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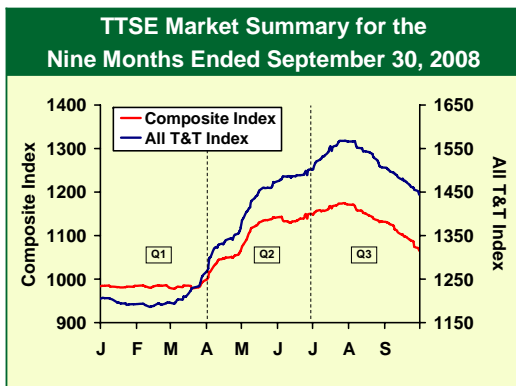
## THE WISE CHRONICLE September 2008

### Nine Month Review

#### Local Market Summary

For the Nine Month (NM) period ended September 30, 2008, both Indices closed in positive territory. The Composite Index ended at 1065.6206 advancing 83.5885 points or 8.51 per cent, while the All T&T Index rose a significant 243.4083 points or 20.27 per cent to close at 1444.0956.

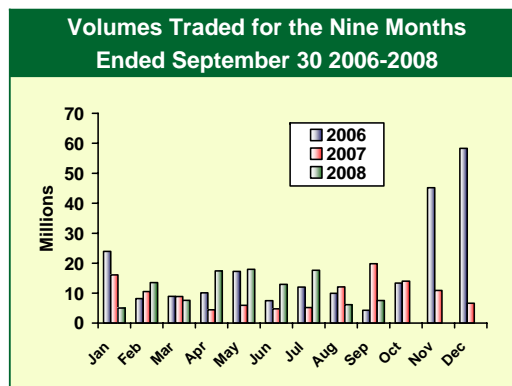
With respect to Q3 only, both Indices closed in negative territory. The Composite Index declined 7.36 per cent or 84.6193 points while the All T&T Index fell 3.86 per cent or 57.9879 points. For the Nine Month period, WISE's Top Picks for 2008 generated an average portfolio return (exclusive of dividends) of 10.18 per cent. Advances significantly outnumbered declines by a ratio of 20 to 9.



WISE Top Picks 2008					
Pick	Open	Close	Return	Dividend Paid	Return w/ Dividend
GKC	\$6.20	\$6.30	1.61%	\$0.05	2.42%
NCBJ	\$2.00	\$1.85	-7.50%	\$0.08	-3.50%
RBL	\$79.97	\$99.20	24.05%	\$1.15	25.48%
SFC	\$15.79	\$17.50	10.83%	\$0.25	12.41%
TCL	\$7.35	\$8.96	21.90%	\$0.07	22.86%
Avg. Ret.			10.18%		11.93%
Composite	982.03	1065.62	8.51%		
All T&T	1200.69	1444.10	20.27%		

The volume of shares traded for the NM period under review increased considerably when compared to 2007, with a total of 105,809,185 shares crossing the floor. This illustrated an increase of 20.53 per cent from the 87,789,556 shares changing hands for the same NM period in 2007. However, the value of shares traded was down 2.30 per cent from \$1,677,130,443.32 (NM07) to \$1,638,612,548.60 (NM08).

Q308 on Q307, there was a decline in market activity with 31,312,059 shares changing ownership, a decrease of 15.60 per cent as compared to 37,099,674 shares traded in Q307. In addition, the value of shares traded dropped from \$622,767,713.93 (Q307) to \$534,835,391.26 (Q308). Furthermore, Q308 on Q208, volumes traded were down by a considerable 35.23 per cent from 48,339,793 shares.



Sagikor Financial Corporation (SFC) was the volume leader for the period under review with 14,870,475 shares changing hands or 14.05 per cent of the total volume traded. National Commercial Bank Jamaica Limited (NCBJ) was next in line with 13,833,807 shares

crossing the floor or 13.07 per cent of all trades. Trinidad Cement Limited (TCL) was the third volume leader with 11,525,841 shares changing ownership or 10.89 per cent of the market.

The major advance for the period under review was Readymix (West Indies) Limited (RML) up \$24.59 or an outstanding 350.78 per cent to close at \$31.60. LJ Williams Limited - 'B' (LJWB) followed advancing 70 cents or 58.33 per cent to close at \$1.90. The third major advance was National Enterprises Limited (NEL), rising \$4.06 cents or 56.78 per cent to close at \$11.21.

Leading the declines for the NM period was Prestige Holdings Limited (PHL), down \$2.00 or 34.78 per cent to close at \$3.75. FirstCaribbean International Bank Limited (FCI) was next, dropping \$2.77 or 21.27 per cent to \$10.25. The third major decline was National Flour Mills Limited (NFM) down 8 cents or 8.99 per cent to close at \$0.81.

Top 5 Advances for Nine Months 2008				
Rank	Company	Open	Close	Change
1	RML	\$7.01	\$31.60	350.78%
2	LJWB	\$1.20	\$1.90	58.33%
3	NEL	\$7.15	\$11.21	56.78%
4	PLD	\$8.00	\$12.05	50.63%
5	AMBL	\$23.25	\$34.50	48.39%
Top 5 Declines for Nine Months 2008				
Rank	Company	Open	Close	Change
1	PHL	\$5.75	\$3.75	-34.78%
2	FCI	\$13.02	\$10.25	-21.27%
3	NFM	\$0.89	\$0.81	-8.99%
4	CCFG	\$0.79	\$0.72	-8.86%
5	NCBJ	\$2.00	\$1.85	-7.50%

#### Highlights for the Third Quarter of 2008

##### July

- Mr. Anthony Audain, Group Chief Executive Officer (CEO) of the NATION Group of Companies and One Caribbean Media's Deputy CEO, resigned after three years of service.
- Barbados Shipping & Trading Company Limited acquired Cave Shepherd & Company Limited's five per cent stake in United Insurance, while Cave Shepherd acquired BS&T's 25 per cent interest in Fortress Fund Managers Limited.

- The Barbados Stock Exchange released its plans to implement a Price Stabilisation Rule to govern stock trading in an effort to promote liquidity in the capital market.
- The Board of the Bank of Nova Scotia Jamaica Limited named Canadian Bruce Bowen as the Bank's new President and CEO.
- Mr. Ricardo Williams, Chief Financial Officer (CFO) of Trinidad Publishing Company Limited was appointed to the position of Company Secretary effective July 30, 2008.
- As at July 31, 2008 Agostini's Limited received acceptances for in excess of 5.5 million ordinary shares of Hand Arnold (Holdings) Limited (representing 91.70 per cent of the outstanding shares of that company) at a price of \$20.50 per share.

### August

- RBTT Bank Limited established a new branch in St. Kitts.
- Effective August 25, 2008, Mr. John D. Orr of FirstCaribbean International Bank Limited took over the reins of CEO following the resignation of Mr. Charles Pink.
- Jamaica's Scotiabank DBG Investments Limited sold its Trinidad operation to affiliated company Scotiatrust and Merchant Bank Trinidad and Tobago Limited.

### September

- Trinidad Cement Limited increased its local cement prices by 6.5 per cent and its export prices by 12 per cent effective September 1, 2008.

### Fixed Income Market Summary for the Third Quarter of 2008

As at August 2008, the inflation rate measured 13.5 per cent, an increase of 1.6 per cent from the previous month's rate of 11.9 per cent and up by 5.9 per cent from the start of the year. Food price inflation continued to have the largest influence on headline inflation ending at 30.2 per cent in August (up from 25.3 per cent in July) on a year on year basis. This increase was due mainly to significant price increases in bread and cereal and in part to the rise in vegetable prices as a result of recent floods and adverse weather conditions.

The Central Bank intensified its initiative to absorb excess liquidity from the system by increasing the

number of Open Market Operations issues to \$7.5 billion. Interest rates on these securities have generally remained flat over the last quarter moving to 7.80 per cent on 6-month issues and 7.93 per cent on 1-year issues. In line with this initiative, the Central Bank also issued a \$700 million, 8.70 per cent, 15-year Housing Development Corporation (HDC) bond, which was settled on September 29, 2008.

Given the current inflationary pressures, the Bank raised the Repo Rate by 0.25 per cent to 8.75 per cent effective September 26, 2008. Additionally, the Bank raised the Cash Reserve Requirement from 11 per cent to 15 per cent

### Local Outlook for the Fourth Quarter of 2008

As events in the global financial arena continue to evolve, local stock market investors have shown strong signs of panic selling in order to mitigate their risks. This has resulted in low investor confidence and lowering of demand for shares. Consequently, there has been a significant fluctuation in the value of shares traded during the period under review. Local investors are advised to remain calm during these uncertain times. Some of the listed securities remain fundamentally healthy and the decline in the market presents favourable buying opportunities for the medium to long term investor.

### Jamaica Market Summary – Third Quarter Review

In Jamaica, the Indices ended the Third Quarter lower than their opening values. The Market Index fell 7,735.14 points or 7.58 per cent to 102,018.87; the Select Index lost 269.19 points or 9.74 per cent to close at 2,764.07 and the All Jamaican Composite declined 8,980.71 points or 8.87 per cent to 101,287.55. Advances significantly outnumbered declines by a ratio of 11 to 35. Trading activity resulted in 569,142,260 shares changing hands valued at over JMD4,992,855,975.17. Cable and Wireless Jamaica Limited (CWJA) was the volume leader commanding 27.46 per cent of the market with 156,270,060 shares traded.

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*West Indies Stockbrokers Limited (WISE) is a subsidiary of RBTT Financial Group. From time to time WISE and/or its staff may take positions in some or all of the shares mentioned in our report. WISE welcomes your comments. Please e-mail us at [info@wisett.com](mailto:info@wisett.com).*

## WISE STOCK MARKET QUOTATIONS AS AT SEPTEMBER 30, 2008

	Hist Eps	Est Eps	Est Div	Curr Price	Est Yield %	Est P/E Ratio
<b>Bank</b>						
FirstCaribbean	107.0	73.0	28.0	10.25	2.73	14.04
NCB Jca	25.0	28.0	7.0	1.85	3.78	6.61
Republic Bank	834.0	780.0	300.0	99.20	3.02	12.72
Scotiabank	210.4	255.0	100.0	38.75	2.58	15.20
<b>Non-Bank Fin</b>						
ANSA Fin & Merch	207.0	235.0	95.0	34.50	2.75	14.68
Capital & Credit	2.8	7.0	0.0	0.72	0.00	10.29
Scotia DBG	29.0	30.0	12.0	2.30	5.22	7.67
Guardian Holdings	59.0	310.0	80.0	23.96	3.34	0.00
JMMB	7.0	7.0	1.8	0.95	1.89	13.57
National Enterprises	89.0	89.0	67.0	11.21	5.98	12.60
Sagicor Financial Corp	203.0	225.0	50.0	17.50	2.86	7.78
<b>Conglomerates</b>						
Ansa Mcal Ltd	351.0	420.0	108.0	59.45	1.82	14.15
Bdos Ship & Trad	150.0	165.0	66.0	27.93	2.36	16.93
GraceKennedy	91.7	75.0	8.0	6.30	1.27	8.40
Neal and Massy	415.0	515.0	155.0	55.00	2.82	10.68
<b>Trading</b>						
Agostini's Ltd	103.0	115.0	46.0	10.00	4.60	8.70
Furness Trinidad	68.0	80.0	0.0	6.15	0.00	7.69
L J Williams Ltd. - 'A'	0.8	0.5	0.2	0.60	0.33	120.00
L J Williams Ltd. - 'B'	48.0	60.0	9.0	1.90	4.74	3.17
Prestige Holdings	24.4	10.0	6.0	3.75	1.60	37.50
<b>Property</b>						
PLIPDECO	105.0	0.0	0.0	12.05	0.00	0.00
Valpark	138.0	138.0	0.0	5.00	0.00	3.62
<b>Manufacturing</b>						
Angostura Holdings	-67.0	0.0	0.0	7.49	0.00	0.00
Berger Paints	-5.0	7.0	19.0	3.25	5.85	46.43
Flavorite Foods	83.0	100.0	42.0	6.53	6.43	6.53
National Flour Mills	-45.0	0.0	0.0	0.81	0.00	0.00
One Caribbean Media	133.0	140.0	77.0	17.50	4.40	12.50
Readymix WI	316.0	380.0	24.0	31.60	0.76	8.32
Trinidad Cement	77.0	85.0	8.0	8.96	0.89	10.54
Trinidad Publishing	120.0	140.0	55.0	23.00	2.39	16.43
Unilever Caribbean Ltd	138.0	140.0	100.0	21.05	4.75	15.04
WITCO	186.0	215.0	211.0	30.50	6.92	14.19

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