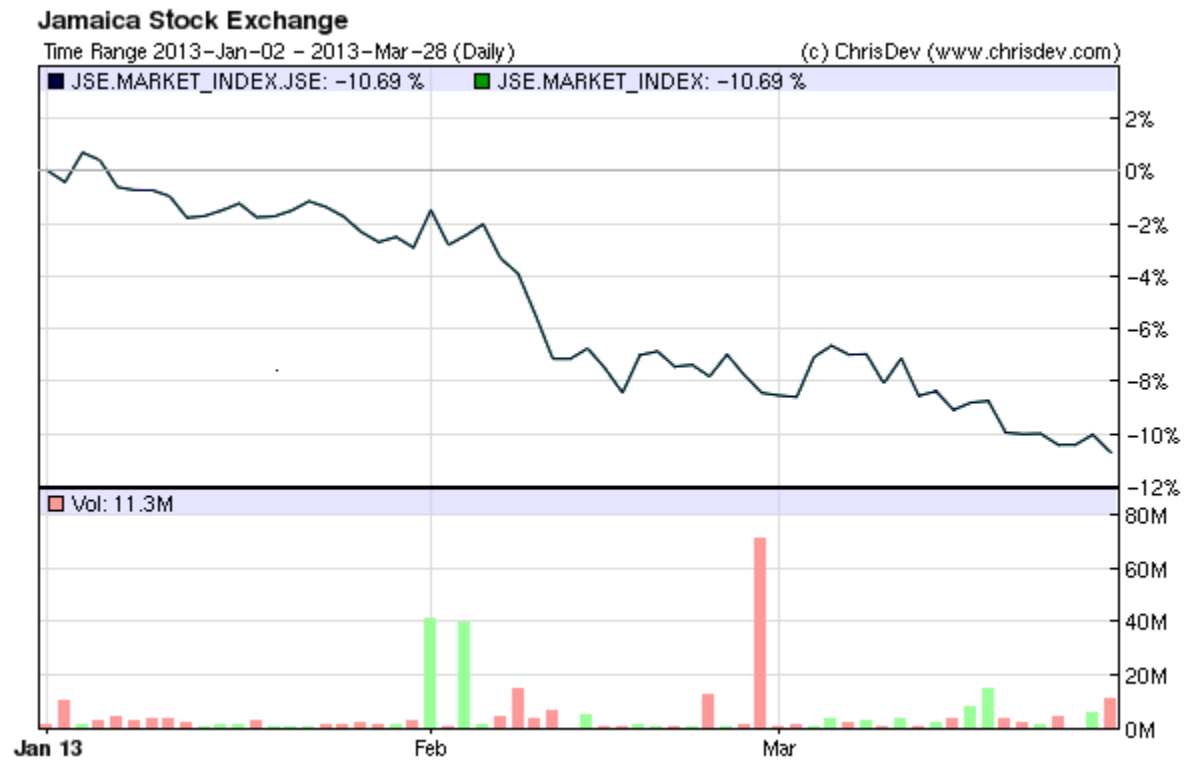
### **Jamaica stock exchange increases fines**

The Jamaica Stock Exchange's (JSE) Regulatory and Market Oversight Committee (RMOC) has implemented recent amendments that could see listed companies fined up to JAM\$5 million for non-compliance with rules of the exchange. The new regulations include penalties ranging from JAM\$2,500 per day for members who do not submit a schedule showing the number of accounts managed and the dollar value of these accounts each month; to a maximum penalty of JAM\$5 million for not keeping proper accounts.

## 6. Regional Developments

### Jamaica Stock Market

**Figure 2: JSE Market Performance of the JSE Market Index: Jan 2013 – March 2013**



### Barbados Stock Market

The Barbados stock market registered a 0.11 percent increase for the month March 2013, a slight improvement from its February 2013 decline of 0.24 percent. The year-to-date position was positive at 1.21 percent. (See Figure 3 below)

**Figure 3: Performance of the BSE Composite Index: Jan., 2013 – Mar. 2013**



## ***7. International Developments***

Japanese business sentiment improved in the first three (3) months of 2013, a central bank survey showed. The survey came ahead of the Bank of Japan's (BOJ) first policy-setting meeting under new Governor Haruhiko Kuroda. Analysts expect the world's third-largest economy to have grown 1.0 percent in the year that just ended in March, and to expand 2.2 percent in the current fiscal year.

Asian stocks fell, led by Japanese shares, after a central bank survey of sentiment among the country's largest manufacturers missed estimates and China's factory output expanded at a slower-than-expected pace. The euro weakened following a decline last month as economic data signaled the 17-nation region is struggling to recover, damping demand for the currency. However, there is optimism that the currency will continue to rise.

At the weekend, the Cypriot central bank confirmed that major depositors in Cyprus's biggest bank would lose around 60 percent of savings over 100,000 euros, well above initial talk of a cut of 30 to 40 percent. The Eurozone has arranged financial bailout for Cyprus. Investors fear the shock of deposit cuts could tempt savers in other fragile euro zone countries to shift funds to German bonds and other safe assets, unwinding months of fund flows in the opposite direction.

The euro was pressured with Italy struggling to unlock a political standoff more than a month after elections and Cyprus imposing heavy losses on large bank deposits, fuelling concerns of a spillover of its banking system instability to other parts of the euro zone. The Banking sector is suffering a credit crisis.

International indices reported both positive and negative performances for March 2013. Once again, as in the previous month the Japanese stock market performed positively. Japan's Nikkei 225 was the top performer for March 2013 and advanced 4.55 percent, an increase from the previous month's 3.29 percent. Its year to date performance was an increase of 13.54 percent.

The United States' Dow Jones also performed well and advanced 3.43 percent, up from 0.32 percent in February 2013.

London's FTSE 100 closed at a positive 1.76 percent in March 2013 up from 0.21 percent in February 2013 and had a positive year to date of 7.69 percent. The Dax (Germany) closed at a positive 1.13 percent in March 2013 up from the previous month's 1.17 percent decline.

China's SSE Composite Index declined by 5.30 percent, a further decline from February 2013. India's BSE Index closed at a negative 0.28 percent from its previous month's 4.65 percent decline. Spain's Ibex 35 was another bad performer, down 1.67 percent in March 2013, another poor performance as in the previous month when the index advanced by a mere 0.01 percent.

The worst performance in the international indices for the month of March 2013 was Brazil's IBovespa which closed at a negative 1.73 percent, continuing the poor performance of the previous month when the index declined 4.85 percent (See Table 5).

**Table 5: Performance of Major International Stock Market Indices.**

<b>Market Indices</b>	<b>% Change March 2013</b>	<b>% Change February 2013</b>	<b>% Change for the Year-to-date</b>
Nikkei 225 (Japan)	4.55	3.29	13.54
Dow Jones Industrial Average (US)	3.43	0.32	8.65
FTSE 100 (UK)	1.76	0.21	7.69
Dax (Germany)	1.13	(1.17)	0.21
SSE Composite Index (China)	(5.30)	(2.21)	(1.53)
BSE Sensex (India)	(0.28)	(4.65)	(4.31)
Ibex 35 (Spain)	(1.67)	0.01	(4.70)
IBovespa (Brazil)	(1.73)	(4.85)	(10.63)