

CARIBBEAN STOCK REPORT March 21 to March 25 2011

For the week ended March 25 2011, 83,066,373 shares valued at \$17, 763,257 crossed the floors of the six stock exchanges across Caricom, with 18 stocks advancing, 25 declining and 78 remaining unchanged. National Commercial Bank of Jamaica was the volume leader with 46,840,322 shares being traded, Demerara Bank Limited posted the largest gain of 25% for the week, while on the losing end, Pulse Investments fell 15.3%. For the week, ten of the CSX 30 stocks advanced, ten declined and ten were unchanged. The CSX 30 gained 2.15 points to close the week at 1,139.3, up 0.78% year to date. The Junior market continued its recovery, with four of the CJSX stocks advancing, two declining and four remaining unchanged. The CJSX gained 2.17 points to close the week at 1,060.3, down 7.42% 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 March 21 to March 25, 2011

	Index	Change	Year To Date	Volatility	Return per Unit of Risk
Caribbean AllShare Index CASX	943.7	0.04%	-6.41%	0.96%	-6.65
Caribbean Select Index CSX 30	1,139.3	0.19%	0.78%	0.18%	4.28
Caribbean Junior Share Index CJSX	1,060.3	0.21%	-7.42%	1.35%	-5.51
S&P 500 (USA)	1,313.8	2.70%	4.47%	0.77%	5.88
FTSE 100 (UK)	5,900.8	3.20%	0.015%	0.90%	0.28
MSCI Emerging Markets	1,096.3	-3.50%			
Gold	\$1,427.6	-0.17%			
Oil (Brent Crude Futures)	\$115.59	1.46%			

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 March 21 to March 25, 2011

	Index	Change	Year to Date	Volatility	Return per Unit of Risk
Caribbean Banking Index (CBSX)	1,147.5	0.20%	3.14%	0.29%	10.73
Caribbean Conglomerate Index (CCSX)	1,068.4	-0.01%	-1.05%	0.42%	-2.51
Caribbean Communications and Utilities Index (CCUX)	1,156.6	-0.51%	8.34%	1.15%	7.22
Caribbean Insurance and Investments Index (CIIX)	970.7	0.004%	-2.24%	1.09%	-2.06
Caribbean Manufacturing Index (CMSX)	1,106.4	0.01%	-3.04%	0.45%	-6.70
Caribbean Retail and Distribution Index (CRDX)	1,116.3	0.63%	6.16%	1.57%	3.94
Caribbean Tourism and Real Estate Index (CTRX)	790.1	0.04%	-7.21%	1.10%	-6.55

Retail and Distribution and Banking stocks continued to perform well in 2011. For the week, four CRDX stocks advanced, one declined and five were unchanged. AML Foods, Agostini's Limited and St. Kitts & Nevis Trading posted gains of 9.17%, 5.64% and 4.12% respectively. As a result the CRDX advanced 7.0 points to close the week at 1,116.3, up 1.57% year to date. In the banking sector, three stocks advanced, two declined and seventeen were unchanged. Demerara Bank Limited led the group with a 25% gain, while Bank Of Bahamas gained 5.48%. The CBSX advanced 2.26 points to close the week at 1,147.5, up 3.14% year to date.

Performance was quite mixed in the manufacturing and Insurance and Investments sectors, while the Tourism and Real Estate group continued to be flat. In the manufacturing sector, five stocks advanced, six declined and nineteen were unchanged. Caribbean Cement Company and Kingston Wharves posted strong gains of 7.43% and 4.37% respectively. However, on the losing end, National Flour Mills, Banks DIH and Berger Paints Jamaica posted losses of 10%, 5.56% and 4.55% respectively. The CMSX advanced 0.08 points to close the week at 1,106.4, down 3.04% year to date. In the Investments and Insurance sector, four stocks advanced, seven declined and six were unchanged. Eastern Caribbean Financial Holdings, National Enterprises Limited and Jamaica Money Market Brokers posted gains of 7.84%, 1.30% and 1.16% respectively. However, Pulse Investments recorded a 15.33% decline, Pan Caribbean Financial Services a 9.51% decline and First Jamaican Investments a 6.48% decline. The CIIX advanced 0.04 points to close the week at 970.7, down 2.24% year to date.

For the week there was a broad based decline in Communications and Utilities and Conglomerate stocks. In the Communications and Utilities sector, four stocks declined and ten were unchanged. Gleaner, Cable and Wireless Jamaica, Radio Jamaica and Cable Bahamas all posted losses of 6.48%, 3.56%, 3.34% and 1.91% respectively. The CCUX declined 5.95 points to close the week at 1,156.6, up 8.34% year to date. In the conglomerate sector two stocks advanced, three declined and five were unchanged. Ansa Mcal posted a strong gain of 9.17%, but two large capitalization stocks, Jamaica Producers and Banks Holdings posted losses of 2.38% and 1.27% respectively. The CCSX declined marginally to close the week at 1,068.4, down 1.05% year to date.

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Market Movers This Week and Investment School

Investing School (Book Value Per Share)

The Book Value Per Share is the value per share reflected on a company's balance sheet. It can be calculated as follows:

$$\frac{\text{Stockholders Equity - Preferred Stock}}{\text{Average Outstanding Shares}}$$

On most stock markets it is rare for a stock to trade below its book value. A stock trading below its book value is often associated with a company in serious financial distress. Comparing the share price to the Book Value Per Share may indicate whether a stock is under or over valued. In the absence of evidence of severe financial distress, a stock trading below its book value tends to indicate an undervalued stock. From a Caribbean perspective, we often observe healthy companies trading below book value. This is likely due to the low level of trading on our markets and the consequent poor price discovery. Investors would be advised to be wary of selling their stocks at below book value.

Stocks On The Move

Tables one and two provide some widely used financial metrics on the five biggest gainers and losers for the week. Readers should note that prices are in US dollars.

Table 3: Advancing Stocks: March 21 to March 25 2011.

	EXCH	Index	Close	30 Day Moving Average	Volume For Week	Return For Week	Year to Date	Volatility	Return per Unit of Risk
Demerara Bank	GASCI	CBSX	\$0.124	\$0.103	2,000	25.0%	36.32%	4.07%	8.93
AML Foods	BISX	CRDX	\$1.19	\$1.077	9,050	9.2%	21.0%	1.36%	15.44
ECFH	ECCSE	CIIX	\$4.499	\$4.881	700	7.8%	2.61%	3.07%	0.85
Caribbean Cement	JSE	CMSX	\$0.033	\$0.033	98,172	7.4%	-6.58%	3.13%	-2.1
Agostinis	TTSE	CRDX	\$1.726	\$1.726	180,800	5.6%	14.68%	1.08%	13.59

Table 4: Declining Stocks: March 21 to March 25 2011.

	EXCH	Index	Close	30 Day Moving Average	Volume For Week	Return For week	Year to Date	Volatility	Return per Unit of Risk
Pulse	JSE	CIIX	\$0.015	\$0.019	32,325	-15.3%	-54.26%	3.82%	-14.29
National Flour	TTSE	CMSX	\$0.126	\$0.138	18,018	-10.0%	-12.32%	2.32%	-5.31
Pan Caribbean FS	JSE	CIIX	\$0.222	\$0.218	48,050	-9.5%	-0.79%	2.21%	-0.36
First Jamiaca Inv	JSE	CIIX	\$0.425	\$0.445	290,019	-6.5%	0.70%	1.46%	0.48
Gleaner	JSE	CCUX	\$0.023	\$0.023	1,929,009	-6.5%	21.41%	3.94%	5.44

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