

CARIBBEAN STOCK REPORT FEBRUARY 28 to March 4 2011

In a week of heavy trading, 26,348,740 shares crossed the floors of the six stock exchanges across Caricom. For the week, 20 stocks advanced, 26 declined and 75 were unchanged. Grace Kennedy was the volume leader with 8,092,420 shares being traded. National Flour Mills posted the largest gain of 10.8% for the week, while on the losing end, Ciboney fell 50%. During the week, six of the CSX 30 stocks advanced, ten declined and fourteen were unchanged. The CSX 30 declined 0.40% to close the week at 1143.2, up 1.12% year to date. The carnage on the Junior market continued with seven of the CJSX stocks declining and three remaining unchanged. The CJSX declined 1.72% to close the week at 1031.2, down 10.13% for the year. 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 February 28 to March 4, 2011

	Index	Change	Year To Date	Volatility	Return per Unit of Risk
Caribbean AllShare Index CASX	942.0	-1.44	-6.58%	1.11%	-5.91
Caribbean Select Index CSX 30	1,143.2	-4.55	1.12%	0.19%	5.82
Caribbean Junior Share Index CJSX	1,032.1	-67.8	-10.13%	1.52%	-6.67
S&P 500 (USA)	1,307.4	-2.2			
FTSE 100 (UK)	5,923.5	-2.7			
MSCI Emerging Markets	1,096.0	-1.1			
Gold	\$1,429.7	-\$4.80			
Oil (Brent Crude Futures)	\$113.08	-\$1.96			

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 February 28 to March 4, 2011

	Index	Change	Year to Date	Volatility	Return per Unit of Risk
Caribbean Banking Index (CBSX)	1,128.2	-2.78	1.43%	0.27%	5.39
Caribbean Conglomerate Index (CCSX)	1,065.9	-5.37	-1.29%	0.48%	-2.67
Caribbean Communications and Utilities Index (CCUX)	1,195.2	0.82	11.60%	1.28%	9.10
Caribbean Insurance and Investments Index (CIIX)	974.3	-4.55	-1.87	1.25%	-1.49
Caribbean Manufacturing Index (CMSX)	1,114.9	5.59	-2.28%	0.52%	-4.39
Caribbean Retail and Distribution Index (CRDX)	1,103.8	-5.42	5.02%	1.79%	2.80
Caribbean Tourism and Real Estate Index (CTRX)	789.1	-1.07	-7.33%	1.27%	-5.77

Manufacturing sector stocks had the best week with the CMSX advancing 5.59 points to close the week at 1,114.9. Eight of the CMSX stocks advanced, two declined and twenty were unchanged.

The CMSX was led by National Flour Mills, Desnoe and Geddes, Banks DIH, Jamaica Broilers and Kingston Wharves which posted gains of 10.82%, 10.46%, 5.0%, 2.55% and 1.05% respectively. Caribbean Cement's woes continued as the stock posted a 8.86% decline. Communications and Utilities stocks were the only other group to post a gain for the week as the CCUX advanced 0.82 points to close the week at 1,195.2. Three of the CCUX stocks advanced and eleven were unchanged. Gleaner led the group with a gain of 3.79% for the week.

In the Retail and Distribution group, three stocks declined and seven were unchanged. The CRDX was dragged down by Hardware and Lumber, St. Kitts & Nevis Trading and Carreras which posted losses of 3.43%, 2.63% and 0.50% respectively. As a result the CRDX fell 5.42 points to close the week at 1,103.8. In the conglomerate group two stocks advanced, three declined and five were unchanged. Jamaica Producers posted a 1.53% gain for the week, but this was outweighed by the losses posted by Neal and Massey (-2.31%) and Grace Kennedy (-0.91%). This resulted in the CCSX falling 5.37 points to close the week at 1,065.9. Stocks in the Insurance and Investments sector continued to struggle with four stocks advancing, six declining and seven unchanged. First Jamaica Investments posted a strong gain of 8.3% and Sagicor Life also posted a gain of 1.13%. However, Mayberry Investments, Famguard, Guardian Holdings and JMMB posted losses of 6.33%, 4.02%, 3.21% and 0.81% respectively. These losses saw the CIIX fall 4.55 points to close the week at 974.3. In the Banking sector, three stocks advanced, four declined and fifteen were unchanged. Republic Bank Guyana posted a gain of 3.17% and Bank of Bahamas gained 2.27%. These gains were, however, outweighed by the losses posted by Fidelity Bank (-9.68%), Finance Corporation (5.92%) and Scotia Group Jamaica (1.49%). The CBSX fell 2.78 points to close the week at 1,128.2. In the Tourism and Real Estate sector two stocks declined and seven were unchanged. Ciboney fell by 50% driving the CTRX down 1.07 points to close the week at 789.1.

Stocks On The Move

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

Table 3: Advancing Stocks: Feb 28 to March 4 2011.

	EXCH	Index	Close	30 Day Moving Average	Volume	Return For Week	Year to Date	Volatility	Return per Unit of Risk
National Flour Mls	TTSE	CMSX	\$0.14	\$0.142	98,144	10.8%	-2.32%	2.23%	-1.04
Desnoe & Geddes	JSE	CMSX	\$0.033	\$0.034	1,115,490	10.5%	-22.87%	2.86%	-7.99
First Jamaica Inv	JSE	CIIX	\$0.454	\$0.438	13,254	8.3%	7.18%	1.48%	4.85
Banks DIH	GASCI	CMSX	\$0.063	\$0.060	56,600	5.0%	8.36%	0.79%	10.60
Gleaner	JSE	CCUX	\$0.023	\$0.023	2,187,593	3.8%	17.78%	4.25%	4.18
Rep. Bank Guyana	GASCI	CBSX	\$0.322	\$0.316	298,700	3.2%	3.42%	0.51%	6.71
Jamaica Broilers	JSE	CMSX	\$0.076	\$0.073	396,207	2.6%	8.02%	1.07%	7.52
Bank of Bahamas	BISX	CBSX	\$4.50	\$4.613	4,000	2.3%	-7.98%	1.51%	-5.29
Jamaica Producers	JSE	CCSX	\$0.239	\$0.235	330,481	1.5%	2.87%	0.36%	7.97
Sagicor Jamaica	JSE	CIIX	\$0.083	\$0.082	741,017	1.10%	2.92%	1.86%	1.57

Table 4: Declining Stocks: Feb 28 to March 4 2011.

	EXCH	Index	Close	30 Day Moving Average	Volume	Return	Year to Date	Volatility	Return per Unit of Risk
Ciboney	JSE	CTRX	\$0.0003	\$0.0005	1,800	-50.0%	50.08%	16.82%	2.98
Lasco Distributors	JSE	CJSX	\$0.037	\$0.049	266,702	-11.5%	-6.57%	3.24%	-2.03
Access Financial	JSE	CJSX	\$0.059	\$0.061	56,000	-10.0%	3.03%	3.14%	0.96
Fidelity Bank	BISX	CBSX	\$1.96	\$2.142	1,000	-9.7%	-9.68%	1.44%	-6.71
Caribbean Cement	JSE	CMSX	\$0.030	\$0.031	20,768	-8.9%	-16.35%	3.35%	-4.88
Freeport Oil	BISX	CMSX	\$5.48	\$5.643	4,500	-8.7%	0.14%	1.76%	0.08
Lasco Financial	JSE	CJSX	\$0.028	\$0.030	53,680	-7.7%	-6.71%	1.90%	-3.53
Lasco manu	JSE	CJSX	\$0.057	\$0.072	419,165	-6.9%	12.8%	3.14%	-4.08
Mayberry	JSE	CIIX	\$0.024	\$0.026	371,129	-6.3%	-17.1%	2.04%	-8.38
Dolphin Cove	JSE	CJSX	\$0.050	\$0.053	127,000	-6.3%	-3.60%	1.67%	-2.16

Investing School (Support and Resistance Levels)

A **support level** is a price level where the price of a falling stock tends to find support. This means that the price of the stock is likely to either stabilize or rebound from this level rather than fall any further. However, if the stock price falls below this level on strong volumes of trading it is likely to continue falling to new lows until it finds a new support level. A **resistance level** is a price level where the price of a rising stock tends to find resistance. This means that the price of the stock is likely to either stabilize or fall from this level rather than continue rising. However, if the stock price rises above this level on strong volumes of trading it is likely to continue rising to new highs until it finds a new resistance level. If a stock price is moving between support and resistance levels, then a basic investment strategy is to buy a stock at support levels and sell at resistance levels. Support and resistance levels are often identified by trend lines of the stock price. The moving average of the stock price can also be used as a simple method to identify support and resistance levels.

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