

**WISE**  
**WEEKLY MARKET UPDATE**

November 12, 2004

**Main Board**

**Market Data**

Volume: 1,569,361

Value: \$10,471,483.14

Advances/Declines: 9/1

Composite Index: 1010.0825

Nominal Change in Index: 1.7027

Percentage Change in Index: 0.17

All T&T Index: 1250.3988

Nominal Change in All T&T Index: 2.6643

Percentage Change in All T&T Index: 0.21

*Volume Leaders by Company:*

National Commercial Bank Jamaica (NCBJ) – 686,769 shares (43.76 per cent)

Capital & Credit Merchant Bank (CCMB) – 213,733 shares (13.62 per cent)

National Flour Mills (NFM) – 147,315 shares (9.39 per cent)

*Major Advances.*

Dhering, Bunting & Golding up 5 cents (2.27 per cent)

Neal & Massy Holdings Ltd. up 75 cents (1.88 per cent)

Berger Paints T'dad Ltd. up 5 cents (1.59 per cent)

*Major Decline:*

RBTT Financial Holdings Ltd. down 30 cents (0.71 per cent)

**Exchange Rate**

US\$1 = TT\$6.2899

**Second Tier Market**

The Second Tier Market was inactive this week with no trades occurring in Moraven Holdings shares and the price remaining at \$2.50 per share.

**Mutual Fund Market**

Praetorian Property Mutual Fund share price was unchanged from last week's close of \$5.00 per share. No shares traded this week.

**Weekly Summary**

Total volume of shares traded on the Stock Market this week fell 62.54 per cent to 1,569,361 shares compared with 4,189,932 shares last week. The value of shares crossing the floor amounted to \$10,471,483.14.

The Composite index rose 1.7027 points to end the week at 1010.0825 points, up 0.17 per cent, while the All T&T index increased by 2.6643 points to reach 1250.3988 points, up 0.21 per cent. The market remained bullish with demand continuing to outstrip supply at the week's end and resulted in advances outnumbering declines by a 9 to 1 margin.

The three highest traded share volumes last week were again favoured by investors as the order of the top was unchanged. A total of 686,769 National Commercial Bank shares crossed the floor for 43.76 per cent of all trades. The second spot was captured by Capital and Credit Merchant Bank with 213,733 shares changing hands for 13.62 per cent of the total volume. National Flour Mills shares held the third position with 147,315 shares traded for 9.39 per cent of all trades.

Dhering, Bunting & Golding shares made the highest percentage gains this week, moving up 2.27 per cent or 5 cent to \$2.20 per share. Neal & Massy Holdings Ltd. share price rose 1.88 per cent or 75 cents to close the week at \$40.75 per share. Berger paints share price increased by 1.59 per cent to round off the top three, gaining 5 cents to reach \$3.20 per share.

On the decline side, RBTT Financial Holdings Ltd. lost 30 cents off its price to end the week at \$42.20 per share, down 0.71 per cent. There were no other declines.

**Capital & Credit Merchant Bank Ltd.**

*Nine Months results to 30 September 2004*

Amounts in Jamaican Dollars

Capital & Credit Merchant Bank continues to show steady increase in revenue and profits. Group operating revenue reached \$4.08 billion, an increase of 29.92 per cent for the nine months compared with the corresponding period last year. Interest on investment climbed 27.71 per cent to \$3.35 billion and interest on loans was up 23 per cent to \$228 million, while interest expense grew by 10.66 per cent to \$2.69 billion resulting in Net interest income of \$888.9 million, up 134.86 per cent.

Total Other income rose 51.05 per cent to \$506.77 million. The most significant increase within the category of Other income is Net gains on securities trading, which was up \$421.09 million, (288.01 per cent), however, there was a sharp decline in foreign exchange trading and translation income from \$157.67 million to \$3.5 million, down 97.8 per cent. CCMB has identified management of market conditions and continued emphasis of fee based activities as a key strategy to augment the group's strength and stability and at the same time, provide a solid foundation for growth, increased profitability and enhanced efficiency. Overall, net interest income and other revenues amounted to \$1.39 billion, up 95.48 per cent.

On the expense side, staff costs rose by 80.78 per cent to \$245.53 million, property expense was up 55.77 per cent to \$39.11 million, depreciation increased by 46.52 per cent to \$18.97 million and other operating expenses rose 40.97 per cent to \$171.37 million. However, Loan loss expense fell 79.4 per cent to \$3.11 million. Total non interest expenses was therefore \$478.08 million (\$310.5 million – 2003), resulting in profit before tax of \$917.58 million, up 127.44 per cent, while profit after tax grew by 148.95 per cent to reach \$737.68 million. CCMB's cost containment strategy resulted in a lowering of its efficiency ratio from 43.49 per cent to 34.26 per cent where efficiency is a measure of non interest expenses against net interest income and other revenues.

Group earnings of \$1.26 per share represents a 133.33 per cent increase over the 54 cents achieved for the comparative period in 2003 and is above the 84 cents posted for all of last year. There was a considerable increase in return on average equity, from 24.45 per cent to 38.33 per cent, while return on assets rose from 1.23 per cent to 2.07 per cent.

CCMB shares have performed very creditably on the Trinidad and Tobago stock market, gaining \$2.20 from its opening price of 80 cents per share for the year thus far, up 275 per cent and are currently trading at \$3.00 per share. Our forecast is for year-end earnings of 18 cents per share gives a price/earnings multiple of 16.67 times.

CCMB along with its parent Capital & Credit Financial Group Ltd. acquired 92.72 per cent of Jamaica Unit Trust Services Ltd. effective October 1, 2004. CCMB will control 70 per cent of the newly acquired company while the parent company will control 30 per cent. The acquisition is expected to provide a means whereby the Group can continue to expand its range of products and services. The results of Jamaica Unit Trust Services Ltd. will be included in the results of CCMB beginning in the fourth quarter 2004.

#### **Grace, Kennedy & Company Ltd.**

*Results for the Nine Months ended 30 September 2004*  
Amounts in Jamaican Dollars

The third quarter period showed improved revenue and profits over the comparative period last year, however, the Group experienced reduced profitability margins. Revenue increased by 28.29 per cent to \$7.5 billion in the third quarter ended 30 September 2004 relative to the comparative period last year. Trading profit increased by 13.10 per cent to \$650.8 million resulting in a reduced trading profit margin from 9.83 per cent to 8.66 per cent. Other operating income \$57.4 million this year was approximately two-thirds that achieved last year and resulted in profit from operations of \$708.2 million, up 7.0 per cent. Net finance income increased 30.69 per cent to \$51.86 million, while the Group's share of results of associate companies rebounded from a loss of \$4.9 million to a profit of \$3.56 million. Profit before tax rose by 9.52 per

cent to \$763.6 million, while profit after tax was up 9.35 per cent to \$549.8 million. Profit attributable to minority interest increased significantly over the corresponding period, reaching \$34.7 million, up 121.3 per cent giving a net profit of \$515.1 million, up 5.74 per cent. Net profit margin however, fell from 8.32 per cent to 6.86 per cent. Basic earnings per share was \$1.59, up 8 cents or 5.30 per cent, while diluted earnings per share was \$1.55, up 6 cents or 4.03 per cent.

The Group experienced disruption in its businesses in Jamaica in the latter part of the third quarter as a result of Hurricane Ivan. Operations mostly affected by the hurricane were the production and distribution divisions. While most of the companies operations have been substantially restored it is expected that it will be several months before full normalcy is regained. Loss of crops suffered by suppliers to the Group are having an adverse impact on factory and export activities, which would require a full crop bearing cycle to recover.

For the nine month period the Group basic earnings grew by 11.36 per cent to \$4.41 up 45 cents, while diluted earnings were up 37 cents or 9.41 per cent to \$4.30 per share. Revenue climbed 35.28 per cent to \$22.3 billion with trading profits of \$1.71 billion, representing an increase of 14.94 per cent over the corresponding period last year. Trading profit margin fell from 9.03 per cent to 7.67 per cent. Profit before tax was up 13.58 per cent to \$2.09 billion and after applying a 28 per cent tax rate, the same as last year, profit after tax reached \$1.5 billion. Grace Kennedy showed an overall growth in net profit of 11.55 per cent to \$1.43 billion; net profit margin nonetheless, fell from 7.75 per cent to 6.39 per cent.

Prior to the event of Hurricane Ivan, the Food trading division showed a satisfactory performance, adding two products to its offerings, which have been well received. One of the new products, Grace Tropical Rhythms, was used as an entry product into Martinique and Guadeloupe markets. The Financial services division continues to give a creditable performance with synergistic benefits being derived from mergers within the division earlier this year. Grace Kennedy has recently launched its general insurance offering to the St Lucia market and has entered a MOU with Guardian Holdings Ltd to start a 50/50 joint venture company in the health insurance business to be launched in 2005.

With the sale of Kingston Wharves Ltd. and the mixed results experienced in the Maritime division, the Group is currently reviewing its role in the industry. Mixed results were also recorded in the Information services division.

Grace Kennedy gave a forecast of year end profit attributable to shareholders of 15 per cent increase over last year. This forecast has been revised in light of continuing effects of Hurricane Ivan, reporting requirements of the discontinuing aspects of the Maritime division and an expected tax rate increase in the fourth quarter, is now estimated to be in the region between 3 and 5 per cent. This would put year end

profits at about \$2.08 billion at a 5 per cent increase, which give an estimated fourth quarter net profit of \$650 million.

On the Stock Market, Grace Kennedy shares, which opened the year at \$5.80, appreciated 99.13 percent and is currently trading at \$11.55 per share.

### **Guardian Holdings Limited**

*Results for the nine month period ended 30 September, 2004*

Guardian Holdings Limited's (GHL) results for the nine month period ended 30 September, 2004 recorded profit attributable to shareholders of \$412.617 million down 51.70 percent from \$854.270 million in 2003. Though revenue increased by 43.59 per cent from \$1,759.745 million (2003) to \$2,526.818 million, the third quarter in particular contributed only 26.83 per cent to this figure in comparison to their first quarter input of 48.86 per cent.

Operating profit increased 168.68 per cent from \$260.404 million in 2003 to \$699.660 million in 2004. 86.92 per cent of this figure however, was operating profits claimed from their first quarter results with just 11.60 per cent of these profits being generated in the third quarter.

Share of profits of Associated Companies decreased 116.25 per cent from (\$88.821 million) in 2003 to (\$14.342 million) for the period under review. The Group's Finance charges also decreased 12.71 per cent to (\$75.067 million) for this period from (\$85.999 million) for the similar period in 2003.

Profit After Taxation fell 53.85 per cent from \$895.942 million in 2003 to \$413.483 million in 2004. Profit before Taxation and the Taxation also moved in similar proportions

namely 53.94 per cent and 55.36 per cent respectively. Profit before Taxation was \$954.815 million in 2003 but was \$439.764 million for the similar period in 2004. Taxation was (\$58.873 million) in 2003, but was recorded at (\$26.281 million) for 2004. Minority Interests decreased 97.92 per cent.

For the equivalent period last year, GHL reported non-recurrent revenues of \$680.808 million from the investment of shares in RBTT Financial Holding Limited. This year, due to the onset of four hurricanes which ravaged several Caribbean Islands, the company has made provisions for net losses of \$155.985 million in order to compensate for the numerous claims being made on their Insurance Subsidiaries. The gains from the RBTT investment plus the current year provision represents a \$836.793 million reversal in fortune. Despite this, GHL was still able to maintain an overall profit for the nine month period resulting in basic Earnings per Share of \$2.16 and a Diluted Earnings per Share from \$2.12.

The company continues to diversify away from its core life insurance business with investments in other areas taking on a more prominent role. They are also diversifying geographically by venturing into the Netherland Antilles and European markets. This level of diversification is significant in that it adds to the stability of the company's operating performance. However, the manner in which investments are accounted, results in a level of volatility that renders us unable to forecast year end earnings. We do however believe Guardian Holdings Limited has the potential for continued growth in their core operations and the capacity to increase profits in the foreseeable future.

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Member of the Trinidad and Tobago Stock Exchange Ltd.

VOLUME 1,569,361  
 VALUE \$ 10,471,483.14

### WEEKLY MARKET UPDATE

as at : Friday, November 12, 2004.

### West Indies Stockbrokers Limited

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COMPOSITE INDEX 1,010.0825 ALL T&T INDEX 1,250.3988 Adv./Dec. Ratio 9/1  
 CHANGE 1.7027 CHANGE 2.6643  
 % CHANGE 0.17% % CHANGE 0.21%

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	35.0	16.0	1.57%	34.54	1.59%	28.71	10.05			27.3	36.79	10.05	7.85
National Commercial Bank Jamaica	Sep-03	12.0	5.4	16.0	5.4	0.00%	21.25	2.12%	15.94	2.55			13.0	19.62	2.80	1.55
RBTT Financial Holdings	Mar-31	235.0	100.0	282.0	120.0	2.37%	17.96	2.84%	14.96	42.20	-0.30	-0.71%	243.0	17.37	45.30	28.00
Republic Bank	Sep-30	417.0	200.0	417.0	200.0	2.31%	20.77	2.31%	20.77	86.60	0.59	0.69%	402.0	21.54	86.60	42.62
Scotiabank	Oct-31	165.6	70.0	185.0	75.0	2.20%	19.17	2.36%	17.16	31.75			166.3	19.09	31.75	24.71
<b>Non-Banking/Finance</b>																
ANSA Fin. & Merch. Bank	Dec-31	98.0	32.0	100.0	32.0	1.91%	17.09	1.91%	16.75	16.75			103.0	16.26	16.75	8.60
Capital & Credit Merchant Bank	Dec-31	8.4	1.0	18.0	1.0	0.33%	35.71	0.33%	16.67	3.00			15.1	19.87	3.05	0.65
Dehring Bunting & Golding	Mar-31	19.8	2.0			0.90%	11.39			2.25	0.05	2.27%	21.1	10.68	2.29	2.15
Guardian Holdings	Dec-31	215.0	54.0	300.00	54.0	1.54%	16.33	1.54%	11.70	35.10			215.0	16.33	35.15	20.80
JMMB	Mar-31	11.0	1.5	11.0	1.5	0.88%	15.45	0.88%	15.45	1.70			11.0	15.45	2.13	0.64
National Enterprises	Mar-31	81.0	41.0	81.0	41.0	4.23%	11.98	4.23%	11.98	9.70	0.05	0.52%	81.0	11.98	10.15	4.70
Sagicor Financial Corporation	Dec-04	66.4	18.0	72.5	24.0	1.29%	21.08	1.71%	19.31	14.00					14.00	12.86
<b>Conglomerates</b>																
ANSA Mc Al	Dec-31	144.0	65.0	172.0	65.0	1.65%	27.43	1.65%	22.97	39.50	0.25	0.64%	152.0	25.99	39.50	18.00
B'dos Shipping & Trading	Sep-30	135.5	47.5	182.0	47.5	2.19%	16.01	2.19%	11.92	21.70			223.9	9.69	21.70	11.31
Grace, Kennedy & Co.	Dec-31	63.7	7.1	67.0	7.1	0.61%	18.13	0.61%	17.24	11.55	0.05	0.43%	65.7	17.59	11.55	4.60
Neal & Massy Holdings	Sep-30	190.0	67.0	230.00	80.0	1.64%	21.45	1.96%	17.72	40.75	0.75	1.88%	185.00	22.03	40.75	22.30
<b>Trading</b>																
Agostini's	Sep-30	34.9	12.0	20.0	10.0	1.17%	29.51	0.97%	51.50	10.30			43.1	23.90	10.30	6.00
BWIA	Dec-31	0.0	0.0	0.0	0.0	0.00%	0.00	0.00%	0.00	0.55			0.0	0.00	3.00	0.21
Furness T'dad	Dec-31	25.0	5.0	38.0	5.0	0.88%	22.80	0.88%	15.00	5.70			37.0	15.41	5.70	4.15
LJ Williams A	Dec-31	0.0	0.0	0.0	0.0	0.00%	0.00	0.00%	0.00	0.62			0.5	124.00	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	1.20			4.80	25.00	2.60	1.20
Prestige Holdings	Nov-30	27.4	17.0	42.0	20.0	1.94%	31.93	2.29%	20.83	8.75	0.10	1.16%	38.3	22.87	8.75	4.00
<b>Property</b>																
PLIPDECO	Dec-31	170.00	21.0	175.00	21.0	0.98%	12.65	0.98%	12.29	21.50			170.0	12.65	21.50	9.91
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	40.0	12.0	2.53%	15.32	2.53%	11.88	4.75			31.0	15.32	5.00	4.25
Berger Paints Trinidad	Dec-31	0.0	17.0	0.0	17.0	5.31%	0.00	5.31%	0.00	3.20	0.05	1.59%	39.0	8.21	6.00	3.00
Caribbean Comm Network	Dec-31	54.0	25.0	63.0	28.0	2.48%	18.70	2.77%	16.03	10.10			71.0	14.23	10.10	4.20
Flavorite Foods	Dec-31	24.0	10.5	41.0	13.0	2.31%	18.96	2.86%	11.10	4.55			24.0	18.96	4.55	3.45
Lever Brothers WI	Dec-31	142.0	170.0	160.0	150.0	5.86%	20.42	5.17%	18.13	29.00			152.0	19.08	30.31	29.00
National Flour Mills	Dec-31	23.0	16.0	23.0	16.0	5.61%	12.39	5.61%	12.39	2.85			20.0	14.25	3.20	2.50
Readymix (West Indies)	Dec-31	44.0	15.0	48.0	15.0	2.19%	15.57	2.19%	14.27	6.85			44.0	15.57	6.85	6.05
Trinidad Cement	Dec-31	50.0	18.0	60.0	19.0	2.59%	13.90	2.73%	11.58	6.95			69.0	10.07	6.95	5.04
Trinidad Publishing Co.	Dec-31	45.0	25.0	56.0	30.0	2.56%	21.67	3.08%	17.41	9.75	0.05	0.52%	49.0	19.90	9.75	4.50
West Indian Tobacco Co.	Dec-31	104.5	103.0	120.0	110.0	4.61%	21.39	4.92%	18.63	22.35			104.5	21.39	22.45	18.00