



### **Main Board**

#### **Market Data**

Volume: 2,661,823  
Value: \$78,277,717.37  
Advances/Declines: 4/14  
Composite Index: 971.4498  
Nominal Change in Index: -7.5837  
Percentage Change in Index: -0.77 per cent  
Year-to-Date Percentage Change: -8.99 per cent  
All T&T Index: 1189.0538  
Nominal Change in All T&T Index: -4.3818  
Percentage Change in All T&T Index: -0.37 per cent  
Year-to-Date Percentage Change: -10.12 per cent

#### **Volume Leaders by Company:**

RBTT Financial Holdings Limited – 1,671,796 shares traded or 62.81 per cent  
National Commercial Bank Jamaica – 423,038 shares traded or 15.89 per cent  
Republic Bank Limited – 253,184 shares traded or 9.51 per cent

#### **Major Advances:**

Agostini's Limited up 10 cents or 0.95 per cent  
Unilever up 8 cents or 0.50 per cent  
Scotiabank T&T Limited up 6 cents or 0.15 per cent

#### **Major Declines:**

GraceKennedy & Company Limited down 79 cents or 11.45 per cent  
National Commercial Bank Jamaica down 5 cents or 3.45 per cent  
National Flour Mills down 5 cents or 3.45 per cent

#### **Exchange Rate**

US\$1 = TT\$6.3300

#### **Second Tier Market**

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

#### **Mutual Fund Market**

Praetorian Property Mutual Fund saw 20,962 shares changing hands for the week all on the last day of trading. There were small volumes traded on each of the trading days for Savinvest India Asia Fund to ultimately total 1,250 at the end of the week. There was no change in price for any share listed on the Mutual Fund Market.

#### **Weekly Summary**

Trading activity continued to be robust this week with a total of 2,661,823 shares crossing the floor which was 20.31 per cent more than last week's volume of 2,212,389. The value of the shares changing hands this week was \$78,277,717.37. The Composite Index continued its decline falling 0.77 per cent to 971.4498 while the All T&T Index fell 0.37 per cent to 1,189.0538. Understandably, advances were outnumbered by declines by a 4 to 14 ratio.

The Banking Sector ruled activity on the floor this week as the top three volume leaders all emerged from this sector. RBTT was the volume leader with 1,671,796 share changing ownership which was 62.81 per cent of all trades. Following them was National Commercial Bank Jamaica accounting for 15.89 per cent of shares traded while Republic Bank was responsible for 9.51 per cent of market activity.

Leading advances this week was Agostini's Limited moving up 10 cents or 0.95 per cent to \$10.60 while Unilever moved up 8 cents or 0.50 per cent to close at \$16.10. Following them was Scotiabank appreciating 6 cents or 0.15 per cent to \$39.86.

Falling the most this week was GraceKennedy dropping 79 cents or 11.45 per cent to \$6.11. This decrease came on the heels of its year end audited results in which its Earnings Per Share fell 4.86 per cent to JCA\$6.26. Both National Commercial Bank Jamaica and National Flour Mills fell 5 cents or 3.45 per cent to \$1.40.

#### **Guardian Holdings Limited**

*Results for the year ended 31 December 2005.*

In the preliminary release of the audited financial statements of Guardian Holdings Limited (GHL) for the year ended December 31<sup>st</sup> 2005, the company as expected delivered a disappointing EPS of \$1.85, down 38% from the previous year (\$2.98). In spite of

the lower earnings reported, the Directors have declared a final dividend of \$0.40 payable to shareholders on record as at April 6<sup>th</sup> 2006. This brings the total dividends for the 2005 financial year to \$0.55 per share, which represents an increase of 10% over the dividends for 2004 (\$0.50). The main difference in the performance of the company over the last two years is the performance of the Trinidad and Tobago and Jamaican equities market which in 2004 contributed significantly in the form of mark-to-market gains; however in 2005 there was a significant contraction of share prices which translated into a diminished contribution of the Group's equity portfolio.

The Group's core insurance businesses performed credibly during the year. The addition of the Zenith Insurance Limited to the GHIL family and the Group's European operations had the effect of boosting Insurance Premium Revenue 59% from \$2.8 billion to \$4.4 billion over the comparative twelve month period. Other Revenue however, did not share similar fortunes, as this year it fell 35% from \$1.75 billion to \$1.14 billion. The falling away of Other Revenue was mostly due to the mark-to-market losses mentioned above. The significant growth of the Group's Insurance businesses was sufficient to cover the fall in Other Revenue, as GHIL managed a notable 22% increase in Total Revenues from \$3.6 billion to \$4.4 billion.

Significant increases in Net Insurance Benefits and Claims, which increased 45% (from \$1.6 billion to \$2.3 billion) combined with a 36% increase in Expenses (\$1.1 billion to \$1.5 billion) placed additional pressures on the Group's Operating Profit which fell 41%, from \$846 million to \$495 million. This fall in Operating Profit should be put in perspective though. The nominal fall in Operating Revenue was \$351 million, whilst the fall in Other Revenue was \$614 million (approximately \$3.13 per share), which means that the Group's Insurance businesses actually softened the extent of the blow of GHIL's Investment Portfolio by \$263 million, which translates to a cushioning effect of roughly \$1.34 per share. Another noteworthy element of improvement of GHIL's performance was the contribution by the Group's Associated Companies. In 2004, the Group bore a loss of \$72 million from Associated Companies due mainly to the losses from the overactive hurricane season. However, in 2005, there was a positive contribution of \$83 million due mainly to the positive contribution from the Lloyds investment.

The Group reported Profit before Taxation of \$456 million, representing a decrease of 35% from the previous year. Though the Group reflected a decrease in Taxation of 16%, the effective tax rate increased marginally from 17% to 18%. Profit after Taxation Attributable to Equity Holders of the Company was \$369 million, down 36% from \$580 million.

The Group's Asset Base increased 12% to \$17.3 billion, whilst Shareholder's Equity improved 17% from \$3.2 billion to \$3.7 billion

In the current climate of low investor confidence in the local market, these less than stellar results may place downward pressure on the share price. However, we maintain our confidence in the long run potential of this entity and see the current scenario as creating opportunities for the bargain hunting investor. The series of events which combined for the overall falling results are not expected to be permanent factors, and as such, when these factors turn to positive influences, the story of the GHIL share price may well show a positive ending. The key factors that would assist in the recovery of the performance of Guardian Holdings Limited are:

- A turnaround in the local and regional equities markets in which Guardian Holdings has a large portion of its investment portfolio invested.
- An improvement in the competitive environment and increased margins in Europe which would result in the improvements in Revenue reaching the bottom line.
- The continued focus on expansion into other territories in order to diversify risk.

One further attraction of the shares of Guardian Holdings Limited is the Group's value in terms of its Market to Book value, which currently stands in the region of 1.3 times. Reiterating a point from my fellow analyst's article on Value Investing: "This ratio indicates the relation between the market value per share of the company and the book value per share. A high market to book ratio would indicate that a company is overvalued while a low market to book ratio would indicate that the company is undervalued. A ratio of 5 would be considered high, 3 would be average and less than 2 would be low."

Investors with a long term focus may derive little benefit from panic selling, whilst new investors

would find that monitoring this share price gives the opportunity to acquire a valuable investment at a relatively cheap price. At the current price of \$23.89, the shares of GHJ are trading at a P/E multiple of 12.91, which is within the traditional trading range for GHJ.

### **Trinidad Publishing Company Limited**

*Audited Results for the Year Ended December 31, 2005.*

Trinidad Publishing Company reported impressive results for the year ended December 31, 2005 with its Earnings Per Share increasing 82.00 per cent to 91 cents fostered by the buoyancy of the economy. The Company also attributed the stellar performance to growth in the media market, the strong branding of its products and improvement in operational efficiency. The Company's Cable News Channel which entered the market in the last three months of the year, actually contributed 3 per cent to the Company's Revenue.

The Company's Turnover increased 23.11 per cent to \$122.021 million mainly driven by advertising

revenue from its printing operations which comprised 57 per cent of the Company's Revenue. Income before taxation rose a whopping 74.86 per cent to \$48.509 million in 2005. Trinidad Publishing's effective tax rate decreased from 27.61 per cent to 24.99 per cent while Income after Taxation rose to \$36.386 million. An increase of over 81.18 per cent over the previous year's Income After Tax of \$20.083 million.

The Company has declared a final dividend of 20 cents to ordinary shareholders and 4 per cent to preference shareholders. This brings the total amount of dividends paid for the year to ordinary shareholders to 32 cents per share.

With the continuing buoyancy of the economy, it is expected that this Company should continue to deliver good results. At the current price of \$13.17 the Company is currently trading at a price/earnings ratio of 14.47. At this price, we recommend a HOLD on this stock.

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

VOLUME 2,661,823  
 VALUE \$ 78,277,717.37

## WISE WEEKLY MARKET UPDATE

as at : Friday, March 24, 2006.

### West Indies Stockbrokers Limited

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COMPOSITE INDEX 971.4498 ALL T&T INDEX 1,189.0538 Adv./Dec. Ratio 4/14  
 CHANGE -7.5837 CHANGE -4.3818  
 % CHANGE -0.77% % CHANGE -0.37%  
 YTD % Change -8.99% YTD % Change -10.12%

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	1.98%	12.68	1.39%	18.00	13.50	0.00	0.00%	68.7	19.65	13.60	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	-0.05	-3.45%	18.1	7.73	2.46	1.40
RBTT Financial Holdings	Mar-31	268.0	118.0	295.0	135.0	3.77%	11.68	4.31%	10.61	31.30	-0.20	-0.63%	286.0	10.94	45.53	31.30
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	87.50
Scotiabank	Oct-31	193.0	80.0	225.0	80.0	2.01%	20.65	2.01%	17.72	39.86	0.06	0.15%	209.9	18.99	40.89	32.20
<b>Non-Banking/Finance</b>																
ANSA Fin. & Merch. Bank	Dec-31	106.0	32.0	100.0	32.0	1.60%	18.86	1.60%	19.99	19.99	0.00	0.00%	102.0	19.60	23.00	16.90
Capital & Credit Merchant Bank	Dec-31	19.3	2.5	19.3	2.5	1.29%	9.84	1.29%	9.84	1.90	0.00	0.00%	19.3	9.84	3.31	1.90
Dehring Bunting & Golding	Mar-31	26.5	2.0	30.0	2.0	1.13%	6.79	1.11%	6.00	1.80	-0.05	-2.70%	28.6	6.29	2.75	1.80
Guardian Holdings	Dec-31	185.0	55.0	185.00	55.0	2.30%	12.91	2.30%	12.91	23.89	-0.45	-1.85%	185.0	12.91	46.32	23.89
JMMB	Mar-31	11.3	1.5	11.3	1.5	0.94%	14.07	0.94%	14.07	1.59	-0.05	-3.05%	11.7	13.59	1.85	1.15
National Enterprises	Mar-31	76.0	48.0	76.0	48.0	5.36%	11.78	5.36%	11.78	8.95	0.00	0.00%	79.0	11.33	16.50	8.95
Sagicor Financial Corporation	Dec-04	78.0	30.0	155.0	60.0	2.26%	16.99	4.53%	8.55	13.25	-0.24	-1.78%	152.0	8.72	15.50	13.02
<b>Conglomerates</b>																
ANSA Mc AI	Dec-31	182.0	65.0	220.0	75.0	1.63%	21.97	1.88%	18.18	39.99	-0.12	-0.30%	195.0	20.51	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	1.16%	9.09	1.31%	8.73	6.11	-0.79	-11.45%	68.3	8.95	12.70	6.11
Neal & Massy Holdings	Sep-30	280.0	88.0	280.00	88.0	2.02%	15.59	2.02%	15.59	43.65	-0.14	-0.32%	280.00	15.59	59.01	43.65
<b>Trading</b>																
Agostini's	Sep-30	91.5	33.0	93.4	33.0	3.11%	11.58	3.11%	11.35	10.60	0.10	0.95%	100.0	10.60	10.60	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	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	6.00
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	2.00%	22.63	2.00%	22.63	10.50	-0.24	-2.23%	46.4	22.63	12.00	9.30
<b>Property</b>																
PLIPDECO	Dec-31	126.00	21.0	130.00	22.0	2.10%	7.94	2.20%	7.69	10.00	0.00	0.00%	109.0	9.17	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	29.0	12.0	29.0	12.0	2.09%	19.83	2.09%	19.83	5.75	0.00	0.00%	29.0	19.83	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	3.35
Flavorite Foods	Dec-31	45.2	10.5	72.0	21.0	2.08%	11.17	4.16%	7.01	5.05	0.00	-3.45%	56.1	9.00	5.05	4.65
National Flour Mills	Dec-31	13.6	13.0	11.0	9.0	9.29%	10.29	6.43%	12.73	1.40	-0.05	0.00%	10.6	13.21	2.85	1.40
One Caribbean Media	Dec-31	109.0	60.0	109.0	60.0	2.86%	19.27	2.86%	19.27	21.00	-0.01	0.00%	109.0	19.27	21.50	11.00
Readymix (West Indies)	Dec-31	24.0	9.0	0.0	6.0	2.31%	16.25	1.54%	0.00	3.90	0.00	-1.16%	-82.0	-4.76	7.20	3.80
Trinidad Cement	Dec-31	67.0	20.0	70.0	24.0	2.13%	14.01	2.56%	13.41	9.39	-0.11	0.08%	73.0	12.86	13.01	9.00
Trinidad Publishing Co.	Dec-31	91.0	32.0	91.0	32.0	2.43%	14.47	2.43%	14.47	13.17	0.01	0.50%	91.0	14.47	13.17	10.35
Unilever Caribbean Limited	Dec-31	133.0	115.0	145.0	120.0	7.14%	12.11	7.45%	11.10	16.10	0.08	-0.05%	133.0	12.11	29.36	15.75
West Indian Tobacco Co.	Dec-31	137.4	135.0	137.4	135.0	5.64%	17.43	5.64%	17.43	23.95	-0.05	-0.21%	137.4	17.43	24.00	18.28