

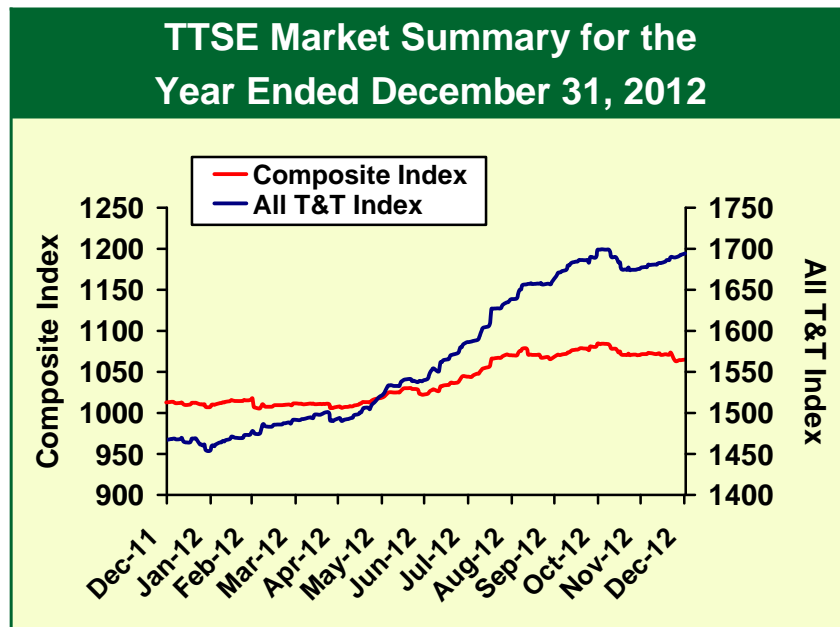


YEAR END 2012 REVIEW

Local Market Summary

For the Year Ended December 31, 2012 (YE12), both the Composite and the All Trinidad and Tobago Indices gained momentum while the Cross Listed Index closed in negative territory. The Composite Index closed the year at 1,064.98, up 5.14 per cent or 52.11 points, the All Trinidad and Tobago advanced a noteworthy 15.50 per cent or 227.32 points to 1,694.27 and the Cross Listed Index slipped 19.54 per cent or 13.68 points to close at 56.33. In Q412 alone, the Composite Index was down 0.14 per cent, All Trinidad and Tobago Index rose 2.07 per cent and Cross Listed Index declined 7.20 per cent. Overall the year saw 16 stocks advancing and 14 declining.

Table 1



Market activity on the First Tier Market of the Trinidad and Tobago Stock Exchange for YE12 amounted to 50,677,836 shares, down a significant 91.02 per cent when compared to the 564,063,755 shares traded in YE11. Q412 on Q411, volumes traded declined 22.64 per cent from 14,356,130 (Q411) to 11,106,179 shares (Q412). When compared to the previous quarter (Q312), trading activity fell 11.35 per cent from 12,528,537 shares. The substantial decline in market activity was mainly attributable to the fact that 475,692,248 shares of Jamaica Money Market Brokers Limited (JMMB) traded in YE11. The value of shares traded dropped 27.44 per cent from \$1,028,999,108.42 in YE11 to \$746,604,401.68 in YE12.

The volume leader for the year under review was National Commercial Bank Jamaica Limited (NCBJ) with 6,198,834 shares changing hands or 12.23 per cent of the market. Next was Guardian Holdings Limited (GHL) which saw 4,782,812 shares traded or 9.44 per cent of all trades. This was followed by One Caribbean Media Limited (OCM) with 4,720,446 shares or 9.31 per cent of the total volume traded for the year. The fourth volume leader was Capital and Credit Financial Group Limited (CCFG) with 4,332,999 shares changing ownership or



8.55 per cent of trading activity. Trinidad Cement Limited (TCL) rounded the top five with 3,898,211 shares traded or 7.69 per cent of the trade volume.

Unilever Caribbean Limited (UCL) was the top performer for YE12, up an outstanding 44.94 per cent or \$14.62 to close the year at \$47.15. The second major advance was West Indian Tobacco Company Limited (WCO) which posted a notable 38.55 per cent gain or \$23.65 to end at \$85.00. OCM was next rising a significant 37.65 per cent or \$4.33 to \$15.83.

Table 2

Top 5 Advances for YE12					Top 5 Advances for Q412				
Rank	Company	Open	Close	Change	Rank	Company	Open	Close	Change
1	UCL	\$32.53	\$47.15	44.94%	1	WCO	\$74.33	\$85.00	14.35%
2	WCO	\$61.35	\$85.00	38.55%	2	PHL	\$8.38	\$9.32	11.22%
3	OCM	\$11.50	\$15.83	37.65%	3	AGL	\$15.37	\$16.40	6.70%
4	PHL	\$7.00	\$9.32	33.14%	4	AMCL	\$64.07	\$66.60	3.95%
5	SBTT	\$50.33	\$65.51	30.16%	5	AMBL	\$36.10	\$37.23	3.13%
Top 5 Declines for YE12					Top 5 Declines for Q412				
Rank	Company	Open	Close	Change	Rank	Company	Open	Close	Change
1	JMMB	\$0.84	\$0.51	-39.29%	1	TCL	\$1.90	\$1.49	-21.58%
2	NCBJ	\$2.16	\$1.44	-33.33%	2	JMMB	\$0.63	\$0.51	-19.05%
3	RML	\$31.35	\$22.48	-28.29%	3	PLD	\$4.25	\$3.70	-12.94%
4	SVL	\$0.18	\$0.14	-22.22%	4	NFM	\$0.68	\$0.60	-11.76%
5	PLD	\$4.74	\$3.70	-21.94%	5	GKC	\$3.99	\$3.53	-11.53%

For YE12, Jamaica Money Market Brokers Limited (JMMB) registered the largest loss of 39.29 per cent or \$0.39 to end the year at \$0.51. This was followed by NCBJ with fell 33.33 per cent or \$0.72 to close at \$1.44. The third major decline was Readymix (West Indies) Limited (RML), down 28.29 per cent or \$8.87 to \$22.48.

Highlights for the Fourth Quarter of 2012

December 2012

- 927,565,945 Capital and Credit Financial Group Limited Shares (CCFG) was de-listed from the Stock Exchange on Monday December 24, 2012.
- Republic Bank Limited confirmed its purchase of an 8.9% stake in HFC Bank in Ghana. Republic Bank's investment in the shares of HFC is put at US\$8 million. HFC Bank was licensed as a commercial bank in 2003, with core services in mortgages, consumer loans, commercial and investment banking. The Bank has an asset base of US\$264 million and a return on assets of 2.5% based on its last published financials. The bank is considered a leader in Ghana's mortgages market, and operates 27 branches in that country.

November 2012

- Guardian Holdings Limited (GHL), one of the Caribbean region's largest financial services organization, announced that it has received all final approvals from the Financial Services Commission of Jamaica (FSC) to conclude its previously announced acquisition of 100% of the issued share capital of Globe Insurance Company of Jamaica Limited (Globe).
- 2,974,657 Savinvest India Asia Fund (SIAF) units will be de-listed from the Stock Exchange on Monday November 12, 2012. The delisting is pursuant to approval received from the Trinidad & Tobago



Securities and Exchange Commission subsequent to a resolution passed by its unitholders approving the delisting.

- In accordance with Section 66(3) of the Securities Industry Act 1995 of the Laws of Trinidad and Tobago, Republic Bank Limited informed the Trinidad and Tobago Securities and Exchange Commission that on November 1, 2012 the CLICO Investment fund ("the Fund") was launched by the Government of Trinidad and Tobago ("the Government"). This Fund is an initiative of the Government to settle through the issue of units in the Fund, amounts due to holders of Short-Term Investment Products ("STIPS") sold by Colonial Life Insurance Company (Trinidad) Limited and British American Insurance Company (Trinidad) Limited.

The Fund comprises in part, 40,072,299 Republic Bank Limited shares ("the Republic Bank Shares") having a nominal value of \$4,397,133,269.27 (at current market prices). The Republic Bank Shares were transferred from Colonial Life Insurance Company (Trinidad) Limited to the Fund Sponsor, the Government, and subsequently transferred to the Fund Trustee, CLICO Trust Corporation Limited, as part of the initial assets of the Fund. The Republic Bank Shares in the Fund represent 25% of the total issued share capital of Republic Bank Limited.

The Republic Bank Shares are being held in trust solely for the benefit of subscribing unitholders in the Fund. Republic Bank Limited is the Fund Administration Agent as well as one of the Distributors of the Fund.

The Fund is an independent entity and the units in the Fund will be trade-able on the Trinidad and Tobago Stock Exchange at a date to be advised. The constitution of the fund and the transfer of the Republic Bank Shares into the Fund will result in no change to the management and or the operation of the Republic Bank Group.

October 2012

- The GraceKennedy Group has announced the acquisition of the 33 1/3% interest of the minority shareholder in GraceKennedy (Belize) Limited ("GK Belize") effective September 28, 2012, with the GraceKennedy Group now owning all of the shares in GK Belize. GraceKennedy (Belize) Limited is involved in the importation and distribution of a wide range of food and non-food grocery items throughout the country of Belize. The company is the exclusive distributor of Grace and Grace owned branded products in Belize.
- Sagicor Life Insurance Company (Sagicor USA) announced that it completed its acquisition of PEMCO Life Insurance Company (PEMCO Life), a Washington-based company. PEMCO Life and its approximately 7,500 policyholders will join the approximately 60,000 current policyholders of Sagicor as a result.

Fixed Income Market Summary

On January 25, 2013, the Central Bank of Trinidad and Tobago (CBTT) announced that Headline Inflation, measured by the 12-month change in the Index of Retail Prices, slowed to 7.20 per cent in December 2012, down from 8.10 per cent in November. As stated in the report, food price inflation slowed to 12.70 per cent in December on a year-on-year basis, down from 14.90 percent in November. The impact of the removal of Value Added Tax (VAT) on several food items which took effect on November 15, 2012 was partially responsible for the decline in the food inflation rate. Core inflation (which excludes food prices) remained unchanged at 3.10 per cent in December 2012.

Excess liquidity in the financial system has kept short-term interest rates low. The rate on the three month treasury bill fell to 0.39 per cent in December, from 0.46 per cent in November. The Central Bank has maintained the Repo Rate, the rate at which it lends to commercial banks, at 2.75 per cent.



Jamaica Market Summary

In Jamaica, the major benchmark, the JSE Market Index declined 3,195.98 points or 3.47 per cent to close 2012 at 92,101.22. In Q412 alone, the JSE Market Index rose 5.63 per cent. Overall there were 9 stocks advancing and 27 declining for the year

Guardian Holdings Limited (GHL) was the top gainer for the year, up 67.88 per cent or J\$112.00 to J\$277.00 followed by Lascelles, deMercado and Company Limited (LAS), which saw an increase of 33.33 per cent or J\$97.50 to J\$390.00. Next was Palace Amusement Company Limited (PAL), advancing 20.00 per cent or J\$10.00 to close the year at J\$60.00. For YE12, the major decline was Caribbean Cement Company Limited (CCC), which fell 66.67 per cent or J\$2.00 to J\$1.00. Pulse Investments (PULS) was next in line down 59.18 per cent or J\$1.45 to J\$1.00. This was followed by Hardware & Lumber (HL), which saw a 42.37 per cent drop or J\$2.50 to J\$3.40.

A total of 1,431,444,731 shares crossed the floor of the Jamaican Stock Exchange in 2012, a decline of 6.28 per cent when compared to the 1,527,309,508 shares traded in the prior year. Q412 on Q411, market activity was down 51.27 per cent from 477,721,404 shares in Q411 to 232,776,057 shares in Q412. The value of shares traded for the year under review totalled J\$18,295,157,465.46, a minimal increase of 1.07 per cent from 2011's total of J\$18,101,098,518.94. Sagicor Life Jamaica Limited (SLJ) was the volume leader with 358,051,483 shares traded or 25.01 per cent of the market. This was followed by LIME with 198,553,753 shares changing ownership or 13.87 per cent of the total volume traded. The third volume leader was NCBJ with 142,238,358 shares changing hands or 9.94 per cent of all trades.

Energy Prices

	Value as at Dec 31, 2012	Q412 Change	Q412 % Change	YTD Change	YTD % Change
WTI Crude Oil Spot (US\$/bbl)	98.83	19.63	24.79%	7.45	8.15%
Henry Hub Natural Gas Spot (US\$/mmbtu)	2.98	-0.69	-18.80%	-1.25	-29.55%
<i>Source: Bloomberg</i>					



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Global Market Indices

	Value as at Dec 31, 2012	Q412 Change	Q412 % Change	YTD Change	YTD % Change
US					
DOW	12,217.56	-332.99	-2.48%	886.58	7.26%
S&P 500	1,257.60	-14.48	-1.01%	168.59	13.41%
NASDAQ	2,605.15	-96.72	-3.10%	414.36	15.91%
EUROPE					
FTSE 100	5,572.30	155.70	2.71%	325.50	5.84%
DAX 30	5,898.35	396.24	5.49%	1,714.04	29.06%
CAC 40	3,159.81	286.25	8.53%	481.26	15.23%
ASIA					
Nikkei 225	8,455.35	1,525.02	17.19%	1,939.83	22.94%
Hang Seng	18,434.39	1,816.54	8.72%	4,222.53	22.91%

(Statistics provided were based on price and indices data available as at December 31, 2012)

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