

# WISE WEEKLY MARKET UPDATE

July 02, 2004

## **Main Board**

### **Market Data**

Volume: 6,313,184

Value \$56,562,012.07

Advances/Declines: 17/2

Composite Index: 905.4747

Nominal Change in Index: +6.9821

Percentage Change in Index: +0.78 per cent

All T&T Index: 1,156.8748

Nominal Change in All T&T Index: +6.2248

Percentage Change in All T&T Index: +0.54 per cent

### *Volume Leaders by Company:*

Trinidad Cement Ltd. – 2,087,709 (33.07 per cent)

RBTT Financial Holdings Ltd – 894,733 (14.17 per cent)

Jamaica National Commercial Bank – 843,328 (13.36 per cent)

### *Major Advances.*

Jamaica Money Market Securities, up 11 cents (6.29 per cent)

Trinidad Publishing Co Ltd., up 30 cents (3.66 per cent)

Flavorite Foods Ltd. up 10 cents (2.41 per cent)

### *Major Declines.*

Furness Trinidad Ltd., down 15 cents (-2.78 per cent)

Angostura Holdings Ltd., down 5 cents (-1.01 per cent)

### **Exchange Rate**

US\$1 = TT\$6.2899

### **Second Tier Market**

Mora-Ven Holdings and FNCU share prices remained unchanged at \$2.70 and \$1.05 respectively. No shares traded in either security.

### **Mutual Fund Market**

Praetorian Property Mutual Fund share price rose by 4 cents to end the week at \$5.05 per share, up 0.79 per cent. No shares traded this week.

### **Weekly Summary**

Moderate trading on the Stock market saw a total volume of 6,313,184 shares changing hands for a value of \$56,562,012.07. Activity was up 186.43 per cent compared with a total volume of 2,204,093 shares traded last week. The Composite index climbed 6.9821 points or 0.78 per cent to 905.4747 points, while the All T&T index moved up 6.2248 points or 0.54 per cent to 1,156.8748 points.

Investors showed favour for Trinidad Cement Ltd. (TCL) shares, which came out to be the volume leader this week. A total of 2,087,709 TCL shares were traded representing 33.07 per cent of the overall total volume. Total shares traded in RBTT amounted to 894,733 shares for 14.17 per cent of all trades. The third largest volume of shares traded was in Jamaica National Commercial Bank Ltd. (JNCB), where 843,328 shares crossed the floor or 13.36 percent of the total volume.

Leading the share price appreciation was JMMB which moved up 11 cents or 6.29 per cent to \$1.86. Trinidad Publishing Company share price gained 30 cents or 3.66 per cent to \$8.50, while Flavorite Foods held the third spot, advancing 10 cents or 2.41 per cent to close the week at \$4.25.

On the decline side, Furness Trinidad Ltd. lost 15 cents on its share price to reach \$5.25 per share, down 2.78 per cent. Angostura Holdings Ltd share price fell 5 cents to \$4.90, down 1.01 per cent.

### **Major Regional Markets**

In Jamaica, the JSE index rose 1.75 per cent, up 1,620.03 points to 94,174.58 points, while the All JA index gained 0.35 per cent, moving up 324 points to 98,049.74 points. There was a large drop off in the total volume of shares traded this week as 33,226,924 shares crossed the floor, down 60.74 per cent compared with 84,649,783 shares last week.

Activity in Barbados pushed the Local Index up 3.00 per cent or 94.69 points to 3,243.65 points. The Cross List Index rose 5.18 per cent, up by 101.11 points to 2,051.54 points. A total of 799,735 shares traded this week, up 85.38 per cent compared with last week's total.

### **Sagicor Financial Corporation**

Sagicor's share price rose 25 cents or 6.32 per cent to \$4.20 per share. A total of 651,848 shares traded this week.

### **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 in the 2002 prospectus of the company's profits. 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 performance 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.

### **Prestige Holdings Limited**

#### ***Half year results for the period ended May 30, 2004***

Profit attributable to shareholders increased by an impressive 47.60 per cent from \$7.403 million in 2003 to \$10.927 million in 2004. This improved performance was largely as a result an outstanding performance in the Trinidad market as well as prudent cost management.

Group sales for the half year increased by 10.95 per cent to \$218.895 million in 2004 compared to \$197.3 million generated in 2003. Gross profit increased by 12.07 per cent to \$69.817 million in 2004 from \$62.296 million in 2003. Operating profit increased by an even greater margin up 23.63 per cent to \$20.001 million in 2004 from \$16.178 million in 2003 as a result of a slight increase in operating expenses of 8.02 per cent from \$46.118 million in 2003 to \$49.816 million in 2004. The group's share of losses however continued in the Dominican Republic and currently stands at \$1.8 million for the first half of the current financial year ended 2004. The first quarter loss stood at \$1.1 million for 2004.

Group financing cost declined by 29.31 per cent over the period under review from \$6.199 million in 2003 to \$4.382 million in 2004, resulting in a 56.52 per cent increase in profit before taxation to \$15.619 million in 2004 from \$9.979 million in 2003. Profit after tax and before minority interest increased by 55.38 per cent from \$6.121 million in 2003 to \$9.511 million in 2004. There was a slight increase in the group's effective tax rate during the half year to 39.11 per cent compared with a rate of 38.66 per cent for 2003. Group earnings per share (basic and diluted) increased by 45.87 per cent from 12 cents earned in 2003 to 18 cents in 2004.

The Chairman in his report indicated that the outlook for the group remains positive as the Trinidad and Tobago economy continues to be buoyant, all brands are performing well and better results are expected from their overseas operations in the second half of the financial year. He also pointed to the following business developments which are expected to occur within the second half and early next year. These include:

- **Trinidad** – construction of a new T.G.I. Friday's at Gulf City which is expected to be opened by September 2004. The group is also in the process of finalizing the strategic plan for the recently acquired TCBY Treats for that brand's development in Trinidad and other the CARICOM territories.
- **Dominican Republic** – restructuring of the KFC business is almost completed and the T.G.I. Friday's restaurant has become profitable once more. The country's political climate has stabilized and as a result consumer and investor confidence is expected to increase over the second half.
- **Puerto Rico and Jamaica** – conclusion of the joint venture agreement for 51 per cent ownership and management of T.G.I Friday's in San Juan, Puerto Rico where the group currently holds development right for the brand and plans on opening a second restaurant in that market for next year. The group has also started the construction of a new T.G.I Friday's restaurant in Kingston, Jamaica which is expected to commence operations by year's end

*We are revising our forecast of earnings per share for the financial year 2004 from 29.4 cents to 37 cents based on the impressive half year results. However at its current price of \$7.75 the share is trading at a high price earnings ratio of 20.95 times based on the revised estimated earnings and we consider it to be fully valued.*

**Jamaica Money Market Brokers Ltd**  
**Audited Results for the period ended 31 March 2004**  
**All Amounts in J'ca dollars**

For the thirteen month financial year ended 31 March 2004, Jamaica Money Market Brokers Ltd. (JMMB) reported strong growth in interest income of 54.58 per cent to reach \$9.26 billion, compared with \$5.99 billion achieved in the previous twelve months. The increase in interest income was accomplished through an overall increase in investments and effective management of interest rate spreads.

Net interest margin, however, fell from 12.71 per cent to 10.13 per cent as interest expense rose 59.14 per cent to \$8.32 billion despite lower interest rates in the latter part of the year. Net interest income rose by \$177 million to \$938.27 million, up 23.25 per cent. JMMB experienced fall offs in revenue from fees and commissions of 29.17 per cent to \$146 million, foreign exchange margins from cambio trading of 28.54 per cent to \$49 million and other income of 43.75 per cent to \$2.58 million. Also, operating expenses increased by 20.06 per cent to \$1 billion.

On the other hand the group showed significant increases in gains on securities trading of 76.76 per cent to \$857.13 million and share of profit of associated companies of 116.73 per cent to \$527.15 million. Share of profit from associate companies represent 34.07 per cent of total net income which reached \$1.547 billion, up 49.02 per cent from \$1.038 billion recorded for 2003. Caribbean Money Market Brokers (CMMB), which is the major contributor to associate companies profit, recently expanded into Barbados and is expected to perform well in that market. During the year JMMB recorded unrealized gains on its investments which it holds as being available for sale of \$754.15 million compared with a provisional loss of \$72.73 million in the previous year. JMMB also recorded an income tax credit of \$28.55 million, down 72.46 per cent from an income tax credit recorded in the previous year of \$103.68 million.

JMMB posted earnings of \$1.06 per share for the thirteen months, up 49.30 per cent or 35 cents from 71 cents.

The Group is expected to expand its offerings in the financial services with the commencement of an insurance brokerage service, which will provide health and life insurances.

On the local Stock market JMMB shares have performed well, gaining 86 per cent in the first six months to 30 June to close at TT\$1.86 per share. At the current price, JMMB shares are trading at a multiple of 18.98 times earnings of TT9.8 cents based on a 12 month financial year (\$1.06 x 12/13) and an exchange rate of J'ca\$10 – TT\$1.

**June in Review**

**Main Board**  
**Market Data**

Volume: 19,085,459  
 Value \$215,067,913.25  
 Advances/Declines: 19/8  
 Composite Index: 904.7127  
 Nominal Change in index: +11.1515  
 Percentage Change in index: +1.24 per cent  
 All T&T Index: 1,155.4850  
 Nominal Change in All T&T Index: +18.1122  
 Percentage Change in All T&T Index: +1.59 per cent

**Volume Leaders by Company:**

Capital & Credit Merchant Bank Ltd. – 5,371-372 (28.14 per cent)  
 Jamaica National Commercial Bank – 5,153,719 (27.00 per cent)  
 RBTT Financial Holdings Ltd. – 1,951,288 – (10.22 per cent)

### **Major Advances**

Ansa Mc Al Ltd., up \$2.35 (8.20 per cent)  
Trinidad Publishing Co. Ltd., up 60 cents (7.69 per cent)  
Caribbean Communications Network, up 55 cents (6.92 per cent)

### **Major Declines**

BWIA West Indies Airways down 38 cents (-21.11 per cent)  
Berger Paints Trinidad Ltd., down 60 cents (-16.22 per cent)  
Jamaica Money Market Brokers Ltd., down 14 cents (-7.00 per cent)

### **Monthly Summary**

During the month of June, a total volume of 19,085,459 shares traded for a value of \$591,068,863.25. The activity level fell by 29.08 per cent from 26,913,918 shares changing hands in the previous month. Nineteen shares advanced, while eight shares declined.

The Composite index inched up 1.25 per cent, increasing by 11.1515 points to close at 904.7127 points. The Composite index performance for June shows the least percentage growth for the year thus far. The All T&T index rose by 1.59 per cent, up 18.1126 points to 1,155.4854 points.

Capital & Credit Merchant Bank (CMMB) showed the largest share volume movement with 5,371,372 shares traded or 28.14 per cent of total volume. In second place, Jamaica National Commercial Bank shares represented 27.00 per cent of all shares traded, with

5,153,719 shares crossing. In distant third was RBTT Financial Holdings Ltd. with 1,951,288 shares being traded, accounting for 10.22 per cent of total volume.

The Non-Banking Finance sector again held the spotlight, with the greatest proportion of shares being traded in this sector. A total volume of 8,823,250 shares changed hands in this sector for 46.23 per cent of all trades. The Banking sector followed with 7,204,650 shares being traded representing 37.75 per cent of total trades.

Shares advancing included Ansa Mc Al Ltd. (AML), which jumped \$2.35 to close at \$31.00, up 8.20 per cent, Trinidad Publishing Company Ltd. (PUB), which moved up 60 cents or 7.69 per cent to \$8.40. Rounding off the top three was Caribbean Communications Network (CCN), increasing by 55 cents to reach \$8.50, up 6.92 per cent.

On the down side, BWIA West Indies Airways (BWIA) fell 38 cents to \$1.42 per share, down 21.11 per cent. Berger Paints Ltd. (BER) dropped 60 cents to \$3.10, down 16.22 per cent, while Jamaica Money Market Brokers Ltd. (JMMB) lost 14 cents or 7.00 per cent to reach \$1.86 per share.

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Member of the Trinidad and Tobago Stock Exchange Ltd.

VOLUME 6,313,184  
 VALUE \$ 56,562,012.07

### WEEKLY MARKET UPDATE

as at : Friday July 02, 2004

### West Indies Stockbrokers Limited

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COMPOSITE INDEX 905.47 ALL T&T INDEX 1,156.87 Adv./Dec. Ratio 16/2  
 CHANGE 6.98 CHANGE 6.22  
 % CHANGE 0.78% % CHANGE 0.54%

Security	Fiscal Yr. End	Hist. EPS	Hist. Div.	Est. EPS	Est. Div	Hist. Yield	Hist. P/E	Est. Yield	Est. P/E	Last Quote	Price Change	% Change	Running EPS	Running P/E	52 Week High	52 Week Low
<b>Banks</b>																
FirstCaribbean Intl.	Oct-31	29.1	15.8	30.0	16.0	1.72%	31.62	1.74%	30.67	9.20	0.10	1.10%	27.3	33.67	9.35	7.85
National Commercial Bank Jamaica	Sep-03	12.0	5.4	15.0	5.4	0.00%	23.00	1.96%	18.40	2.76			12.0	23.00	2.80	1.55
RBTT Financial Holdings	Mar-31	235.0	100.0	235.0	100.0	2.29%	18.57	2.29%	18.57	43.65	0.14	0.32%	235.0	18.57	45.30	21.05
Republic Bank	Sep-30	367.0	180.0	460.0	190.0	2.48%	19.75	2.62%	15.76	72.50	0.75	1.05%	402.0	18.03	72.50	42.00
Scotiabank	Oct-31	165.6	70.0	190.0	80.0	2.30%	18.36	2.63%	16.00	30.40	0.10	0.33%	166.3	18.28	30.40	21.36
<b>Non-Banking/Finance</b>																
ANSA Fin. & Merch. Bank	Dec-31	98.0	42.0	98.0	42.0	2.77%	15.47	2.77%	15.47	15.16	0.11	0.73%	98.0	15.47	15.16	8.00
Capital & Credit Merchant Bank	Dec-31	8.4	1.0	14.0	1.0	0.50%	23.81	0.50%	14.29	2.00			14.0	14.29	2.00	0.65
Guardian Holdings	Dec-31	215.0	54.0	215.00	54.0	1.54%	16.33	1.54%	16.33	35.10			215.0	16.33	35.10	19.70
JMMB	Mar-31	4.7	0.7	10.5	1.5	0.38%	39.57	0.81%	17.71	1.86	0.11	6.29%	6.0	31.00	2.13	0.64
National Enterprises	Mar-31	81.0	41.0	81.0	41.0	4.04%	12.53	4.04%	12.53	10.15			81.0	12.53	10.15	4.70
<b>Conglomerates</b>																
ANSA Mc Al	Dec-31	144.0	65.0	144.0	65.0	2.09%	21.56	2.09%	21.56	31.05	0.29	0.94%	144.0	21.56	31.05	17.00
B'dos Shipping & Trading	Sep-30	135.5	47.5	174.0	47.5	2.47%	14.21	2.47%	11.06	19.25			204.0	9.44	19.25	11.20
Grace, Kennedy & Co.	Dec-31	63.7	7.1	72.0	7.1	0.73%	15.32	0.73%	13.56	9.76	0.16	1.67%	63.7	15.32	9.80	4.50
Neal & Massy Holdings	Sep-30	190.0	67.0	230.00	80.0	2.09%	16.84	2.50%	13.91	32.00	0.20	0.63%	185.00	17.30	32.00	19.56
<b>Trading</b>																
Agostini's	Sep-30	34.9	12.0	20.0	10.0	1.45%	23.78	1.20%	41.50	8.30			43.1	19.26	8.35	6.00
BWIA	Dec-31	0.0	0.0	0.0	0.0	0.00%	0.00	0.00%	0.00	1.42			0.0	0.00	3.00	1.42
Furness T'dad	Dec-31	25.0	5.0	25.0	5.0	0.95%	21.00	0.95%	21.00	5.25	-0.15	-2.78%	25.0	21.00	5.60	3.25
LJ Williams A	Dec-31	0.0	0.0	0.0	0.0	0.00%	0.00	0.00%	0.00	0.60			0.5	120.00	0.67	0.50
LJ Williams B	Dec-31	0.0	0.0	0.0	0.0	0.00%	0.00	0.00%	0.00	1.25			4.80	26.04	2.60	1.20
Prestige Holdings	Nov-30	27.4	17.0	37.0	20.0	2.19%	28.28	2.58%	20.95	7.75	0.10	1.31%	30.9	25.08	7.75	3.60
<b>Property</b>																
PLIPDECO	Dec-31	170.00	21.0	170.00	21.0	1.15%	10.74	1.15%	10.74	18.25	0.20	1.11%	170.0	10.74	18.25	9.50
Valpark Shopping Plaza	Mar-31	47.3	0.0	47.3	0.0	0.00%	10.57	0.00%	10.57	5.00			47.3	10.57	5.00	5.00
<b>Manufacturing</b>																
Angostura Holdings	Dec-31	31.0	12.0	31.0	12.0	2.45%	15.81	2.45%	15.81	4.90	-0.05	-1.01%	31.0	15.81	5.70	4.25
Berger Paints Trinidad	Dec-31	0.0	17.0	0.0	17.0	5.48%	0.00	5.48%	0.00	3.10			39.0	7.95	6.00	3.00
Caribbean Comm Network	Dec-31	54.0	25.0	54.0	25.0	2.94%	15.74	2.94%	15.74	8.50	0.10	1.19%	54.0	15.74	8.50	4.05
Flavorite Foods	Dec-31	24.0	10.5	24.0	10.5	2.47%	17.71	2.47%	17.71	4.25	0.10	2.41%	24.0	17.71	4.25	3.45
Lever Brothers WI	Dec-31	142.0	170.0	142.0	170.0	5.86%	20.42	5.86%	20.42	29.00			142.0	20.42	30.31	28.35
National Flour Mills	Dec-31	23.0	16.0	23.0	16.0	5.00%	13.91	5.00%	13.91	3.20			23.0	13.91	4.00	3.00
Readymix (West Indies)	Dec-31	44.0	15.0	44.0	15.0	2.21%	15.45	2.21%	15.45	6.80			44.0	15.45	6.80	6.05
Trinidad Cement	Dec-31	50.0	18.0	60.0	20.0	2.88%	12.50	3.20%	10.42	6.25	0.10	1.63%	55.0	11.36	6.30	5.04
Trinidad Publishing Co.	Dec-31	45.0	25.0	45.0	25.0	2.94%	18.89	2.94%	18.89	8.50	0.30	3.66%	45.0	18.89	8.50	4.00
West Indian Tobacco Co.	Dec-31	104.5	103.0	104.5	103.0	4.90%	20.10	4.90%	20.10	21.00	0.30	1.45%	98.4	21.34	21.00	18.00