



Trinidad and Tobago Securities and Exchange Commission

Market Activity Report- May 2010

Economic Outlook

In April 2010, headline inflation, measured by the Index of Retail Prices over a 12-month period, continued its upward trend, increasing 7.3 percent, which represents an increase of 2.2 percent over the 5.1 percent inflation rate registered in March. When looked at monthly, headline inflation increased by a comparatively more modest 3.2 percent in April. The increase for the previous three (3) months, that is, January to March 2010, averaged 1.1 percent. The monthly increase of 3.2 percent measured in April was the largest increase recorded since 1990.

The domestic economy continues to show signs of weakness, amid sluggish demand and weak economic activity. There has been a build-up of liquidity in the financial system which has resulted in short-term interest rates being kept at record lows. This may account for the renewed though tentative interest in the stock market locally.

Market Performance

The local stock market showed a positive, albeit modest growth for the month of May 2010. The Trinidad & Tobago Stock Exchange (TTSE) Composite Index increased by 0.98 percent, closing at 832.36. Year to date, the Index recorded an increase of 8.77 percent. As indicated in Figure 1, the Index measured a positive growth of 6.8 percent over the twelve-month period June 2009 to May 2010.

**Figure 1:
TTSE Composite Index – June 2009 to May 2010**



ChartDirector (unregistered) from www.advsofteng.com

In terms of share price, there were twelve (12) advances for the month, one less than the thirteen of last month, and three (3) declines. The biggest gainer was National Flour Mills which saw an 11.11 percent increase in its share price over the period, closing at \$1.00 while Capital and Credit Financial Group experienced a 35.14 percent decline in its share price, the largest fall in share price for May.

Performance of Cross Listed Companies

There was a very small difference in performance between cross listed and domestic companies, both registering positive performances when taken as a group, with the cross listed not faring quite as well as their domestic counterparts. The Cross Listed Index advanced 0.80 percent, whereas the All T&T Index registered an increase of 0.93 percent. Four (4) of the cross-listed companies registered increases in their share price, namely

National Commercial Bank of Jamaica (8%), Grace Kennedy Limited (4.44%), Jamaica Money Market Brokers (3.13%) and First Caribbean International Bank Limited (0.13%). Both Capital and Credit Financial Group and Sagicor Financial Corporation suffered declines over the month, of 35.14 percent and 0.97 percent respectively.

Trading Activity

Both the volume and value of trading activity increased significantly in the month of May when compared to the previous month. Trading volumes registered a 57 percent increase while there was a considerable 210 percent increase in the value of equities traded (see **Table 1 below**). As in the previous month Jamaica Money Market Brokers (JMMB) dominated trading volumes with 2,936,364 shares traded, followed by Guardian Holdings Limited with 987,590 shares traded.

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

	April 2010	May 2010	May 2009	Month to Month Change	Year-on-year Change
Volume of Trading	6,273,144	9,848,640	7,378,781	3,575,496 57%	(2,469,859) (33%)
Value of Trading (\$)	42,806,083	132,547,908	178,511,993	89,741,825 210%	45,964,085 26%
Average Daily Volume	298,721	492,432	351,371	193,711 65%	(141,061) (40%)
Average Daily Value (\$)	2,038,385	6,627,395	8,500,571	4,589,010 225%	1,873,176 22%

Bond Market

Secondary Bond Market

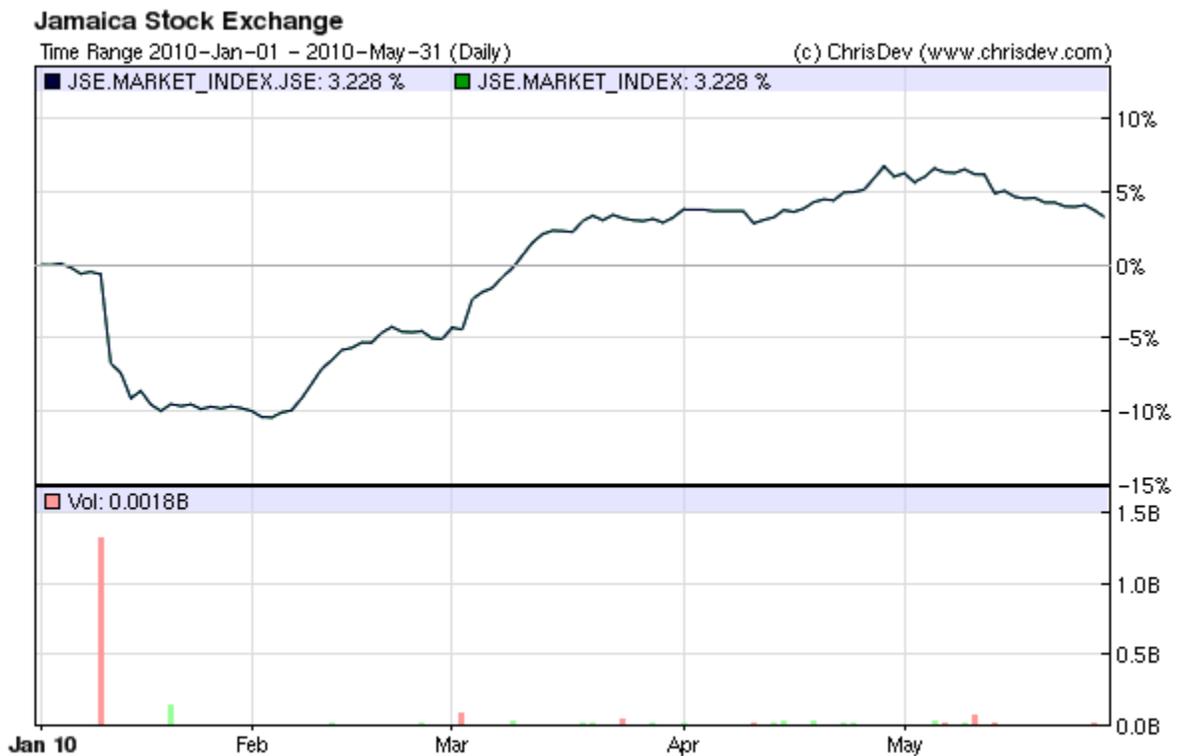
There was very little trading on the secondary bond market during the month of May. Trading took place on only two (2) of the twenty (20) possible trading days. The volume of trade totaled 40,000, for a value of \$42.1 million. This compares unfavorably with the previous month's activity, representing an 87 percent fall in terms of value.

There was no trading on the primary bond market.

Regional

The Jamaica Stock Market

Figure 2:
JSE Market Index – January 2010 to May 2010



ChartDirector (unregistered) from www.adusofteng.com

The JSE Market Index lost 2.4 percent during the month of May, the worst performance among the three regional markets, reversing a positive trend that had begun in February. Notwithstanding this decrease, the Jamaican stock market recorded an overall increase of 3.23 percent for the year to date. (see **Figure 2 above**). For the twelve-month period ending May 31, the Index increased 3.91 percent, a more modest performance when compared to the Trinidad stock market.

Trading activity increased from the month of April by 34.5 percent, a sharp decline in increase when compared to that of April over March when an increase of 288 percent was registered. National Commercial Bank of Jamaica Limited led in terms of volume, accounting for 49.93 percent of the total. Jamaica Broilers Limited followed with 13.34 percent of total volume traded.

Barbados Stock Market

The Barbados stock market continued on its downward path, declining by a modest 0.99 percent during the month of May and by a more substantial 4.68 percent for the year to date. For the year June 2009 to May 2010, the stock market measured a not inconsiderable 11.01 percent fall, the only market to show a decline over that period among the three (3) major regional markets.

The BSE Composite Index registered a minor increase within the first week of the month, increasing 0.72 percent, before declining 1.14 percent in one day of trading immediately following. Thereafter, it continued to fall, decreasing by a further 0.59 percent for the next eight (8) days of trading, before trading flat to the end of the month.

**Figure 3:
Twelve Month Performance of the BSE Market Index**



International Developments

Due in no small part to events in the Greek economy, global stock markets experienced considerable volatility during the month of May.

All seven major international stock market indices looked at registered declines for the month with the US Dow Jones Industrial Average suffering the greatest loss, declining by 9.1 percent, followed by the Japanese Nikkei which declined by 8.67 percent. India's BSE Sensex suffered the least, declining 2.54 percent.

Year to date, these indices performed just as poorly, though to differing degrees. The worst performers were the emerging market indices, with the Shanghai Composite falling 20.09 percent for the year and the Brazilian Bovespa coming in a distant second,

declining 9.99 percent over the period. The German Dax fell 1.39 percent, the least of the more performances.

Table 2: Performance of Major Market Indices

Market Indices	Percentage Change May 2010	Percentage Change Year-to-Date
Dow Jones Industrial Average (US)	-9.10	-4.23
Nikkei 225 (Japan)	-8.67	-8.32
FTSE 100 (London)	-4.12	-5.67
Dax (Germany)	-3.29	-1.39
Bovespa (Brazil)	-6.07	-9.99
Shanghai Composite (China)	-8.58	-20.09
BSE Sensex (India)	-2.54	-3.50