

CARIBBEAN STOCK REPORT May 23 to May 27 2011

Stocks ended the week of May 23 to May 27 higher as 38,380,736 shares, valued at \$12, 100, 732, crossed the floors of the six stock exchanges across Caricom, with 54 stocks advancing, 18 declining and 50 remaining unchanged. Grace Kennedy was the volume leader with 14,609,025 shares being traded, Ciboney Limited posted the largest gain for the week (100.0%), while on the losing end, Fidelity Bank Bahamas fell 9.70%. For the week, twenty of the CSX 30 stocks advanced, six declined and four were unchanged. The CSX 30 gained 8.68 points to close the week at 1,212.90, up 7.06% year to date. On the junior market, nine stocks advanced and one declined as the CJSX advanced 9.36 points to close the week at 1,245.60, up 8.32% for the year. The CJSX was led by Jamaica Teas which posted a gain of 6.71% and Lasco Manufacturing which gained 2.30% for the week. Table 1 provides a summary of the broad market indices for the week as well as some international reference points.

Table 1: Broad Market Indices May 23 to May 27, 2011

	Index	Change	Year To Date	Volatility	Return per Unit of Risk
Caribbean AllShare Index CASX	951.4	0.13%	-5.60%	0.73%	-7.68
Caribbean Select Index CSX 30	1,212.9	0.72%	7.06%	0.23%	30.80
Caribbean Junior Share Index CJSX	1,245.6	0.76%	8.32%	1.30%	6.42
S&P 500 (USA)	1,331.1	-0.16%	5.90%	0.67%	8.75
FTSE 100 (UK)	5,938.9	-0.16%	1.06%	0.90%	1.18
Gold (100 OZ Futures)	\$1,537.3	1.88%			
Oil (Brent Crude Futures)	\$115.03	2.34%			

Sector Analysis

Table 2 provides a summary of the sector indices, followed by details on the performance of the stocks in each sector.

Table 2: Sector Indices May 23 to May 27, 2011

	Index	Change	Year to Date	Volatility	Return per Unit of Risk
Caribbean Banking Index (CBSX)	1,187.9	0.80%	6.62%	0.30%	22.13
Caribbean Conglomerate Index (CCSX)	1,138.3	0.88%	5.35%	0.48%	11.14
Caribbean Communications and Utilities Index (CCUX)	1,121.9	-0.12%	5.31%	0.89%	5.99
Caribbean Insurance and Investments Index (CIIX)	1,065.9	0.67%	7.18%	0.90%	8.01
Caribbean Manufacturing Index (CMSX)	1,253.3	0.65%	9.53%	0.56%	16.97
Caribbean Retail and Distribution Index (CRDX)	1,152.9	0.19%	9.41%	1.20%	7.85
Caribbean Tourism and Real Estate Index (CTRX)	791.0	0.04%	-7.09%	0.83%	-8.53

The CCSX registered the largest gain for the week (0.88%) as five conglomerate stocks advanced, three declined and two were unchanged. The group was led by Jamaica Producers which gained 5.13% and Ansa Mcal Trinidad which gained 2.16%. These gains more than offset a 2.50% decline in Banks Holdings Barbados as the CCSX advanced 9.96 points for the week. The CBSX posted a 0.80% gain as six banking stocks advanced, seven declined and nine were unchanged. The banking group was led by gains for Citizens Bank Guyana (29.78%) and Scotia Bank Trinidad (1.20%). There were losses for Scotia Group Jamaica (1.89%), Ansa Merchant Bank (1.79%), and NCB Jamaica (1.40%), but the CBSX was able to advance 9.39 points for the week. The CIIX posted a 0.67% gain as nine Insurance and Investments stock advanced, four declined and four were unchanged. The group was led by gains for Pulse Investments (46.50%), Colina Holdings (9.80%), First Jamaica Investments (4.44%) and Pan Caribbean Financial Services (2.22%). Performance in the sector continued to be mixed as there were also losses for Barita Investments (3.36%), Insurance Corporation Barbados (3.30%) and Mayberry Investments (2.81%). The CMSX gained 0.65% as twenty manufacturing stocks advanced, three declined and six were unchanged. There were gains for Kingston Wharves (6.27%), Desnoe & Geddes (4.90%), Caribbean Container (2.21%), Jamaica Broilers (1.94%) and West India Tobacco (1.50%). On the other hand there were losses for National Flour Mills (5.14%), Angostura Holdings (2.44%) and Point Lisa development (2.10%). The CRDX and CTRX posted marginal gains for the week while the CCUX fell 0.12%. In the case of the CTRX the group was led by a 100% increase in the share price of Ciboney Limited for three to six Jamaican cents per share. While in the case of the CCUX, the index was dragged down by losses for Cable and Wireless Jamaica (9.27%) and Radio Jamaica (2.22%).

Investing School (When to Sell A Stock?)

Toady we complete our series on when to sell a stock. We grouped the reasons for selling a stock into two categories, personal reasons and market related reasons and to date have highlighted four market related reasons that would be considered good sell signals. This week, we present the personal reasons for selling a stock.

- **Risk Tolerance Reached**
You bought a company that looked like a steady growing concern, but instead it has turned out to be a roller coaster ride. For whatever reason, this stock is just too volatile for your nerves. Dump this firecracker and replace it with a stock that will let you sleep at night.
- **You Need some Cash**
An unexpected major bill can sabotage anyone's budget. Using a stock, especially one that is underperforming, to solve a financial emergency is another reason to sell. However, take a close look at your personal finances. An emergency cash fund that is not tied up in investments is recommended to avoid, except in extreme cases, liquidating stocks to pay bills.
- **Moral, Ethical Conflicts**
More and more investors are becoming concerned about the social, environmental, ethical and moral standards of the companies they own. You may decide that a company you own has practices or products that conflict with your social, religious or moral beliefs. There is no better reason to sell if that is important to you.
- **The Grass is Greener**
This overlaps with market reasons to sell, but there is nothing wrong with dumping an

underwhelming stock for a company that offers better returns. The danger here is that active trading can generate significant transaction costs and taxes, both of which eat into any potential gain. Look (and think) before you leap.

- **You've Reached your Goal**

It worked. Your plan to reach that financial goal, whether it was retirement or getting a child to college, is finally here. Now is the time to start systematically liquidating those stocks you've tagged for this goal. If you have been trading, make sure you have owned the stock at least one year before selling so it falls under long-term capital gains tax rules.

Stocks On The Move

Tables three and four provide some widely used financial metrics on the biggest movers for the week. Readers should note that prices are in US dollars.

Table 3: Advancing Stocks: May 23 to May 27 2011.

	EXCH	Index	Close	30 Day Moving Average	Volume For Week	Return For Week	Year to Date	Volatility	Return per Unit of Risk
Ciboney	JSE	CTRX	\$0.0007	\$0.0004	1,710,000	100.0%	150.14%	14.63%	10.26
Pulse Investments	JSE	CIIX	\$0.0239	\$0.0166	10,000	46.5%	4.24%	5.82%	0.73
CHL	BISX		\$2.80	\$2.5823	4,150	9.8%	16.05%	1.13%	14.21
Jamaica Teas	JSE	CJSX	\$0.0467	\$0.0449	27,920	6.7%	2.59%	2.14%	1.21
Kingston Wharves	JSE	CMSX	\$0.0621	\$0.0592	284,184	6.3%	36.48%	3.30%	11.06
Jamaica Producers	JSE	CMSX	\$0.2820	\$0.2674	47,338	5.1%	21.65%	2.20%	9.85
Desnoe & Geddes	JSE	CMSX	\$0.0428	\$0.0391	18,000	4.9%	11.49%	2.85%	4.04
First Jamaica Investments	JSE	CIIX	\$0.4666	\$0.4480	62,496	4.4%	8.97%	1.35%	6.63
Bank of Nevis	ECSE	CBSX	\$2.2222	\$2.1476	1,000	4.3%	18.00%	2.33%	7.71
NCB Jamaica	JSE	CBSX	\$0.2797	\$0.2764	1,999,453	2.8%	22.34%	1.20%	18.60

Table 4: Declining Stocks: May 23 to May 27 2011.

	EXCH	Index	Close	30 Day Moving Average	Volume For Week	Return For week	Year to Date	Volatility	Return per Unit of Risk
FBB	JSE	CBSX	\$1.7700	\$1.9477	1,000	-9.7%	19.37%	1.33%	-14.56
CWJA	JSE	CCUX	\$0.0023	\$0.0026	4,939,495	-9.3%	41.26%	4.29%	-9.61
DBL	GASCI	CMSX	\$0.1093	\$0.1165	20,700	-6.3%	22.82%	3.12%	7.32
MFP	JSE	CTRX	\$0.0166	\$0.0149	20,590	-5.3%	12.45%	3.41%	3.65
NFM	TTSE	CMSX	\$0.1401	\$0.1466	19,503	-5.1%	-1.17%	2.36%	-0.50
BIL	JSE	CBSX	\$0.0265	\$0.0248	54,800	-3.4%	28.58%	2.08%	13.74
ICBL	BSE	CIIX	\$1.4532	\$1.4894	6,327	-3.3%	-3.27%	0.35%	-9.33
MIL	JSE	CIIX	\$0.0238	\$0.0241	69,008	-2.8%	-9.50%	2.40%	-3.95
LAS	JSE	CCSX	\$3.4997	\$3.5261	190	-2.6%	4.05%	1.25%	3.25
BNKS	BSE	CMSX	\$1.9212	\$1.9681	9,601	-2.5%	-2.32%	0.64%	-3.64

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