



## WEEKLY MARKET UPDATE

November 11, 2005

### Main Board

#### Market Data

Volume: 4,118,504  
Value: \$ 75,540,095.76  
Advances/Declines: 7/13  
Composite Index: 1090.1234  
Nominal Change in Index: -2.6482  
Percentage Change in Index: - 0.24 per cent  
All T&T Index: 1370.8496  
Nominal Change in All T&T Index: -0.6705  
Percentage Change in All T&T Index: -0.05 per cent

#### Volume Leaders by Company:

RBTT Financial Holdings Limited – 1,371,754 shares or 33.31 per cent  
Dehring, Bunting & Golding Limited – 1,273,542 shares or 30.92 per cent  
Jamaica Money Market Brokers Limited – 257,416 shares or 6.25 per cent

#### Major Advances:

BWIA West Indies Airways up 30.88 per cent or 21 cents  
Caribbean Communications Network up 1.47 per cent or 29 cents  
Capital & Credit Merchant Bank up 0.98 per cent or 2 cents

#### Major Declines:

Jamaica Money Market Brokers Limited down 7.69 per cent or 10 cents  
Unilever Caribbean Limited down 3.60 per cent or 80 cents  
Barbados Shipping & Trading Limited down 3.08 per cent or 66 cents

#### Exchange Rate

US\$1 = TT\$6.2999

#### Second Tier Market

Mora Ven Holdings share price remained at \$2.50 per share and First National Credit Union's share price remained at \$1.05 per share as no shares traded in either security this week.

#### Mutual Fund Market

A total of 2000 Praetorian Property Mutual Fund shares traded this week as the share price fell 6 cents from \$5.74 to \$5.68 per share.

### Weekly Summary

Total volume of shares traded this week reached 4,118,504 and was valued at \$75,540,095.75. Seven shares advanced and thirteen declined for the week leaving fourteen unchanged. The Composite Index fell 2.6482 points or 0.24 per cent to end the week on 1090.1234 points and the All T&T Index dropped 0.6705 points or 0.05 per cent to 1370.8496 points.

RBTT Financial Holdings Ltd ended the week with the highest volume of shares traded. A total of 1,371,754 RBTT shares changed hands, which represented 33.31 per cent of the total volume. The second highest volume trades were in Dehring, Bunting & Golding shares with 1,273,542 shares traded or 30.92 per cent of all trades. Jamaica Money Market Brokers had 257,416 shares traded for 6.25 per cent of the total volume and was the third highest volume traded.

BWIA West Indies Airways share price jumped 30.88 per cent, which was the highest percentage increase this week to close at 89 cents per share, up 21 cents. BWIA was the only share within the Trading companies sector to change this week, which resulted in the average share price within the sector increasing by 5.15 per cent. All other sectors recorded declines in their average share price.

Caribbean Communications Network registered the second highest percentage share price increase gaining 1.47 per cent or 29 cents to \$19.99 per share. Capital & Credit Merchant Bank was third with a 0.98 per cent increase in share price to \$2.06 per share, up 2 cents.

Jamaica Money Market Brokers recorded the sharpest decline as its share price continued to slide, reaching \$1.20 per share, down 7.69 per cent or 10 cents. Unilever Caribbean Limited lost 3.60 per cent or 80 cents off its share price to close at \$21.40 per share. Barbados Shipping and Trading Limited followed with a 3.08 per cent drop in share price to \$20.79 per share, down 66 cents.

### Guardian Holdings Limited

*Results for the nine months ended 30 September 2005.*

Guardian Holdings Ltd (GHL) recorded revenue of \$1.03 billion for the third quarter, up 51.71 per cent from the corresponding three months in 2004. Operating profit of \$146.94 million was achieved, which was a turnaround from a loss of \$74.8 million experienced in the comparative period. Profit after tax reached \$100.29 million in 2005 compared with a \$90.71 million loss in 2004.

Overall, Revenue for the nine month period has been bolstered by premium income from Zenith Insurance Ltd, which was recently acquired by the Group. This was the principal contributor to the 28.61 per cent increase in total Revenue from \$2.53 billion achieved in the comparative period in 2004 to the current attainment of \$3.25 billion. Despite this accomplishment, a significant drop in operating

profit margin from 21.52 per cent to 11.51 per cent was experienced due to a considerable fall in operating profit from \$543.68 million in 2004 to \$374.04 million in 2005, down 31.20 per cent.

Poor performances from the Trinidad and Tobago and Jamaican Stock Markets for the year thus far, have affected the Group's investment portfolio returns and by extension the operating profit. Whereas for the same period last year both Stock Markets and GHL's investment portfolio produced very healthy returns.

GHL's share of results from associated companies was also a major improvement from 2004, moving from a loss of \$14.34 million to a \$27.09 million profit. Although Finance charges increased by 26.78 per cent to \$95.17 million the effect on Profit before tax was softened by the non recurrence of a \$14.5 million goodwill charge in 2004. The Group reported before tax profits of \$305.96 million which was 30.43 per cent lower than the comparative profit however the effective tax rate increased from 5.98 per cent to 17.65 per cent causing a 39.06 per cent reduction in profit after tax to \$251.96 million. Net profit margin fell from 16.36 per cent to 7.75 per cent.

The third quarter saw earnings increase by 50 cent per share to \$1.27 for the year thus far. We therefore revise our forecasts for year end earnings to \$2.25 per share as GHL seems unlikely to meet its previous target of \$3.84 per share. Whereas the core activities are meeting and in some cases surpassing outlined targets, other underlying assumptions of the earnings forecast appear unrealizable. Three areas negatively impacting on the \$3.84 earnings per share materializing are:

- (1) the unlikely increase of 15 per cent in the Trinidad and Tobago Stock Exchange Composite Index
- (2) the Jamaica Stock Exchange Index unlikelihood of closing the year up 12 per cent and
- (3) the cyclical "soft market" conditions being experienced in the UK with attendant pressure on premium rates and margins

At the current price of \$38.99 per share, GHL shares are trading at a multiple of 17.33 times our revised forecast earnings of \$2.25 per share.

### **GraceKennedy Limited**

*Results for the Nine months ended 30 September 2005*  
Amounts in Jamaican Dollars

Earnings for the third quarter 2005 was 5.44 per cent lower than for the comparative period in 2004, down from \$1.47 to \$1.39 per share. Despite Revenues of \$8.48 billion being 12.9 per cent higher than in the third quarter last year, expenses grew by 15.70 per cent to \$7.97 billion resulting in an 18.03 per cent drop in operating income from \$623.65 million to \$511.2 million. Other income rose by 57.32 per cent to \$90.31 million and finance income up 27.0 per cent,

while the Group's share of results from associated companies increased from \$3.56 million to \$10.6 million. As a result, profit before tax for the quarter was down by only 7.94 per cent to \$677.98 million. Profit attributable to equityholders of \$464.2 million was 4.86 per cent lower than last year.

For the entire nine month period, the Group amassed revenues of \$24.85 billion, up 11.35 per cent, while incurring expenses of \$23.35 billion, an increase of 13.07 per cent from the corresponding period in 2004. As a result operating income declined 9.85 per cent to \$1.5 billion. Finance income increased significantly from \$108.14 million to \$233.47 million, up 115.90 per cent, while the Group's share of profit from associated companies grew by 36.93 per cent to \$83.07 million and other income was up 52.68 per cent to \$320.93 million.

After tax profits rose marginally to \$1.48 billion, up 1.10 per cent, while profit attributable to equityholders increased by 3.50 per cent to \$1.43 billion. Earnings for the nine months were posted at \$4.29 per share which is 12 cents higher than last year's comparative of \$4.17.

The Balance Sheet shows growth in receivables of 12.55 per cent or \$707.58 million to \$6.34 billion. There was no adverse effect on the cash position as this was financed by a 5.14 per cent or \$171.15 million reduction in inventories to \$3.16 billion and an 11.70 per cent or \$854.76 million increase in payables, which stood at \$8.16 billion. Cash and cash equivalents of \$4.44 billion at the end of the period was 51.98 per cent higher than one year ago. Working capital increased by 10.01 per cent to \$6.1 billion while net assets employed was 13.68 per cent higher at \$20.64 billion.

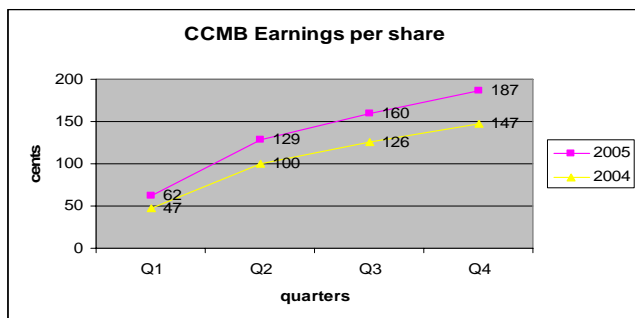
Based on these results, we revise our forecast year end earnings down to TT 70 cents per share our previous TT 75 cents. On the Stock Market this year GKC share price has dropped 13.64 per cent from its opening price of \$12.10 to \$10.45, down \$1.65. At the current price of \$10.45 per share, GKC shares are trading at a multiple of 14.93 times our revised forecasted earnings.

### **Capital & Credit Merchant Bank**

*Nine month results to 30 September 2005*  
Amounts in Jamaican Dollars

Capital & Credit Merchant Bank (CCMB) had another successful quarter to 30 September 2005, reaping in earnings of 31 cents per share, up 5 cents from the corresponding quarter last year. Added to the 62 cents posted for the first quarter and 67 cents for the second quarter, the third quarter results bring total earnings for the nine months to \$1.60 per share, up 34 cents or 26.98 per cent. The Group has already surpassed earnings of \$1.47 per share achieved for the entire 2004 reporting period and is well on its way to achieving our forecast earnings of \$1.87 for all of 2005. At a conversion rate of J'ca\$10.00 to

TT\$1.00, a comparison of CCMB's achievements appear as follows:



Total net interest income for the three quarters declined by 8.40 per cent to \$814.26 million and dividend income fell 42.98 per cent to \$18.53 million, while there was a small loss in foreign exchange margins from cambio trading. Nonetheless, significant increases in commission fees of 73.59 per cent to \$61.34 million, gains on securities trading of 115.85 per cent to \$908.9 million and other income of 33.06 per cent to \$19.14 million pushed net revenue to \$1.82 billion, up 30.55 per cent. The Directors of the Group attribute the growth in revenue to CCMB's aggressive pursuit of its diversification strategy.

The efficiency ratio of the Group or percentage of non interest expenses to net revenue, measures at 38.29 per cent, up from 34.25 per cent in 2004. Non interest expenses totalled \$697.66 million, up 45.93 per cent from \$478.09 million and resulted in a 22.54 per cent increase in profit before tax to \$1.12 billion. After tax profits increased by 26.94 per cent to reached \$936.44 million to which minority interests contributed \$5.43 million, resulting in profits attributable to equityholders of \$941.78 million, up 27.67 per cent. CCMB shares are currently trading at \$2.06 per share on the local Stock Market which provides a multiple of 11.02 times our year end earnings of TT 18.7 cents.

CCMB is currently holding a Rights Issue which is ultimately intended to broaden the ownership base of the Bank and provide additional capital for continued expansion for the fulfilment of the Group's objectives. The Rights are being offered to Shareholders at a rate of 1 share for every 10 held and closes on 15 November 2005. CCMB has also embarked on a staff recruitment and training initiative designed to facilitate the diversification of income streams, proper management of market and operating risks and meet the growing needs of the customer base. New technology designed to provide real-time solutions is expected to be introduced in the last quarter to enhance customer service and corporate competence as well as

strengthen the business model for sustained growth and profitability.

### Dehring Bunting & Golding Ltd

*Interim results to 30 September 2005*

Amounts in Jamaican Dollars

Dehring, Bunting & Golding Ltd (DB&G) net interest revenue margin for the half year to 30 September jumped from 16.46 per cent in 2004 to 25.18 per cent in 2005. Whereas interest revenue increased by a marginal 2.05 per cent from \$1.53 billion to \$1.56 billion, interest expense was reduced to \$1.16 billion, down 8.61 per cent, causing a hike in net interest revenue of 56.14 per cent to \$392.05 million.

The Company recorded gains on security trading of \$192.14 million, up 49.27 per cent from the comparative period last year, of which \$40.8 million are from mark to market trading assets. The second quarter saw a turnaround from a loss of \$11.6 million in foreign exchange trading in the first three months to record a \$15.18 million gain for the half-year. This gain is 78.25 per cent lower than the \$69.81 reported for the same period in 2004. Fees and other income were up 7.87 per cent to \$130.07 million bringing net revenue to \$729.45 million, an increase of 27.93 per cent.

DB&G profit after tax of \$150.02 million for the second quarter was marginally lower compared to the first quarter and resulted in total profit after tax of \$301.05 million for the year thus far. Net profit margin rose from 14.79 per cent to 19.34 per cent. Earnings of 99 cents per share for the six-month period was 21 cents or 26.92 per cent higher than the 78 cents posted in 2004.

Strong growth in Stockholders' equity of 58.52 per cent to \$2.51 billion is due primarily to the sharp increase in retained profits from \$1.32 billion to \$2.10 billion up 58.22 per cent. The asset base of the company grew by 13.27 per cent or \$3.18 billion over one year to September 2005. Investments at \$15.94 billion are still a major part of the total assets of the Company and with the expectations of the Stock Markets to rally in the fourth and first quarter of the fiscal year DB&G is poised to produce year-end earnings of around TT 30 cents per share.

DB&G shares currently trade at \$2.00 per share on the local Stock Market, which gives a multiple of 6.67 times our projected year end earnings, which indicates that there may be some potential for appreciation in the short term.

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Member of the Trinidad and Tobago Stock Exchange Ltd.

VOLUME 4,118,504  
 VALUE \$ 75,540,095.76

## WISE WEEKLY MARKET UPDATE

as at : Friday, November 11, 2005.

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COMPOSITE INDEX 1,090.1234 ALL T&T INDEX 1,370.8496 Adv./Dec. Ratio 7/13  
 CHANGE -2.6482 CHANGE -0.6705  
 % CHANGE -0.24% % CHANGE -0.05%

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	15.6	107.0	25.0	1.16%	41.51	1.85%	12.61	13.49	-0.01	-0.07%	98.7	13.67	13.60	9.00
National Commercial Bank Jamaica	Sep-30	13.0	4.8	13.0	4.8	0.00%	14.08	2.62%	14.08	1.83	0.01	0.55%	9.8	18.67	2.80	1.67
RBTT Financial Holdings	Mar-31	268.0	118.0	312.0	135.0	2.95%	14.93	3.38%	12.82	40.00	-0.04	-0.10%	303.0	13.20	45.50	36.37
Republic Bank	Sep-30	509.0	225.0	509.0	225.0	2.43%	18.17	2.43%	18.17	92.50	-1.79	-1.90%	509.0	18.17	113.26	70.00
Scotiabank	Oct-31	173.1	74.0	185.0	78.0	1.87%	22.82	1.97%	21.36	39.51	0.01	0.03%	173.2	22.81	40.00	30.10
<b>Non-Banking/Finance</b>																
ANSA Fin. & Merch. Bank	Dec-31	106.0	32.0	100.0	32.0	1.60%	18.87	1.60%	20.00	20.00	0.00	0.00%	102.0	19.61	23.00	15.05
Capital & Credit Merchant Bank	Dec-31	14.7	1.0	18.7	1.0	0.49%	14.01	0.49%	11.02	2.06	0.02	0.98%	18.1	11.38	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	-0.05	-2.44%	26.2	7.63	2.75	2.00
Guardian Holdings	Dec-31	300.0	50.0	225.00	70.0	1.28%	13.00	1.80%	17.33	38.99	-0.18	-0.46%	215.0	18.13	46.00	35.01
JMMB	Mar-31	11.3	1.5	11.3	1.5	1.25%	10.62	1.25%	10.62	1.20	-0.10	-7.69%	7.0	17.14	1.90	1.20
National Enterprises	Mar-31	76.0	48.0	76.0	48.0	4.03%	15.66	4.03%	15.66	11.90	0.00	0.00%	76.0	15.66	16.50	9.00
Sagikor Financial Corporation	Dec-04	78.0	30.0	155.0	60.0	2.14%	17.95	4.29%	9.03	14.00	-0.10	-0.71%	140.0	10.00	15.50	12.86
<b>Conglomerates</b>																
ANSA Mc AI	Dec-31	182.0	65.0	220.0	75.0	1.58%	22.57	1.83%	18.67	41.07	0.24	0.59%	195.0	21.06	49.00	30.00
B'dos Shipping & Trading	Sep-30	179.1	51.0	195.0	51.0	2.45%	11.61	2.45%	10.66	20.79	-0.66	-3.08%	200.6	10.37	27.15	18.15
GraceKennedy Limited	Dec-31	67.2	7.1	70.0	8.0	0.68%	15.55	0.77%	14.93	10.45	-0.05	-0.48%	68.3	15.30	12.70	9.50
Neal & Massy Holdings	Sep-30	243.0	76.0	279.00	76.0	1.69%	18.51	1.69%	16.12	44.98	-0.02	-0.04%	265.00	16.97	59.01	31.26
<b>Trading</b>																
Agostini's	Sep-30	18.6	9.0	55.0	25.0	1.00%	48.39	2.78%	16.36	9.00	0.00	0.00%	36.6	24.59	10.50	8.30
BWIA	Dec-31	0.0	0.0	0.0	0.0	0.00%	0.00	0.00%	0.00	0.89	0.21	30.88%	0.0	0.00	1.80	0.21
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	5.25
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	3.33%	0.00	2.67%	0.00	1.50	0.00	0.00%	5.00	30.00	1.59	1.10
Prestige Holdings	Nov-30	39.1	24.0	45.0	27.0	2.03%	30.32	2.28%	26.33	11.85	0.00	0.00%	43.2	27.43	12.00	7.50
<b>Property</b>																
PLIPDECO	Dec-31	126.00	21.0	130.00	22.0	1.16%	14.40	1.21%	13.95	18.14	0.00	0.00%	109.0	16.64	22.00	17.50
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	2.22%	18.62	2.22%	18.62	5.40	-0.04	-0.74%	29.0	18.62	6.35	4.35
Berger Paints Trinidad	Dec-31	0.0	17.0	0.0	17.0	5.00%	0.00	5.00%	0.00	3.40	0.00	0.00%	39.0	8.72	3.70	3.10
Caribbean Comm Network	Dec-31	80.0	44.0	112.0	60.0	2.20%	24.99	3.00%	17.85	19.99	0.29	1.47%	90.0	22.21	21.50	8.00
Flavorite Foods	Dec-31	45.2	10.5	72.0	21.0	2.14%	10.84	4.29%	6.81	4.90	0.00	0.00%	56.1	8.73	4.90	4.10
National Flour Mills	Dec-31	13.6	13.0	11.0	9.0	6.50%	14.71	4.50%	18.18	2.00	0.00	0.00%	10.6	18.87	3.20	1.80
Readymix (West Indies)	Dec-31	24.0	9.0	24.0	9.0	1.71%	21.88	1.71%	21.88	5.25	0.00	0.00%	24.0	21.88	7.20	5.20
Trinidad Cement	Dec-31	67.0	20.0	80.0	24.0	1.68%	17.72	2.02%	14.84	11.87	-0.03	-0.25%	70.0	16.96	12.99	6.15
Trinidad Publishing Co.	Dec-31	50.0	28.0	60.0	33.0	2.21%	25.32	2.61%	21.10	12.66	0.06	0.48%	55.0	23.02	12.66	7.85
Unilever Caribbean Limited	Dec-31	119.0	110.0	119.0	110.0	5.14%	17.98	5.14%	17.98	21.40	-0.80	-3.60%	115.0	18.61	29.36	21.40
West Indian Tobacco Co.	Dec-31	116.6	114.0	120.0	114.0	4.77%	20.50	4.77%	19.92	23.90	0.00	0.00%	114.2	20.93	23.90	17.70