

Most of these trades were in the crossed listed Jamaican based companies which were the top three volume leaders. Trading activity was heaviest in National Commercial Bank of Jamaica (NCBJ) with a total of 66,063,852 shares traded or 42.66 per cent of total volume for the period. Jamaica Money Market Brokers (JMMB) followed with 21,983,646 shares traded accounting for 14.20 per cent of total trades. Capital and Credit Merchant Bank (CCMB) rounded off the top three with a total of 13,179,380 shares traded or 8.51 per cent of total trades for the half year.

The Banking sector was the busiest with total trades reaching 77,455,780 shares or 50.02 per cent of all trades. NCBJ however accounted for 85.29 per cent of all the shares traded in the sector for the period. The Non-Banking Finance sector followed with 52,681,449 shares traded accounting for 34.02 per cent of all trades.

#### Price Changes

Advances beat out declines by a twenty-seven (27) to three (3) margin with the Jamaican based companies dominating the price leaders for the first half. The top ten price movers for the half year were:

Company	Opening Quote	Closing Quote	Change %
CCMB	\$0.80	\$2.00	150.00
JMMB	\$1.00	\$1.86	86.00
NCBJ	\$1.56	\$2.76	76.92
Prestige Holdings	\$4.40	\$7.75	76.14
NEL	\$5.91	\$10.15	71.74
Grace, Kennedy	\$5.80	\$9.75	68.10
PLIPDECO	\$11.15	\$18.15	62.78
Agostini's	\$6.00	\$8.30	38.33
Republic Bank	\$53.60	\$72.25	34.79
ANSA McAl	\$23.06	\$31.00	34.43

CCMB was the share to register the biggest percentage price increase, moving up \$1.20 or 150 per cent to close the half year at \$2.00. JMMB was second moving up 86 cents or 86 per cent to close at \$1.86. NCBJ was third moving up by \$1.20 or 76.92 per cent to \$2.76.

The only declines on the market for the half year were BWIA West Indies Airways down 73 cents or 33.95 per cent to \$1.42, National Flour Mills down 15 cents or 4.48 per cent to \$3.20 and Lever Brothers down \$1.31 or 4.32 per cent to \$29.00.

The Trinidad based companies also registered strong performances over the half year. The top three price movers were Prestige Holdings up \$3.35 or 76.14 per cent to \$7.75, National Enterprises Limited (NEL) up \$4.24 or 71.74 per cent to \$10.15 and rounding off the top three was PLIPDECO up \$7.00 or 62.78 per cent to \$18.15.

#### Outlook

A significant part of the gains for the first half of the year were made in the first quarter. The second quarter was relatively flat. We expect that the third quarter will be influenced by the release of half year results of many of the listed companies who report six months figures as at the end of June 30, 2004.

The current economic environment supported by increased construction activity, high energy prices and continuing low interest rates also provides a firm basis for further increases in share prices during the second half of the year. These increases are however likely to be more modest than those in the first half.

#### Picks

Our picks at the beginning of 2004 and their first half performances were, in alphabetical order, as follows:

- ANSA McAl – 34.43 per cent
- National Enterprises – 71.74 per cent
- Neal & Massy Holdings – 18.96 per cent
- RBTT Financial Holdings – 27.63 per cent
- Republic Bank – 34.79 per cent

We continue to maintain these recommendations into the second half with the exception of National Enterprises (NEL) which is in our view fully valued at its current closing quote of \$10.15.

#### National Enterprises Limited

##### Financial year end results for the period ended March 31, 2004

National Enterprises Limited's (NEL) financial year end results for the period ended March 31, 2004 exceeded both our estimate and their forecasted figures of the company's profits in the 2002 prospectus. Earnings per share increased by 47.27 per cent from 55 cents in 2003 to 81 cents in 2004 exceeding our forecast of 60 cents by 35 per cent and the company's forecast of 40.6 cents by 99.51 per cent.

Operating profit increased by a marginal 4.31 per cent from \$4.152 million in 2003 to \$4.331 million in 2004. NEL's performance which is dependent on the performance of the investee companies registered a significant increase in share of before tax results of investments which increased by 64.52 per cent from \$403.474 million in 2003 to \$663.814 million in 2004. The respective performances of these companies for the period under review compared to 2003 are as follows:

Company	2004	2003	Change
TSTT	322,842	297,350	8.57%
TRINGEN	248,358	42,752	480.93%
NFM	20,402	22,340	-8.68%
NGC NGL	60,320	41,032	47.01%
NGC LNG	11,892	0	0%

While there was a decline in National Flour Mill's (NFM) contribution to NEL's revenue by 8.68 per cent to \$20.402 million 2004 from \$22.340 million in 2003 the stellar performance of NEL was due to a significant increase in revenue from Trinidad Nitrogen Company Limited (TRINGEN) of 480.93 per cent from \$42.752 million in 2003 to \$248.358 million in 2004. The significant improvement in TRINGEN's results was due to a strong rebound in ammonia prices in 2003. NEL's earnings from the Telecommunications Services of Trinidad and Tobago Limited (TSTT) however showed a moderate improvement moving up by 8.57 per cent to \$322.842 million in 2004 from \$297.350 million in 2003.

NGC NGL Company Limited (NGC NGL) share of revenue to NEL improved by a healthy 47.01 per cent to \$60.320 million in 2004 from \$41.032 million in 2003 as a result of an increase in natural gas liquid prices as well as additional processing of liquids for Atlantic LNG's Trains 2 and 3 by Phoenix Park Gas Processors which is expected to continue well into 2004.

In December 2003 NEL successfully completed the purchase agreement of NGC Trinidad and Tobago LNG Limited (NGC LNG) acquiring a 37.84 per cent interest which contributed \$11.892 million to NEL's revenue for the current period under review. Because NGC LNG was acquired just before the close of its financial year end, December 31, 2003, the contribution of revenue to NEL represents less than one month's profits from December 08-31, 2003.

NEL's profit before taxation increased by 63.91 per cent to \$668.145 million in 2004 from \$407.626 million in 2003. Net profit increased by 52.74 per cent to \$459.078 million in 2004 from \$300.559 million in 2003. Over the period the company's effective tax rate increased to 31.29 per cent in 2004 from 26.27 per cent in 2003.

The Directors have declared a final dividend of 23 cents based on these results bringing the total dividend paid for the financial year 2004 to 41 cents or \$246 million. This represents a payout ratio of 53.59 per cent out of net profits. The payment date would be announced by NEL at a later date.

Based on the full year's earnings of 81 cents the share is trading at a price/earnings ratio of 12.53 at its current closing quote of \$10.15 and a dividend yield of 4.04 per cent.

## WEST INDIES STOCKBROKERS LIMITED STOCK MARKET QUOTATIONS AS AT JUNE 30, 2004

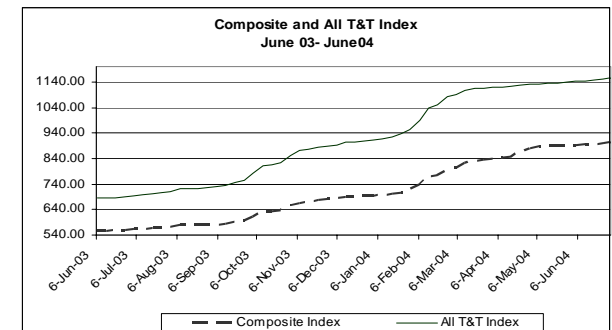
	Hist EPS	Est EPS	Est Div	Curr Price	Est Yield %	Est P/E Ratio
	¢	¢	¢			
<b>Shares</b>						
<b>Banks</b>						
First Caribbean	29.1	30.0	16.0	9.20	1.74	30.67
NCB J'ca	12.0	15.0	5.4	2.76	1.96	18.40
RBTT Fin Hold	235.0	235.0	100.0	43.65	2.29	18.57
Republic Bank	367.0	460.0	190.0	72.25	2.63	15.71
Scottiabank	165.6	190.0	80.0	30.40	2.63	16.00
<b>Non-Bank Fin</b>						
ANSA Fin & Merch	98.0	98.0	42.0	15.16	2.77	15.47
Capital & Credit	8.4	14.0	1.0	2.00	0.50	14.29
Guardian Holdings	215.0	215.0	54.0	35.10	1.54	16.33
JMMB	4.7	10.5	1.5	1.86	0.81	17.71
National Enterprises	81.0	81.0	41.0	10.15	4.04	12.53
<b>Conglomerates</b>						
Ansa Mcal Ltd	144.0	144.0	65.0	31.00	2.10	21.53
Bdos Ship & Trad	135.5	174.0	47.5	19.25	2.47	11.06
Grace, Kennedy	63.7	72.0	7.1	9.75	0.73	13.54
Neal and Massy	190.0	230.0	80.0	32.00	2.50	13.91
<b>Trading</b>						
Agostini's Ltd	34.9	20.0	10.0	8.30	1.20	41.50
BWIA	0.0	0.0	0.0	1.42	0.00	0.00
Furness Trinidad	25.0	25.0	5.0	5.40	0.93	0.00
L J Williams Ltd - 'A'	0.0	0.0	0.0	0.60		
L J Williams Ltd - 'B'	0.0	0.0	0.0	1.25		
Prestige Holdings	27.4	37.0	20.0	7.75	2.58	20.95
<b>Property</b>						
PLIPDECO	170.0	170.0	21.0	18.15	1.16	10.68
Valpark	47.3	47.3	0.0	5.00		10.57
<b>Manufacturing</b>						
Angostura Holdings	31.0	31.0	12.0	4.90	2.45	15.81
Berger Paints	0.0	0.0	17.0	3.10	5.48	
CCN	54.0	54.0	25.0	8.50	2.94	15.74
Flavorite Foods	24.0	24.0	10.5	4.25	2.47	17.71
Lever Brothers WI	142.0	142.0	170.0	29.00	5.86	20.42
National Flour Mills	23.0	23.0	16.0	3.20	5.00	13.91
Readymix WI	44.0	44.0	15.0	6.80	2.21	15.45
Trinidad Cement	50.0	60.0	20.0	6.25	3.20	10.42
Trinidad Publishing	45.0	45.0	25.0	8.40	2.98	18.67
WITCO	104.5	104.5	103.0	20.80	4.95	19.90

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## JULY 2004 – Half Year Review

The upward movement of the market which began in 2002 continued well into the first half of 2004. This positive momentum was largely due to the low interest rate environment, positive earnings reports and the buoyant outlook of the economy. The Composite Index moved up 213.5051 points or 30.89 per cent for the first half of 2004 from 691.2076 at the beginning of the year to 904.7127 by half year. The All T&T Index increased at a slower pace, up 244.7853 points or 26.88 per cent.



## Market Activity

Total volume of shares traded was 14.10 per cent lower than the similar period in 2003. The total value of shares traded was however 113.53 per cent higher than in the first half of 2003. A total of 154,843,386 shares were traded for the first half of 2004 valued at \$1,302,971,651.43 compared with 180,267,076 shares traded in the first half of 2003 valued at \$610,191,784.17.