



**WEEKLY MARKET UPDATE**  
**December 30, 2005**

**Main Board**

**Market Data**

Volume: 7,224,027  
Value: \$ 78,480,561.46  
Advances/Declines: 10/9  
Composite Index: 1,067.3786  
Nominal Change in Index: 3.0952  
Percentage Change in Index: 0.29 per cent  
All T&T Index: 1,322.9763  
Nominal Change in All T&T Index: 5.7317  
Percentage Change in All T&T Index: 0.44 per cent

**Volume Leaders by Company:**

Jamaica Money Market Brokers - 3,629,183 shares traded or 50.24 per cent  
Caribbean Communications Network – 2,189,107 shares traded or 30.30 per cent  
National Commercial Bank of Jamaica – 400,924 shares traded or 5.55 per cent

**Major Advances:**

Ansa Finance & Merchant Bank Limited rose \$1.50 or 7.50 per cent  
Trinidad Publishing Company Limited rose \$0.34 or 2.69 per cent  
RBTT Financial Holdings Limited rose \$1.00 or 2.53 per cent

**Major Declines:**

GraceKennedy & Company Limited fell \$0.13 or 1.42 per cent  
Guardian Holdings Limited fell \$0.42 or 1.29 per cent  
Ansa McAl Limited fell \$0.49 or 1.20 per cent

**Exchange Rate**

US\$1 = TT\$6.3050

**Second Tier Market**

The Second Tier Market was devoid of any price movement or trades this week.

**Mutual Fund Market**

The Mutual Fund Market was also inactive this week without any price movements or shares being traded.

**Weekly Summary**

Trading picked up substantially this week as 7,224,027 shares changed hands. This was 81.39 per cent more than last week's volume of 3,982,681. The majority of the shares however, was traded on Friday as approximately only 4.88 per cent of the shares crossed the floor on Wednesday. The total value of the shares traded this week was \$78,480,561.46. The Composite Index moved up 3.0952 points to 1,067.3786. This was 0.29 per cent more than last week's close of 1,064.2834. The All T&T Index increased by 5.7317 points or 0.44 per cent from 1,317.2446 last week to 1,322.9763 for the period under review. 10 shares advanced while 9 declined.

Jamaica Money Market Brokers (JMMB) was clearly the volume leader this week as 3,629,183 shares crossed the floor which was a whopping 50.24 per cent of all trades. Caribbean Communications Network (CCN) followed with 2,189,107 shares changing hands which was 30.30 per cent of all trades. National Commercial Bank of Jamaica (NCBJ) followed with 400,924 shares crossing the floor or 5.55 per cent of all trades.

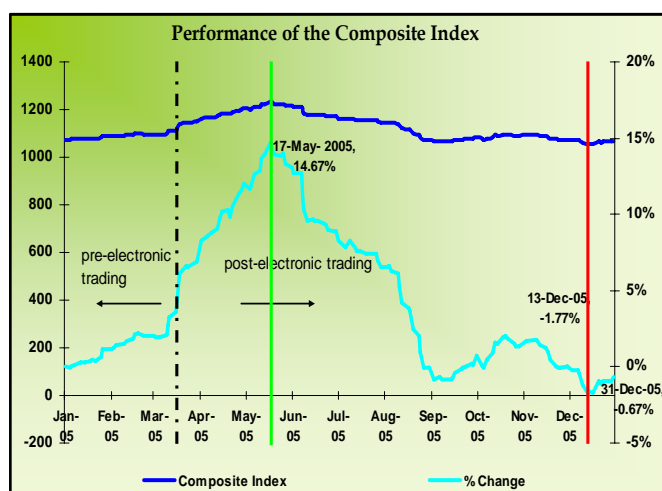
The three major advances of the week belonged to Ansa Finance & Merchant Bank Limited, Trinidad Publishing Company and RBTT Financial Holdings Limited. Ansa Finance appreciated by \$1.50 or 7.50 per cent to close the week at \$21.50. Trinidad Publishing rose \$0.34 or 2.69 per cent to end the week at \$13.00 while RBTT rose \$1.00 or 2.53 per cent to \$40.50.

The share depreciating the most this week was GraceKennedy falling \$0.13 or 1.42 per cent to \$9.02. Guardian Holdings Limited followed dropping \$0.42 or 1.29 per cent to end the week at \$32.08 while Ansa McAl fell \$0.49 or 1.20 per cent to close the week at \$40.50.

**Year End Review**

The calendar year 2005 would be remembered by many investors as an action-filled year. Coming off of the heels of a three year "Bull-Run" in which the Composite Index grew by 25.65% (2002), 27.23% (2003) and an astonishing 54.8% in 2004, many predicted a slower rate of growth of 15-20%. After the first quarter, the market seemed poised to exceed expectations, especially with the advent of Electronic Trading on March 18, 2005. From that date to May 17, 2005 the Composite shot up 8% to reach the pinnacle of the year of 1,232.19 points. However, what unfolded next was an actual contraction of the local market as a corrective trend swept across the market. The Composite not only recaptured its earlier strides, but eventually slipped into negative territory closing the year at 1067.38 points, 0.67% below the value at the start of the year 1074.63 points (see Exhibit 1).

**Exhibit 1**



A buoyant local economy, a falling interest rate environment and increased monetary liquidity fuelled demand for equity investment instruments, resulting in the growth demonstrated in the 2002-2004 period. The phenomenal increases in share prices left corporate earnings struggling to keep pace; pushing P/E multiples to over 20 times in a market that traditionally traded with multiples in the 10-15 times range (see Exhibit 2).

**Exhibit 2 Movements of P/E multiples**

Company	F.Y 2004	P/E as @ 17-May-05 @ Running EPS	P/E as @ 31-Dec-05 @ Running EPS
<b>BANKING</b>	<b>18.93</b>	<b>20.23</b>	<b>15.26</b>
<b>CONGLOMERATES</b>	<b>16.47</b>	<b>19.58</b>	<b>15.86</b>
<b>MANUFACTURING AND TRADING</b>	<b>18.07</b>	<b>21.60</b>	<b>18.18</b>
<b>NON BANKING FINANCE</b>	<b>14.30</b>	<b>14.89</b>	<b>14.26</b>

In 2004, the total volume of shares changing hands was 311,877,113 with an associated value of \$2,985,804,241. This year the volume traded was 200,066,312 shares, less than two thirds of the volume in 2004, however, because of the increases in share prices, the associated value was \$3,929,771.93.

At the end of the 2005, the advance to decline ratio stood 16:16, however depreciations in some of the "larger cap" stocks (Republic Bank Limited, RBTT Financial Holdings Limited, ANSA Mc Al, Guardian Holdings Limited, National Commercial Bank Jamaica Limited) weighed more heavily on the indices. The top spot in terms of relative appreciations was held by Caribbean Communications Network which moved 84% from \$10.50 to \$19.35 driven by the closure of one of its major competitors in the television market, National Broadcasting Network. BWIA claimed the second place in a late rally driven by speculation surrounding the reform of the airline and government intervention; however this

share was suspended from trading in November. Trinidad Publishing Limited edged out Prestige Holdings Limited on the last day of trading to capture the third spot with an appreciation of 30% (see Exhibit 3A). Readymix Limited experienced the biggest price decline for the year (-45.32%) in response to the consistently disappointing results during the year. For the second straight year Unilever Caribbean Limited and National Flour Mills were among the three biggest losers for the year (See Exhibit 3B).

**Exhibit 3A**

	Top 5 advances	January 1, 2005	December 31, 2005	% change
1	<b>CCN</b>	TT\$ 10.50	TT\$ 19.40	84.76%
2	<b>BWIA Trinidad Publishing</b>	0.60	<b>0.97</b>	61.67%
3	<b>Prestige</b>	10.00	<b>13.00</b>	30.00%
4	<b>Scotiabank</b>	9.00	<b>11.57</b>	28.56%
5		32.00	<b>40.50</b>	26.56%

**Exhibit 3B**

	Top 5 declines	January 1, 2005	December 31, 2005	% change
1	<b>Readymix</b>	TT\$ 6.95	TT\$ 3.80	-45.32%
2	<b>Unilever</b>	29.00	17.28	-40.41%
3	<b>NFM</b>	2.85	1.78	-37.54%
4	<b>Plipdeco</b>	21.60	14.50	-32.87%
5	<b>CCMB</b>	3.00	2.03	-32.33%

## BARBADOS SHIPPING AND TRADING

In the recently released financial results for the year ended September 30, 2005, The Barbados Shipping and Trading Company Limited (BS&T) reported an EPS of Bd\$0.63, an increase of 5.53% over the Bd\$0.597 attained in the previous year. The Directors have approved a dividend payment of Bd\$0.18 which is in line with the marginal improvement in earnings. This improvement in EPS though was significantly assisted by a first quarter EPS of Bd\$0.40, with the subsequent quarters showing declining or flat performances (see Table 1).

Quarterly EPS for 2004 and 2005				
		2005	2004	% Change
Q1	31-Dec	\$0.40	\$0.16	150%
Q2	31-Mar	\$0.10	\$0.26	-61.5%
Q3	30-Jun	\$0.04	\$0.09	-55.5%
Q4	30-Sep	\$0.09	\$0.09	-
Cumulative Total		\$0.63	\$0.60	5.5%

Revenues of the Conglomerate increased by a minimal 3.29% from Bd\$657 million to Bd\$679 million. Trading Profit showed a larger increase of 10.4%, though the ratio

of Trading Profit to Revenue remains at a low 3.25% (2004 : 3.05%), which suggests that BS&T suffers from Operational Inefficiency. At the half year the Directors statement outlined some of the reasons for the poor showing of results which included: Trading and one-time losses at Dacosta Mannings Inc. (DMI) following the fire at Sheraton at the end of December; changes in several accounting policies and practices at DMI and; a business review exercise which involved a rationalization process at the fully owned subsidiary (DMI). There were no individual figures given at this point, but "Other Expenses" were identified as Bd\$12.1 million which accounted for the aforementioned items. In the Directors' Statement at the year end "corrective measures" were alluded to yet again as part of the reason for the less than stellar results.

Significant reductions of BS&T's investment in Neal and Massy Holdings Limited (NML) in the first quarter accounted for much of the Bd\$0.40 EPS reported, as Net Realised and Unrealised Gains were disclosed at Bd\$21.3 million, more than two thirds of Profit before Tax from Parent and Subsidiaries. In the subsequent quarters the contribution of Net Realised and Unrealised Gains on Investments fell significantly, dropping from Bd\$21.3 million in the first quarter to Bd\$15.2 million in the second quarter; to a combined total of less than Bd\$1.5 million in the second half of the year (assuming Net Realised and Unrealised Gains on Investments is the main component of Other Income). The likely reason for the fall in this income stream was the combination of the reduction of the holdings in NML to approximately 3% and the volatility of the NML share price during the financial year.

Interest Expenses were reduced from Bd\$12.5 million to Bd\$11.5 million, being the likely result of repayments of

Long Term Liabilities which have been reduced from Bd\$204 million to Bd\$157.9 million (22.6% decrease). Using long term debt to shareholders' equity as a measure of the Group's gearing, this reduction of debt improved the gearing of the company from 44.6% to 31.5%. Profit from Associates fell from Bd\$8.9 million to Bd\$6.4 million. The Group attributed this reduction to initial losses arising out of the acquisition of two new hotels which were closed for upgrading. Overall, Net Income for the year grew by 6% from Bd\$44.6 million to Bd\$47.3 million.

The outlook for the Barbados based conglomerate is mixed. The dubious performance of the Group at the operational level, combined with the varying performance of the BS&T's investments in the wake of the divestment of the shareholding in Neal and Massy, raises questions of the sustainability of earnings. Positive growth by BS&T's subsidiaries such as Almonds Resorts Inc., United Insurance and the Food Group, as well as undertakings such as the long awaited Pierhead Development Project may well balance the negatives.

The share price of BS&T has experienced significant corrections during the year in light of the falling performances reported in the latter quarters of 2005. At the current share price of TT\$20.10 and EPS of TT\$1.98, the share is trading at a relatively attractive Price to Earnings multiple of 10.15 times. We must caution though that the projects on stream will not translate into short term returns and the returns from the company's investments may be volatile. Thus, given the current investment climate and the uncertainty of the future profitability of the Group, we advise that investors hold a neutral to sell position for this share.

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VOLUME 7,224,027  
 VALUE \$ 78,480,561.46

### WISE WEEKLY MARKET UPDATE

as at : Friday, December 30, 2005.

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COMPOSITE INDEX 1,067.3786 ALL T&T INDEX 1,322.9763 Adv./Dec. Ratio 10/9  
 CHANGE 3.0952 CHANGE 5.7317  
 % CHANGE 0.29% % CHANGE 0.44%

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	106.5	26.8	106.5	26.8	1.99%	12.62	1.99%	12.62	13.44	0.01	0.07%	106.5	12.62	13.60	13.00
National Commercial Bank Jamaica	Sep-30	17.4	4.8	17.4	4.8	0.00%	10.34	2.67%	10.34	1.80	0.00	0.00%	17.4	10.34	2.46	1.67
RBTT Financial Holdings	Mar-31	268.0	118.0	312.0	135.0	2.91%	15.11	3.33%	12.98	40.50	1.00	2.53%	303.0	13.37	45.53	36.37
Republic Bank	Sep-30	509.0	225.0	509.0	225.0	2.50%	17.68	2.50%	17.68	90.00	0.00	0.00%	509.0	17.68	113.26	89.39
Scotiabank	Oct-31	193.0	80.0	193.0	80.0	1.98%	20.98	1.98%	20.98	40.50	0.14	0.35%	193.0	20.98	40.50	32.00
<b>Non-Banking/Finance</b>																
ANSA Fin. & Merch. Bank	Dec-31	106.0	32.0	100.0	32.0	1.49%	20.28	1.49%	21.50	21.50	1.50	7.50%	102.0	21.08	23.00	16.75
Capital & Credit Merchant Bank	Dec-31	14.7	1.0	18.7	1.0	0.49%	13.81	0.49%	10.86	2.03	0.00	0.00%	18.1	11.22	3.31	2.00
Dehring Bunting & Golding	Mar-31	26.5	2.0	30.0	2.0	1.01%	7.55	1.00%	6.67	2.00	0.00	0.00%	28.6	6.99	2.75	1.95
Guardian Holdings	Dec-31	300.0	50.0	225.00	70.0	1.56%	10.69	2.18%	14.26	32.08	-0.42	-1.29%	215.0	14.92	46.32	32.08
JMMB	Mar-31	11.3	1.5	11.3	1.5	0.81%	16.37	0.81%	16.37	1.85	0.03	1.65%	11.9	15.55	1.85	1.15
National Enterprises	Mar-31	76.0	48.0	76.0	48.0	4.27%	14.79	4.27%	14.79	11.24	-0.01	-0.09%	79.0	14.23	16.50	9.00
Sagikor Financial Corporation	Dec-04	78.0	30.0	155.0	60.0	2.16%	17.83	4.31%	8.97	13.91	-0.03	-0.22%	152.0	9.15	15.50	13.10
<b>Conglomerates</b>																
ANSA Mc Al	Dec-31	182.0	65.0	220.0	75.0	1.60%	22.25	1.85%	18.41	40.50	-0.49	-1.20%	195.0	20.77	49.05	39.95
B'dos Shipping & Trading	Sep-30	198.0	56.7	198.0	56.7	2.82%	10.15	2.82%	10.15	20.10	0.00	0.00%	198.0	10.15	27.15	19.50
GraceKennedy Limited	Dec-31	67.2	7.1	70.0	8.0	0.79%	13.42	0.89%	12.89	9.02	-0.13	-1.42%	68.3	13.21	12.70	9.00
Neal & Massy Holdings	Sep-30	280.0	88.0	280.00	88.0	1.96%	16.05	1.96%	16.05	44.95	-0.05	-0.11%	280.00	16.05	59.01	44.00
<b>Trading</b>																
Agostini's	Sep-30	91.5	33.0	91.5	33.0	3.22%	11.19	3.22%	11.19	10.24	0.02	0.20%	91.5	11.19	10.55	9.00
BWIA (Suspended)	Dec-31	0.0	0.0	0.0	0.0	0.00%	0.00	0.00%	0.00	0.97	0.00	0.00%	0.0	0.00	0.97	0.28
Furness T'dad	Dec-31	33.0	0.0	33.0	0.0	0.00%	18.64	0.00%	18.64	6.15	0.00	0.00%	33.0	18.64	6.15	5.70
LJ Williams A	Dec-31	1.4	0.5	0.9	0.4	0.83%	0.00	0.67%	0.00	0.60	0.00	0.00%	0.5	120.00	0.62	0.50
LJ Williams B	Dec-31	14.0	5.0	9.0	4.0	3.73%	0.00	2.99%	0.00	1.34	0.00	0.00%	5.00	26.80	1.59	1.10
Prestige Holdings	Nov-30	39.1	24.0	45.0	27.0	2.07%	29.61	2.33%	25.71	11.57	-0.02	-0.17%	43.2	26.78	12.00	9.00
<b>Property</b>																
PLIPDECO	Dec-31	126.00	21.0	130.00	22.0	1.45%	11.51	1.52%	11.15	14.50	0.00	0.00%	109.0	13.30	22.00	14.50
Valpark Shopping Plaza	Mar-31	47.3	0.0	47.3	0.0	0.00%	10.57	0.00%	10.57	5.00	0.00	0.00%	47.3	10.57	5.00	5.00
<b>Manufacturing</b>																
Angostura Holdings	Dec-31	29.0	12.0	29.0	12.0	2.08%	19.86	2.08%	19.86	5.76	0.01	0.17%	29.0	19.86	6.35	4.35
Berger Paints Trinidad	Dec-31	0.0	17.0	0.0	17.0	4.93%	0.00	4.93%	0.00	3.45	0.05	1.47%	39.0	8.85	3.45	3.20
Caribbean Comm Network	Dec-31	80.0	44.0	112.0	60.0	2.27%	24.25	3.09%	17.32	19.40	0.05	0.26%	90.0	21.56	21.50	10.50
Flavorite Foods	Dec-31	45.2	10.5	72.0	21.0	2.12%	10.95	4.24%	6.88	4.95	0.00	0.00%	56.1	8.82	4.95	4.55
National Flour Mills	Dec-31	13.6	13.0	11.0	9.0	7.30%	13.09	5.06%	16.18	1.78	-0.02	-1.11%	10.6	16.79	2.85	1.78
Readymix (West Indies)	Dec-31	24.0	9.0	0.0	6.0	2.37%	15.83	1.58%	0.00	3.80	0.00	0.00%	-82.0	-4.63	7.20	3.80
Trinidad Cement	Dec-31	67.0	20.0	70.0	24.0	2.00%	14.93	2.40%	14.29	10.00	0.00	0.00%	73.0	13.70	13.05	8.05
Trinidad Publishing Co.	Dec-31	50.0	28.0	60.0	33.0	2.15%	26.00	2.54%	21.67	13.00	0.34	2.69%	55.0	23.64	13.00	10.00
Unilever Caribbean Limited	Dec-31	119.0	110.0	119.0	110.0	6.37%	14.52	6.37%	14.52	17.28	0.00	0.00%	115.0	15.03	29.36	17.28
West Indian Tobacco Co.	Dec-31	116.6	114.0	120.0	114.0	4.95%	19.74	4.95%	19.18	23.02	-0.23	-0.99%	114.2	20.16	23.90	18.28