

# WISE WEEKLY MARKET UPDATE

January 28, 2005

## **Main Board**

### **Market Data**

Volume: 2,967,992

Value: \$55,591,432.05

Advances/Declines: 12/1

Composite Index: 1086.7979

Nominal Change in Index: 8.1721

Percentage Change in Index: 0.76 per cent

All T&T Index: 1291.6271

Nominal Change in All T&T Index: 0.9595

Percentage Change in All T&T Index: 0.07 per cent

### *Volume Leaders by Company:*

Capital & Credit Merchant Bank (CCMB) – 978,967 shares or 32.98 per cent

RBTT Financial Holdings Limited (RBTT) – 795,334 shares or 26.80 per cent

National Commercial Bank of Jamaica (NCBJ) – 231,254 shares or 7.79 per cent

### *Major Advances:*

Capital & Credit Merchant Bank (CCMB) up 20 cents or 6.45 per cent

Dehring, Bunting & Golding (DB&G) up 10 cents or 4.26 per cent

Jamaican Money Market Brokers (JMMB) up 5 cents or 2.94 per cent

### *Major Decline:*

RBTT Financial Holdings Limited (RBTT) down 50 cents or 1.27 per cent

### **Exchange Rate**

US\$1 = TT\$6.2899

### **Second Tier Market**

Trading on the second tier market remained dormant with no shares crossing the floor. Mora Ven Holdings opened and closed the week at \$2.50 while First National Credit Union continues to be suspended from trading.

### **Mutual Fund Market**

The number of shares changing hands in Praetorian Property Mutual Fund was nil this week. There was also no change in the Fund's share price.

### **Weekly Summary**

2,967,992 shares crossed the floor of the Stock Exchange this week which was 51 per cent less than last week's volume of 6,021,813. The value of the shares changing hands this week was \$55,591,435.05. Advances beat out declines by a twelve to one margin.

The Composite Index increased nominally by 8.1721 points or 0.76 per cent to close the week at 1086.7979. The All T&T Index ended the week at 1291.6271 which was 0.07 per cent more than last week's close of 1290.6676.

The Non-Banking Finance Sector lead trades for the period under review with a total of 1,247,108 shares being traded which represented 42.02 per cent of all shares crossing the floor. Next was the Banking Sector with 1,082,807 shares changing hands accounting for 36.48 per cent of all trades. Following, was the Conglomerate Sector with a total of 331,149 shares or 11.16 per cent of the shares crossing the floor.

The volume leader was Capital & Credit Merchant Bank (CCMB) accounting for 978,967 shares or 32.98 per cent of all shares being traded. Second was RBTT Financial Holdings Limited (RBTT) with 795,334 shares crossing the floor or 26.80 per cent of all trades and, third was National Commercial Bank of Jamaica (NCBJ) accounting for 231,254 shares or 7.79 per cent of all trades.

The top three shares advancing this week were Capital & Credit Merchant Bank (CCMB), Dhering, Bunting & Golding (DB&G) and Jamaican Money Market Brokers (JMMB). CCMB rose 20 cents or 6.45 per cent to close at \$3.30, DB&G climbed 10 cents or 4.26 per cent to end the week at \$2.45 and, JMMB increased 5 cents or 2.94 per cent to close at \$1.75.

Once again, the lone decline of the week belonged to RBTT Financial Holdings Limited which fell 50 cents or 1.25 per cent to end the week at \$39.00.

### ***Dehring Bunting & Golding Ltd.***

*Results for the Nine Months to 31 December 2004.*

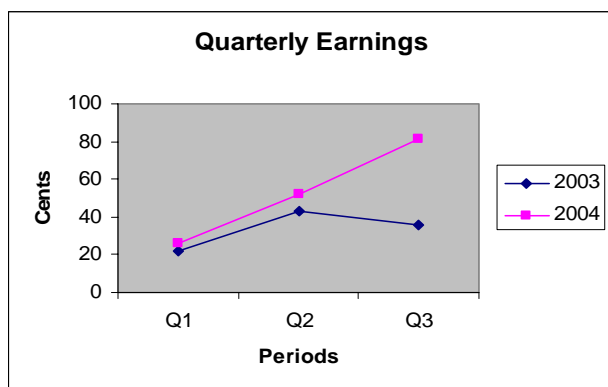
*Amounts in J'ca Dollars*

Dehring, Bunting & Goldings Ltd. (DB&G) reported strong growth in Net Interest Revenue for the third quarter ended 31 December 2004 despite a significant fall in Interest revenue compared with the similar period in 2003. For the three months Interest revenue fell 15.32 per cent to \$765 million, however, Interest expense was down 25.57 per cent to \$599.9 million resulting in Net interest revenue of \$165.1 million, up 69.42 per cent. This represented a Net interest margin of 21.59 per cent

doubling the 10.79 per cent achieved one year prior. The Chairman accredits this performance to falling interest rates accompanied by increased loan and investment activity improving the interest rate spreads in both local and foreign currencies.

Gains on securities trading grew by 33.48 per cent to \$130.5 million, boosted by higher stock and bond prices, which benefited from continued gradual reduction in interest rates and a more stable economic environment. Meanwhile, Foreign exchange gains and fees and other income increased more significantly by 137.41 per cent to \$92.86 million and by 163.06 per cent to \$67.67 million respectively. Net revenue for the three months reached \$456.2 million, up 75.40 per cent from \$260.1 million recorded in the previous year.

Operating expenses rose 36.40 per cent to \$221.98 million resulting in Profit before tax of \$234.22 million, up 140.58 per cent. Net profit recorded for the third quarter amounted to \$234.7 million, up 141.09 per cent after adding net tax revenue of \$492,000. Net margin grew from 37.43 per cent to 51.45 per cent. The group posted earnings of 81 cents per share compared with 36 cents in 2003, an increase of 45 cents or 125 per cent. Earnings per share in the first and second quarters were 26 cents and 52 cents respectively, compared with 22 cents and 43 cents in the corresponding periods in 2003.



For the Nine month period Net interest revenue grew by 109.47 per cent to \$416.25 million and Other operating revenue increased 31.42 per cent to \$604.15 million, resulting in Net revenue of \$1.02 billion. Net profit was up 87.71 per cent from \$242 million to \$454.3 million, giving a net profit margin of 44.53 per cent (36.76 per cent – 2003), up 21.12 per cent. Earnings per share of \$1.59 is up 68 cents or 74.73 per cent from the previous nine month reported earnings of 91 cents.

In the final quarter last year, DB&G posted earnings of 94 cents due mainly to gains on the sale of investments, bringing total earnings for the financial year to \$1.85 per share (TT19.8 cents). Based on these results we forecast year end earnings of TT22 cents per share. DB&G's share price which began this year at \$2.25 per share on the Local Stock Market, has appreciated 8.89 per cent to close the first month's trading at \$2.45. At the current price, DB&G shares are trading at an estimated earnings multiple of 11.14 times.

**National Commercial Bank of Jamaica Limited**  
*Results for the Quarter Ended December 31, 2004*  
*All amounts in Jca.\$*

National Commercial Bank Jamaica Limited (NCBJ) reported a net profit of \$1.07 billion or \$0.43 per share for the first quarter ended December 31, 2004 (Q1 05) as compared with \$0.75 billion or \$0.30 per share for the comparative period in the previous year.

The wealth management segment contributed \$518.3 million or 48.40 percent to the overall net profit. The strong performance resulted primarily from the record increases in the equity market, appreciation in the value of debt securities and the overall growth in managed funds.

Interest income from loans increased by 34 percent to \$1.51 billion for Q1 05 up from \$1.13 billion in the previous year. Interest income from securities declined 19 percent or \$877 million to \$3.71 billion down from \$4.59 billion for Q1 04. This resulted primarily from the continued reduction in interest rates. Total interest income fell from \$5.72 billion in Q1 04 to \$5.22 billion Q1 05. Net interest income increase marginally to \$2.56 billion in Q1 05 from \$2.55 billion in Q1 04. Net trading income jumped 330 percent to \$812.2 million in Q1 05 up from \$189.1 million in Q1 04. Other operating income reached \$41.99 million in Q1 05 up from \$39.67 million in Q1 04. Total operating expenses increased by 19 percent to \$2.62 billion in Q1 05 compared with \$2.21 billion in Q1 04.

Overall profit from operations increased by 39 percent to \$1.35 billion in Q1 05 up from \$0.97 billion Q1 04. For the first time in Q1 05 the Group recorded share of profits of associated companies which amounted to \$47.74 million. Pre-tax profit increased by 44 percent to \$1.40 billion in Q1 05 up from \$0.97 billion in Q1 04.

Total assets increased by 5 percent to \$184.23 billion in Q1 05 compared with \$175.87 billion in Q1 04. Total loans and advances increased by 10 percent to \$37.50 billion in Q1 05. Non-performing loans now represent 3.9 percent of gross loans compared to 4.1 percent at September 2004.

The return on average equity achieved was 24.7% as compared to 22.7% in Q1 04. Return on average total assets increased from 2.0 percent in Q1 04 to 2.4 percent Q1 05.

While these results are impressive going forward NCBJ has a portfolio heavily weighted in securities

as interest rates continue to decline revenue could fall. The Government of Jamaica is committed to eliminating the fiscal deficit, achieving single digit inflation, reducing interest rates and defending the value of the Jamaican dollar. This increases the likelihood that interest revenue would continue to fall. On the positive side the Group's strategy to grow its funds under management is paying off.

The Board of Directors declared an interim dividend of \$0.06 per share payable to stockholders on record on February 14, 2005

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**Member of the Trinidad and Tobago Stock Exchange Ltd.**

VOLUME 2,967,992  
 VALUE \$ 55,591,432.05

### WEEKLY MARKET UPDATE

as at : Friday, January 28, 2005.

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COMPOSITE INDEX 1,086.7979 ALL T&T INDEX 1,291.6271 Adv./Dec. Ratio 12/1  
 CHANGE 8.1721 CHANGE 0.9595  
 % CHANGE 0.76% % CHANGE 0.07%

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	32.5	7.8	32.5	7.8	0.58%	41.38	0.58%	41.38	13.45	0.35	2.67%	32.5	41.38	13.45	8.05
National Commercial Bank Jamaica	Sep-03	13.0	4.8	13.0	4.8	0.00%	18.08	2.04%	18.08	2.35	0.00	0.00%	13.0	18.08	2.80	1.58
RBTT Financial Holdings	Mar-31	236.0	100.0	255.0	110.0	2.56%	16.53	2.82%	15.29	39.00	-0.50	-1.27%	236.0	16.53	45.30	34.06
Republic Bank	Sep-30	416.0	200.0	417.0	200.0	2.15%	22.38	2.15%	22.33	93.10	0.80	0.87%	416.0	22.38	93.10	53.50
Scotiabank	Oct-31	173.1	74.0	173.1	74.0	2.31%	18.54	2.31%	18.54	32.10	0.00	0.00%	173.1	18.54	32.10	27.65
<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	0.00	0.00%	103.0	16.26	16.75	11.36
Capital & Credit Merchant Bank	Dec-31	8.4	1.0	18.0	1.0	0.30%	39.29	0.30%	18.33	3.30	0.20	6.45%	15.6	21.15	3.30	0.65
Dehring Bunting & Golding	Mar-31	19.8	2.0	22.0	2.0	0.83%	12.40	0.82%	11.14	2.45	0.10	4.26%	21.1	11.63	2.45	2.15
Guardian Holdings	Dec-31	625.0	54.0	300.00	54.0	1.54%	5.62	1.54%	11.70	35.10	0.00	0.00%	312.0	11.25	35.15	31.80
JMMB	Mar-31	7.1	1.5	11.0	1.5	0.86%	24.65	0.86%	15.91	1.75	0.05	2.94%	7.0	25.00	2.13	1.00
National Enterprises	Mar-31	81.0	41.0	90.0	41.0	3.94%	12.84	3.94%	11.56	10.40	0.00	0.00%	86.0	12.09	10.40	5.71
Sagicor Financial Corporation	Dec-04	66.4	18.0	72.5	24.0	1.29%	21.08	1.71%	19.31	14.00	0.00	0.00%			14.00	12.86
<b>Conglomerates</b>																
ANSA Mc AI	Dec-31	144.0	65.0	172.0	65.0	1.54%	29.34	1.54%	24.56	42.25	0.24	0.57%	152.0	27.80	42.25	23.00
B'dos Shipping & Trading	Sep-30	179.1	51.0	179.1	51.0	2.12%	13.43	2.12%	13.43	24.05	0.00	0.01%	179.1	13.43	24.05	17.10
Grace, Kennedy & Co.	Dec-31	61.2	7.1	67.0	7.1	0.56%	20.67	0.56%	18.88	12.65	0.05	0.40%	64.4	19.64	12.65	5.75
Neal & Massy Holdings	Sep-30	243.0	76.0	279.00	76.0	1.54%	20.27	1.54%	17.65	49.25	0.25	0.51%	243.00	20.27	49.25	26.55
<b>Trading</b>																
Agostini's	Sep-30	18.6	9.0	18.6	9.0	0.87%	55.38	0.87%	55.38	10.30	0.00	0.00%	18.6	55.38	10.30	6.00
BWIA	Dec-31	0.0	0.0	0.0	0.0	0.00%	0.00	0.00%	0.00	0.60	0.00	0.00%	0.0	0.00	3.00	0.21
Furness T'dad	Dec-31	14.0	5.0	38.0	5.0	0.87%	41.07	0.87%	15.13	5.75	0.00	0.00%	26.0	22.12	5.75	5.00
LJ Williams A	Dec-31	0.0	0.0	0.0	0.0	0.00%	0.00	0.00%	0.00	0.62	0.00	0.00%	0.5	124.00	0.62	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	0.00	0.00%	4.80	25.00	1.50	1.20
Prestige Holdings	Nov-30	27.4	17.0	42.0	20.0	1.83%	33.94	2.15%	22.14	9.30	0.05	0.54%	38.0	24.47	9.30	4.40
<b>Property</b>																
PLIPDECO	Dec-31	170.00	21.0	175.00	21.0	0.95%	12.94	0.95%	12.57	22.00	0.00	0.00%	170.0	12.94	22.00	11.15
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	31.0	12.0	40.0	12.0	2.38%	16.29	2.38%	12.63	5.05	0.00	0.00%	37.0	13.65	5.05	4.25
Berger Paints Trinidad	Dec-31	0.0	17.0	0.0	17.0	5.15%	0.00	5.15%	0.00	3.30	0.04	1.23%	39.0	8.46	6.00	3.00
Caribbean Comm Network	Dec-31	54.0	25.0	63.0	28.0	2.37%	19.56	2.65%	16.76	10.56	0.00	0.00%	57.0	18.53	10.56	6.92
Flavorite Foods	Dec-31	24.0	10.5	41.0	13.0	2.26%	19.38	2.80%	11.34	4.65	0.00	0.00%	24.0	19.38	4.65	3.60
National Flour Mills	Dec-31	23.0	16.0	23.0	16.0	5.61%	12.39	5.61%	12.39	2.85	0.00	0.00%	20.0	14.25	4.00	2.80
Readymix (West Indies)	Dec-31	44.0	15.0	48.0	15.0	2.16%	15.80	2.16%	14.48	6.95	0.00	0.00%	45.0	15.44	6.95	6.05
Trinidad Cement	Dec-31	50.0	18.0	60.0	19.0	2.21%	16.30	2.33%	13.58	8.15	0.10	1.24%	56.0	14.55	8.15	5.60
Trinidad Publishing Co.	Dec-31	45.0	25.0	56.0	30.0	2.42%	23.00	2.90%	18.48	10.35	0.05	0.49%	49.0	21.12	10.35	6.91
Unilever Caribbean Limited	Dec-31	142.0	170.0	160.0	150.0	5.86%	20.42	5.17%	18.13	29.00	0.00	0.00%	152.0	19.08	30.31	29.00
West Indian Tobacco Co.	Dec-31	104.5	103.0	120.0	110.0	4.61%	21.39	4.92%	18.63	22.35	0.00	0.00%	113.1	19.76	22.45	19.91