



## WEEKLY MARKET UPDATE

April 07, 2006

### Main Board

#### Market Data

Volume: 1,010,350

Value: \$27,303,156.61

Advances/Declines: 4/12

Composite Index: 950.3283

Nominal Change in Index: -8.2503

Percentage Change in Index: -0.86 per cent

Year-to-Date Percentage Change: -10.97 per cent

All T&T Index: 1,156.7259

Nominal Change in All T&T Index: -13.6424

Percentage Change in All T&T Index: -1.17 per cent

Year-to-Date Percentage Change: -12.57 per cent

### Volume Leaders by Company:

Sagicor Financial Corporation – 154,823 shares traded or 15.32 per cent

Republic Bank Limited – 150,140 shares traded or 14.86 per cent

National Commercial Bank Jamaica Limited – 129,015 shares traded or 12.77 per cent

### Major Advances:

Unilever Caribbean Limited up 24 cents or 1.49 per cent

Agostini's Limited up 15 cents or 1.39 per cent

Ansa McAl Limited up 19 cents or 0.47 per cent

### Major Declines:

National Flour Mills down 14 cents or 11.20 per cent

Trinidad Cement Limited down 99 cents or 11.01 per cent

Guardian Holdings Limited down \$1.00 or 5.00 per cent

### Exchange Rate

US\$1 = TT\$6.3329

### Second Tier Market

There were no trades on the Second Tier Market this week.

### Mutual Fund Market

A total of 20,250 Praetorian Property Mutual Fund shares changed hands this week while 450 shares of Savinvest India Asia Fund crossed the floor. There was however no price changes in the Mutual Fund Market this week.

### Weekly Summary

The volume of shares traded was thin this week as a total of 1,010,350 shares changed ownership worth \$27,303,156.61 compared to 1,380,693 shares being traded last week.

Bearish conditions continued to prevail as the Composite Index fell 0.86 per cent to 950.3283 while the All T&T Index dropped 1.17 per cent to 1,156.7259. Four shares advanced while twelve declined.

Sagicor Financial Corporation emerged as the volume leader this week with a total of 154,823 shares crossing the floor which was 15.32 per cent of all trades. Republic Bank Limited followed with a total of 150,140 shares changing ownership which was 14.86 per cent of all trades. All of these shares changed hands on the second day of trading this week. National Commercial Bank Jamaica Limited saw 129,015 shares being traded which was 12.77 per cent of all trades.

The biggest positive price mover this week was Unilever Caribbean Limited moving up 24 cents or 1.49 per cent to \$16.35. Agostini's Limited and Ansa McAl continued to appreciate this week as Agostini's Limited rose 15 cents or 1.39 per cent to \$10.95 while Ansa McAl Limited increased 19 cents or 0.47 per cent to \$40.30.

The biggest decline of the week belonged to National Flour Mills falling 14 cents or 11.20 per cent to \$1.11. Trinidad Cement Limited followed dropping 99 cents or 11.01 per cent to \$8.00 while Guardian Holdings Limited fell \$1.00 or 5.00 per cent to \$19.00.

In Jamaica, all indices were down from last week's close. The JSE Market Index was down 2.38 per cent to 84,828.81, the JSE Select Index dropped 3.30 per cent to 2,266.51 while the Jamaican All Composite Index fell 3.39 per cent to 82,890.12.

### ANSA Merchant Bank Limited

#### *Results for the year ended December 31, 2005*

In the audited financial statements for the year ended December 31, 2005, ANSA Merchant Bank Limited (AMBL) reported an EPS of \$1.21, representing an increase of 18.63% from \$1.02 in the previous year. The merger between the Tatil Insurance Group and the former ANSA Finance and Merchant Bank Limited seems to be achieving the anticipated synergies, after delivering a fairly flat performance in the first year in operations (2004 8% growth in EPS). What is especially significant is that at the half year, AMBL recorded a drop in the comparative half-year positions of 9.94%, thus the second half of 2005 was the driver of the improved performance.

Each of AMBL's revenue streams showed improved performances, with main contributors, Net Insurance Revenue (2004-\$153 million; 2005-\$190 million) and Investment Income (2004-\$95.6 million; 2005-\$116 million), displaying the highest growth levels. Total Income increased 18.23% from \$335.3 million to \$396 million.

Claims Incurred increased significantly in 2005 (43.56%) to \$109 million, making this the main component of the Company's expenses. The General Administrative and Selling Expenses, and Interest Expense also increased significantly, however, a smaller outflow from Changes in Long Term Insurance Contracts softened the impact of Total Expenses, which increased from \$234 million to \$279 million. Profit before Taxation moved from \$101 million to \$117 million, representing a 16% increase over the twelve-month period. AMBL's bottom line was helped further by a reduction in the effective tax rate, which dropped from 14.76% to 13.26%, resulting in an increase in Net Profit after Tax from \$86 million to \$101 million.

The turnaround in the second quarter is an encouraging sign for ANSA Merchant Bank Limited. However, even though the company has generated growth of 18% in 2005, at the current share price of \$19.99, the shares are trading at a multiple of 16.52 times. This multiple in the current market is still relatively high, given that the other companies in this sector are trading at values ranging from 6-13 times. Though AMBL has a very limited float available to the public as over 80% of the shares are held by the parent company (the ANSA Mc Al Group), it is uncertain whether even the lack of supply would support this multiple.

Based on a forecasted growth in earnings of 20%; on the premise that the rate of growth for the second half of 2005 would carry into the 2006 financial year, the estimated EPS has been placed in the range of \$1.40 to \$1.45. Using the forecasted EPS, the P/E multiple is 13.78 times. Even this multiple is still at a premium to the sector, the combination of the small float and the potential for growth lead us to revise our recommendation for ANSA Merchant Bank Limited to a HOLD.

### **Point Lisas Development Corporation** **Results for the year ended December 31, 2005**

Point Lisas Development Corporation (PLIPDECO) results fell below expectations projected by the Chairman in the first half of the year as he was optimistic that increasing port volumes and efforts to improve efficiency would translate into significantly improved results at the year end. The second half of the year however, brought in earnings of only 55 cents per share compared to 61 cents earned in the

first half, showing no sign of any noteworthy improvement in performance. This brings the total Earnings Per Share to 116 cents, a decrease of 7.94 per cent from 2004.

The 6.53 per cent in Turnover in the first half of the year dropped to an increase of only 3.17 per cent year on year from \$187.230 million in 2004 to \$193.171 million in 2005. High operating port costs continue to plague the Company as Direct Costs increased 15.16 per cent to \$60.571 million in 2005 thereby offsetting any increase in Turnover to result in a decline in Gross Profit of 1.51 per cent to \$132.600 million.

Operating Profit fell by a greater margin (19.49 per cent) from \$73.423 million in 2004 to \$59.114 million to 2005 as there was a 20.37 per cent decrease in Unrealized Fair Value Gains and an 18.25 per cent increase in Administrative Expenses. Other Operating Expenses decreased 6.75 per cent to \$37.536 million in 2005. The Group's Operating Profit Margin decreased from 39.22 per cent in 2004 to 30.60 per cent in 2005 indicating that the Company continues to have problems controlling its operating costs. There was no significant change in Finance Costs.

Profit Before Taxation dropped 24.30 per cent to \$43.326 million. Profit After Tax also decreased 8.17 per cent to \$45.908 million in 2005 down from \$49.990 million in 2004. The Profit After Tax figure for this year was however higher than Profit Before Tax as the Company enjoyed a tax write back of \$2.582 million.

It is apparent that without the high unrealized fair value gains previously experienced by the Company, its weak core operating performance is now more transparent. At the current price of \$10.00, this Company is currently trading at a price/earnings ratio of 8.62. Given the anaemic operating performance however, we currently recommend this share as a 'HOLD'.

The Board of Directors has declared a final dividend of 11 cents to be paid on May 15, 2006. The ex-dividend date for this share is April 25, 2006.

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Member of the Trinidad and Tobago Stock Exchange Ltd.

VOLUME 1,010,350  
 VALUE \$ 27,303,156.61

## WISE WEEKLY MARKET UPDATE

as at : Friday, April 7, 2006.

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COMPOSITE INDEX	950.3283	ALL T&T INDEX	1,156.7259	Adv./Dec. Ratio	4/12
CHANGE	-8.2503	CHANGE	-13.6424		
% CHANGE	-0.86%	% CHANGE	-1.17%		
YTD % Change	-10.97%	YTD % Change	-12.57%		

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	75.0	18.8	1.99%	12.63	1.40%	17.93	13.45	0.00	0.00%	68.7	19.58	13.51	13.00
National Commercial Bank Jamaica	Sep-30	17.4	4.8	17.4	4.8	0.00%	8.05	3.43%	8.05	1.40	0.00	0.00%	18.1	7.73	2.46	1.39
RBTT Financial Holdings	Mar-31	268.0	118.0	295.0	135.0	3.81%	11.57	4.35%	10.51	31.00	-0.30	-0.96%	286.0	10.84	45.53	31.00
Republic Bank	Sep-30	509.0	225.0	509.0	225.0	2.54%	17.39	2.54%	17.39	88.50	0.00	0.00%	509.0	17.39	113.26	87.00
Scotiabank	Oct-31	193.0	80.0	225.0	80.0	2.00%	20.73	2.00%	17.78	40.00	0.04	0.10%	209.9	19.06	40.89	37.55
<b>Non-Banking/Finance</b>																
ANSA Fin. & Merch. Bank	Dec-31	121.0	32.0	145.0	32.0	1.60%	16.52	1.60%	13.79	19.99	0.00	0.00%	121.0	16.52	23.00	17.77
Capital & Credit Merchant Bank	Dec-31	19.3	2.5	19.3	2.5	1.40%	9.07	1.40%	9.07	1.75	-0.04	-2.23%	19.3	9.07	3.30	1.75
Dehring Bunting & Golding	Mar-31	26.5	2.0	30.0	2.0	1.23%	6.23	1.21%	5.50	1.65	-0.05	-2.94%	28.6	5.77	2.75	1.65
Guardian Holdings	Dec-31	185.0	55.0	185.00	55.0	2.89%	10.27	2.89%	10.27	19.00	-1.00	-5.00%	185.0	10.27	46.32	19.00
JMMB	Mar-31	11.3	1.5	11.3	1.5	1.00%	13.27	1.00%	13.27	1.50	0.00	0.00%	11.7	12.82	1.85	1.15
National Enterprises	Mar-31	76.0	48.0	76.0	48.0	5.40%	11.70	5.40%	11.70	8.89	-0.01	-0.11%	79.0	11.25	16.50	8.89
Sagikor Financial Corporation	Dec-04	78.0	30.0	155.0	60.0	2.35%	16.33	4.71%	8.22	12.74	-0.26	-2.00%	152.0	8.38	15.50	12.74
<b>Conglomerates</b>																
ANSA Mc AI	Dec-31	261.0	65.0	261.0	65.0	1.61%	15.44	1.61%	15.44	40.30	0.19	0.47%	261.0	15.44	49.05	39.95
B'dos Shipping & Trading	Sep-30	198.0	56.7	198.0	56.7	2.89%	9.90	2.89%	9.90	19.60	0.00	0.00%	108.0	18.15	27.15	19.50
GraceKennedy Limited	Dec-31	67.2	7.1	70.0	8.0	1.13%	9.38	1.27%	9.00	6.30	0.00	0.00%	68.3	9.22	12.60	6.11
Neal & Massy Holdings	Sep-30	280.0	88.0	280.00	88.0	2.12%	14.82	2.12%	14.82	41.50	-2.00	-4.60%	280.00	14.82	59.01	41.50
<b>Trading</b>																
Agostini's	Sep-30	91.5	33.0	93.4	33.0	3.01%	11.97	3.01%	11.72	10.95	0.15	1.39%	100.0	10.95	10.95	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	0.30
Furness T'dad	Dec-31	47.0	0.0	47.0	0.0	0.00%	13.09	0.00%	13.09	6.15	0.00	0.00%	47.0	13.09	6.15	6.15
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	3.79%	0.00	3.03%	0.00	1.32	0.00	0.00%	5.00	26.40	1.59	1.10
Prestige Holdings	Nov-30	46.4	21.0	46.4	21.0	2.10%	21.55	2.10%	21.55	10.00	0.00	0.00%	46.4	21.55	12.00	9.85
<b>Property</b>																
PLIPDECO	Dec-31	116.00	21.0	116.00	22.0	2.10%	8.62	2.20%	8.62	10.00	0.00	0.00%	116.0	8.62	22.00	8.70
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	180.0	12.0	5.0	12.0	2.09%	3.19	2.09%	114.80	5.74	-0.01	-0.17%	180.0	3.19	7.50	4.35
Berger Paints Trinidad	Dec-31	24.0	17.0	7.0	17.0	5.00%	0.00	5.00%	0.00	3.40	0.00	0.00%	39.0	8.72	3.45	3.36
Flavorite Foods	Dec-31	45.2	10.5	72.0	21.0	2.08%	11.17	4.16%	7.01	5.05	0.00	-11.20%	56.1	9.00	5.05	4.80
National Flour Mills	Dec-31	13.6	13.0	11.0	9.0	11.71%	8.16	8.11%	10.09	1.11	-0.14	-1.28%	10.6	10.47	2.85	1.11
One Caribbean Media	Dec-31	109.0	60.0	109.0	60.0	2.86%	19.27	2.86%	19.27	21.00	0.00	0.00%	109.0	19.27	21.50	13.26
Readymix (West Indies)	Dec-31	24.0	9.0	0.0	6.0	2.34%	16.04	1.56%	0.00	3.85	-0.05	-11.01%	-82.0	-4.70	7.00	3.80
Trinidad Cement	Dec-31	67.0	20.0	70.0	24.0	2.50%	11.94	3.00%	11.43	8.00	-0.99	0.00%	73.0	10.96	12.99	8.00
Trinidad Publishing Co.	Dec-31	91.0	32.0	91.0	32.0	2.43%	14.47	2.43%	14.47	13.17	0.00	1.49%	91.0	14.47	13.17	10.60
Unilever Caribbean Limited	Dec-31	133.0	115.0	145.0	120.0	7.03%	12.29	7.34%	11.28	16.35	0.24	0.00%	133.0	12.29	29.36	15.75
West Indian Tobacco Co.	Dec-31	137.4	135.0	137.4	135.0	5.87%	16.74	5.87%	16.74	23.00	-0.25	-1.08%	137.4	16.74	24.00	18.28