



1<sup>st</sup> Floor, Albion Plaza, 22-24 Victoria Avenue,  
 Port of Spain  
 Tel: 625- WISE (9473); Fax: 627-5002

**Equity Research Team**

**Gia Singh (Ext 2264)**  
[gias@wisett.com](mailto:gias@wisett.com)

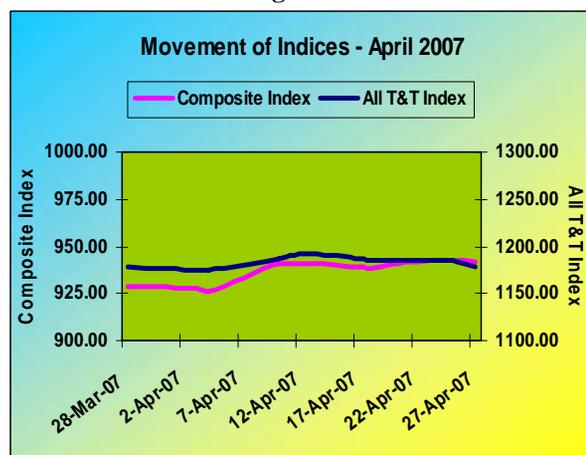
**Nancy Chen (Ext 2225)**  
[nancyc@wisett.com](mailto:nancyc@wisett.com)

**MAY 2007**

**Local Market Summary**

April was a sluggish month for the local stock market. Although the Composite Index ended in positive territory, up 12.5734 points or 1.35 per cent to end at 941.6858, it was mostly flat for the month. While the All T&T Index was down by a marginal 0.3820 points or 0.03 per cent to close the month at 1,177.7930. (See **Figure 1**) Advances led declines by a ratio of 16 to 7.

**Figure 1**



Market Activity resulted in 4,467,130 shares trading compared to 10,113,017 for the same month in 2006. This represents a fall of 55.83 per cent. When compared to March 2007, volumes were down by 49.72 per cent. In fact, since the beginning of 2007 monthly volumes have been on the decline and as such the month of April has seen the lowest volume traded for 2007.

The total value of shares traded was also down, with April recording a value of \$59,882,816.32 compared to \$90,69,395.68 in April 2006 and \$187,023,588 in March 2007.

National Commercial Bank (Jamaica) Limited (NCBJ) was the volume leader for April and commanded 21.47 per cent of the market or 959,294 shares. Trinidad Cement Limited (TCL) was next in line, as this share saw 608,969 shares changing hands or 13.63 per cent of all trades. While Sagicor Financial Corporation (SFC) emerged as the third volume leader with 447,694 shares traded or 10.02 per cent of the market.

April's major advance went to Readymix West Indies Limited (RML). This share advanced 73 cents or 14.29 per cent to close the month at \$5.84. Prestige Holdings Limited (PHL) was the second major advance for the month, moving from \$5.53 to \$6.02, an increase of 8.86 per cent or 49 cents. NCBJ was the third major advance up 7.50 per cent or 15 cents to close the month at \$2.15.

Capital & Credit Merchant Bank Limited (CCMB) was the major decline, down 19 cents or 14.62 per cent to \$1.11. PLIPDECO was next in line, moving down 75 cents or 8.57 per cent to \$8.00. While Scotiabank Trinidad and Tobago (SBTT) followed as the third major decline after falling \$1.74 to \$30.00 a drop of 5.48 per cent.

**Market Summary for Jamaica**

Indices in Jamaica also ended mixed for the month of April. The Market Index advanced by 515.56 points or 0.57 per cent to close at 91,110.60, the Select Index declined by 53.89 points or 2.11 per cent to end the month at 2,551.12, while the All Jamaican Composite declined by 1,623.87 points or 1.75 per cent to 92,906.06. However, unlike the local market, advances were outpaced by declines by an 8 to 25 margin.

The volume of shares traded for the month of April was 76,733,610 shares, which were valued at over JMD763,419,778.04. Supreme Ventures Limited (SVL) emerged as the volume leader, commanding 29.14 per cent of the market as 22,360,434 shares crossed the floor. This share was also the major advance for the month, up 30 cents or 14.29 per cent to

close at JMD2.40. Ciboney Group Limited (CBNY) was the major decline, down 1 cent or 25 per cent to JMD0.03.

**ANSA McAL Group of Companies Limited**  
**Results for Year Ended December 31, 2006**

For the Year Ended December 31, 2006, ANSA McAL Group of Companies Limited (AMCL) reported Earnings Per Share (EPS) of \$2.76, which was up on the comparable EPS of 2005 (\$2.61) by 5.75 per cent. However, it is important to note, that the results for FY2005 included a one-off gain of \$85.31 million or \$0.49 per share for the sale of property in Pigeon Point, Tobago. If this one-off gain is excluded from the FY2005 results, the EPS for FY2006 would be up by approximately 30 per cent on the corresponding period.

For the period under review the Group's Third Party Turnover amounted to \$4.13 billion and represented an increase of 18.42 per cent or \$642.33 million on the corresponding period for FY2005. Operating Income stood at \$811.94 million, up by 9.57 per cent on the comparable figure for FY2005. The Group saw a marginal decrease in Finance Costs, which moved from \$120.01 million to \$118.86 million- a fall of 0.95 per cent.

Share of Profits from Associated Companies and Joint Ventures fell by a significant 32.10 per cent from \$24.72 million in FY2005 to \$16.78 million in the period under review. Thus, Profit Before Taxation for FY2006 stood at \$709.86 million, an increase of 9.93 per cent or \$64.10 million on the corresponding figure for FY2005. However, if we adjust for the one-off gain previously mentioned and compare the operational results for FY2006 on FY2005- the Group's Profit Before Taxation actually increased by a considerable 26.66 per cent or \$149.41 million (\$709.86 million - \$560.45million).

The Effective Tax Rate for the period under review was 18.40 per cent compared to a Tax Rate of 17.46 per cent in FY2005. As a result, the Group's Profit After Tax amounted to \$579.23 million compared to \$533.04 million in the comparable period (an increase of 8.67 per cent- year on year).

The Chairman and Chief Executive has attributed the improved results to the continued buoyancy in the economies in which the Group operates, coupled with the returns on the investments in the new plant and equipment over the last few years. He added that all sectors in the Group contributed to the improved results and this was primarily from organic growth as there were no acquisitions during the period.

The Directors are confident in the trend of the Group's operating results and as such have increased the final dividend payment to \$0.50 (\$0.40 in 2005)- which when added to the interim dividend of \$0.25 will bring the total dividend payable to shareholders for the year to \$0.75 (\$0.65 in 2005). Graph 2 below shows the dividends paid by the Group over the period 2002-2006.

AMCL is currently trading at a price of \$49.50 on the local market. In light of the current results, we are forecasting an EPS of \$3.00 for FY2007. At the current price and WISE's forecasted EPS this share is trading a price to earnings multiple of 16.50 times. This share usually trades in the band of 15 to 18 times and as such, given the current fundamental analysis we would recommend a **HOLD** at this time.

***The West Indian Tobacco Company Limited  
Results for the First Quarter Ended March 31, 2007***

For the First Quarter Ended March 31, 2007, The West Indian Tobacco Company Limited (WITCO) reported Earnings Per Share (EPS) of \$0.46, which was up on the comparable quarter of FY06 by 8.92 per cent or 4 cents. As stated by the Chairman, "the solid result was driven primarily by improved sales performance in both the domestic and contract manufacturing markets".

Turnover for the period under review increased by 10.14 per cent or \$15.42 million over the same period last year, to end the quarter at \$167.53 million. However, the Company saw a larger increase in Excise which rose 16.18 per cent or \$6.95 million to \$49.92 million. As a result, Q107 on Q106, WITCO's Net Turnover saw a smaller increase of 7.76 per cent or \$8.47 million when compared to Turnover and ended the period at \$117.61 million. Additionally, Cost of

Sales amounted to \$34.93 million, up by 7.26 per cent or \$2.37 million on the corresponding period of FY07. Consequently, Gross Profit for the quarter stood at \$82.68 million, up by 7.98 per cent or \$6.11 million on Q106. Also, it is interesting to note that for both Q106 and Q107, the Company maintained a Gross Profit margin of approximately 70 per cent.

WITCO successfully decreased Distribution Costs by 13.64 per cent or \$0.23 million to end at \$1.42 million; however Other Operating Expenses were not so easily controlled and increased by 10.38 per cent or \$1.57 million to \$16.64 million. Administrative Expenses saw a marginal increase of 1.56 per cent or \$0.19 million from \$11.96 million (Q106) to \$12.14 million (Q107). Consequently, Operating Profit stood at \$52.47 million and was up by 9.56 per cent or \$4.59 million.

The Company saw more significant increases in Interest Income and Interest Expense. Interest Income for the quarter was \$0.46 million, up by a significant 92.05 per cent or \$0.22 million on Q106, while Interest Expense grew by 65.49 per cent or \$0.32 million to end at \$0.80 million. Thus, Profit Before Taxation increased by 9.41 per cent or \$4.49 million on the corresponding period to end Q107 at \$52.13 million.

The Effective Tax Rate for the period under review was 26.04 per cent compared to a Rate of 25.70 per cent for Q106. Therefore, Profit After Taxation stood at \$38.56 million, up by 8.92 per cent or \$3.16 million on the corresponding quarter in FY06.

The Directors have approved a first interim dividend of \$0.22 per share payable on May 21, 2007 to shareholders on record at the close of business on May 14, 2007.

WITCO is currently trading at a price of \$25.66 on the local market and at WISE's forecasted EPS of \$2.00, this share is trading at an attractive price to earnings multiple of 12.83 times. Additionally, using a multiple of 15 times and at the forecasted EPS of \$2.00, this share has an expected return of approximately 17 per cent on the current price or a target price of \$30.00. As such, we maintain our **BUY** recommendation.

**WEST INDIES STOCKBROKERS LIMITED  
STOCK MARKET QUOTATIONS  
AS AT APRIL 30, 2007**

|                         | Hist<br>Eps | Est<br>Eps | Est<br>Div | Curr<br>Price | Est<br>Yield<br>% | Est<br>P/E<br>Ratio |
|-------------------------|-------------|------------|------------|---------------|-------------------|---------------------|
| <b>Bank</b>             |             |            |            |               |                   |                     |
| FirstCaribbean          | 70.0        | 85.0       | 38.0       | 11.50         | 3.30              | 13.53               |
| NCB Jca                 | 21.0        | 26.0       | 6.0        | 2.15          | 2.79              | 8.27                |
| RBTT Fin Hold           | 268.0       | 280.0      | 125.0      | 32.94         | 3.79              | 11.76               |
| Republic Bank           | 401.0       | 760.0      | 265.0      | 80.00         | 3.31              | 10.53               |
| Scotiabank              | 178.7       | 215.0      | 85.0       | 30.00         | 2.83              | 13.95               |
| <b>Non-Bank Fin</b>     |             |            |            |               |                   |                     |
| ANSA Fin & Merch        | 177.0       | 195.0      | 82.0       | 20.30         | 4.04              | 10.41               |
| Capital & Credit        | 11.0        | 14.0       | 1.8        | 1.11          | 1.62              | 7.93                |
| DB&G                    | 27.5        | 26.0       | 7.0        | 2.20          | 3.18              | 8.46                |
| Guardian Holdings       | -114.0      | 0.00       | 15.0       | 21.00         | 0.71              | 0.00                |
| JMMB                    | 11.0        | 7.0        | 1.5        | 1.17          | 1.28              | 16.71               |
| National Enterprises    | 81.0        | 65.0       | 60.0       | 7.01          | 8.56              | 10.78               |
| Sagicor Financial Corp  | 158.0       | 175.0      | 44.0       | 13.51         | 3.26              | 7.72                |
| <b>Conglomerates</b>    |             |            |            |               |                   |                     |
| Ansa Mcal Ltd           | 276.0       | 300.0      | 80.0       | 49.50         | 1.62              | 16.50               |
| Bdos Ship & Trad        | 138.0       | 156.0      | 60.0       | 16.80         | 3.57              | 10.77               |
| GraceKennedy            | 53.3        | 60.0       | 11.0       | 5.80          | 1.90              | 9.67                |
| Neal and Massy          | 337.0       | 400.00     | 120.0      | 44.90         | 2.67              | 11.23               |
| <b>Trading</b>          |             |            |            |               |                   |                     |
| Agostini's Ltd          | 81.3        | 90.0       | 37.0       | 9.96          | 3.71              | 11.07               |
| Furness Trinidad        | 47.0        | 60.0       | 0.0        | 6.15          | 0.00              | 10.25               |
| L J Williams Ltd. - 'A' | 0.8         | 0.5        | 0.2        | 0.60          | 0.33              | 120.00              |
| L J Williams Ltd. - 'B' | 8.0         | 5.0        | 2.0        | 1.30          | 1.54              | 26.00               |
| Prestige Holdings       | 23.9        | 45.0       | 20.0       | 6.02          | 3.32              | 13.38               |
| <b>Property</b>         |             |            |            |               |                   |                     |
| PLIPDECO                | 372.00      | 38.00      | 6.0        | 8.00          | 0.75              | 21.05               |
| Valpark                 | 47.3        | 47.3       | 0.0        | 5.00          | 0.00              | 10.57               |
| <b>Manufacturing</b>    |             |            |            |               |                   |                     |
| Angostura Holdings      | 180.0       | 20.0       | 12.0       | 4.30          | 2.79              | 21.50               |
| Berger Paints           | -27.0       | 7.0        | 19.0       | 3.40          | 5.59              | 48.57               |
| Flavorite Foods         | 54.0        | 54.0       | 21.0       | 4.60          | 4.57              | 8.52                |
| National Flour Mills    | -45.0       | 10.0       | 8.0        | 1.60          | 5.00              | 0.00                |
| One Caribbean Media     | 131.0       | 160.0      | 80.0       | 21.21         | 3.77              | 13.26               |
| Readymix WI             | 129.0       | 150.0      | 3.0        | 5.84          | 0.51              | 3.89                |
| Trinidad Cement         | 60.0        | 75.0       | 18.0       | 7.60          | 2.37              | 10.13               |
| Trinidad Publishing     | 117.0       | 145.0      | 65.0       | 21.30         | 3.05              | 14.69               |
| Unilever Caribbean Ltd  | 133.0       | 145.0      | 120.0      | 21.50         | 5.58              | 14.83               |
| WITCO                   | 171.0       | 200.0      | 196.0      | 25.66         | 7.64              | 12.83               |

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