

## CARIBBEAN STOCK REPORT November 14 to November 18 2011

Declines, financial, manufacturing and junior market sharesstocks saw Caribbean stocks end the week lower, as 61,966,835 shares valued at US\$6,987,391, crossed the floors of the six stock exchanges across Caricom. For the week, 28 stocks advanced, 36 declined and 62 remained unchanged. General Accident Insurance was the volume leader with 5,144,649 shares being traded, Honey Bun posted the largest gain for the week (14.58%), while on the losing end, Caribbean Cement fell 30.0%.

For the week, eight of the CSX 30 stocks advanced, ten declined and twelve were unchanged. The CSX 30 lost 8.70 points to close the week at 1,309.88, up 14.80% year to date. On the Junior Market, four stocks advanced, six declined and two were unchanged as the CJSX lost 108.28 points to close the week at 1,822.94, up 47.65% year to date. There were gains for Honey Bun (14.58%), General Accident (6.68%), AMG Packaging (6.00%) and Blue Power (5.20%). However, there were losses for Lasco Financial (22.40%), Lasco Manufacturing (15.50%), Lasco Distributors (10.0%), Access Financial Services (5.30%) and Dolphin Cove (1.60%). 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 November 14 to November 18 2011**

|  | Index      | Change | Year To Date | Volatility | Return per Unit of Risk |
|--|------------|--------|--------------|------------|-------------------------|
| <b>Caribbean AllShare Index CASX</b>     | 1,554.18   | 0.11%  | 52.25%       | 3.01%      | 17.39                   |
| <b>Caribbean Select Index CSX 30</b>     | 1,309.88   | -0.66% | 14.80%       | 0.25%      | 59.70                   |
| <b>Caribbean Junior Share Index CJSX</b> | 1,822.94   | -5.61% | 47.65%       | 1.35%      | 35.27                   |
| <b>S&amp;P 500 (USA)</b>                 | 1,215.65   | -3.81% | -3.34%       | 1.43%      | -2.33                   |
| <b>FTSE 100 (UK)</b>                     | 5,362.90   | -3.29% | -9.10%       | 1.34%      | -6.78                   |
| <b>Gold (100 oz Futures)</b>             | \$1,692.20 | -1.91% |              |            |                         |
| <b>Oil (Brent Crude Futures)</b>         | \$106.10   | -1.44% |              |            |                         |

### 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 November 14 to November 18 2011**

|  | Index   | Change | Year to Date | Volatility | Return per Unit of Risk |
|--|---------|--------|--------------|------------|-------------------------|
| <b>Caribbean Banking Index (CBSX)</b>                      | 1,264.1 | -1.20% | 12.91%       | 0.31%      | 41.27                   |
| <b>Caribbean Conglomerate Index (CCSX)</b>                 | 1,203.1 | 0.75%  | 10.97%       | 0.41%      | 26.63                   |
| <b>Caribbean Communications and Utilities Index (CCUX)</b> | 1,110.5 | -0.14% | 4.30%        | 0.61%      | 7.10                    |
| <b>Caribbean Insurance and Investments Index (CIIX)</b>    | 1,185.9 | -0.78% | 17.96%       | 0.67%      | 26.73                   |
| <b>Caribbean Manufacturing Index (CMSX)</b>                | 1,289.2 | -0.55% | 12.42%       | 0.44%      | 28.03                   |
| <b>Caribbean Retail and Distribution Index (CRDX)</b>      | 1,205.8 | 0.73%  | 14.09%       | 0.90%      | 15.57                   |
| <b>Caribbean Tourism and Real Estate Index (CTRX)</b>      | 1,364.8 | 0.19%  | 58.53%       | 3.41%      | 17.15                   |

The CBSX declined 1.20% as four Banking stocks advanced, four declined and twelve were unchanged. While there was a 4.5% gain on Bank of Nevis and a 4.4% gain on Bank of Trade and Industry, the group was dragged down by losses for Finance Corporation (9.90%) and NCB Jamaica (9.1%). The CIIX declined 0.78% as five Insurance and Investments stocks advanced, five declined and seven were unchanged. There were gains for JSJ Insurance (9.7%), JMMB (2.2%) and Barita Investments (2.2). However, these gains were overpowered by losses for Scotia Investments (14.5%), mayberry (9.9%), Sagicor Life Jamaica (2.5%) and Pulse Investments (9.4%). The CCSX advanced 0.75% on the back of a 6.8% gain in Grace Kennedy, the CRDX advanced 0.73% largely due to a 11.1% gain in Supreme Ventures Limited, the CMSX declined 0.55% due to a 30.0% decline in Caribbean Cement while the other sectoral indices were essentially flat for the week.

### **Investing School (Investing In Gold)**

This week we resume our look at gold as an investment by outlining some possible ways to invest in gold:

- 1. Gold Bars:** Bars come in metric sizes, and are based directly on that day's gold price, plus a premium for manufacture and marketing. The smaller the bar, the bigger the premium.
- 2. Sovereigns:** One popular way to own gold is by buying gold coins, with 22-carat gold sovereigns the favourite with many investors. Sovereigns dating from about 1887 and up to 1982 are currently the best bet.
- 3. Krugerrands:** Another popular option is to buy South African Krugerrands. The smallest is a 0.1oz coin.
- 4. Exchange-traded funds:** Gold ETFs are not technically funds because they follow a single security. ETF gold securities are traded on various stock exchanges. They essentially track the gold price and can be traded daily. They are also regulated financial products. Visit [www.exchangetradedgold.com](http://www.exchangetradedgold.com) or [www.etfsecurities.com](http://www.etfsecurities.com) for more information.
- 5. Unit trusts and investment trusts:** These are few and far between, the most popular being BlackRock Merrill Lynch Gold & General, which invests in the shares of gold mining companies as well as other commodity businesses. Advisers reckon general commodity funds could also do the job for private investors as they dabble in gold-related stocks – JPM Natural Resources and ACDS Australia Natural Resources remain popular. Gold mining equities tend to be more volatile than the gold price.
- 6. Gold accounts:** Gold bullion banks offer two types of gold account – allocated and unallocated. An allocated account is effectively like keeping gold in a safety deposit box and is the most secure form of investment in physical gold. The gold is stored in a vault owned and managed by a recognised bullion dealer or depository.
- 7. Gold shares:** You can of course buy individual shares of companies that either trade or mine gold.

### **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: November 14 to November 18 2011**

|                  | <b>EXCH</b> | <b>Index</b> | <b>Close</b> | <b>30 Day Moving Average</b> | <b>Volume For Week</b> | <b>Return For Week</b> | <b>Year to Date</b> | <b>Volatility</b> | <b>Return per Unit of Risk</b> |
|------------------|-------------|--------------|--------------|------------------------------|------------------------|------------------------|---------------------|-------------------|--------------------------------|
| Honey Bun        | <b>JSE</b>  | <b>CJSX</b>  | \$0.0731     | \$0.0623                     | 28,067                 | 14.58%                 | 11.25%              | 3.13%             | 3.59                           |
| Ciboney          | <b>JSE</b>  | <b>CTRX</b>  | \$0.0009     | \$0.0007                     | 779,144                | 14.2%                  | 41.99%              | 6.28%             | 6.68                           |
| Jamaica Teas     | <b>JSE</b>  | <b>CJSX</b>  | \$0.0594     | \$0.0495                     | 223,500                | 13.8%                  | 38.96%              | 2.13%             | 18.26                          |
| Supreme Ventures | <b>TTSE</b> | <b>CRDX</b>  | \$0.0311     | \$0.0283                     | 10,429,945             | 11.1%                  | 4.72%               | 1.54%             | 3.07                           |
| Montego FreePort | <b>BISX</b> | <b>CTRX</b>  | \$0.0171     | \$0.0153                     | 105,067                | 9.7%                   | 10.04%              | 3.63%             | 2.77                           |
| Grace Kennedy    | <b>JSE</b>  | <b>CCSX</b>  | \$0.7413     | \$0.6514                     | 245,318                | 6.8%                   | 16.06%              | 1.38%             | 11.60                          |
| General Accident | <b>JSE</b>  | <b>CJSX</b>  | \$0.0318     | \$0.0310                     | 13,997,588             | 6.68%                  | 18.98%              | 3.47%             | 5.46                           |
| Amg Packaging    | <b>JSE</b>  | <b>CJSX</b>  | \$0.0485     | \$0.0426                     | 374,591                | 6.00%                  | 40.07%              | 2.63%             | 15.25                          |

**Table 4: Declining Stocks: November 14 to November 18 2011**

|                     | <b>EXCH</b> | <b>Index</b> | <b>Close</b> | <b>30 Day Moving Average</b> | <b>Volume For Week</b> | <b>Return For Week</b> | <b>Year to Date</b> | <b>Volatility</b> | <b>Return per Unit of Risk</b> |
|---------------------|-------------|--------------|--------------|------------------------------|------------------------|------------------------|---------------------|-------------------|--------------------------------|
| Caribbean Cement    | <b>JSE</b>  | <b>CMX</b>   | \$0.0288     | \$0.0295                     | 156,228                | -30.7%                 | 31.45%              | 4.32%             | 7.28                           |
| Lasco Financial     | <b>JSE</b>  | <b>CJSX</b>  | \$0.0508     | \$0.0467                     | 269,858                | -22.4%                 | 54.39%              | 4.23%             | 12.87                          |
| Lasco Manufacturing | <b>JSE</b>  | <b>CJSX</b>  | \$0.1419     | \$0.1481                     | 328,461                | -15.5%                 | 45.52%              | 3.46%             | 13.16                          |
| Scotia Invstments   | <b>JSE</b>  | <b>CIIX</b>  | \$0.3463     | \$0.3291                     | 88,115                 | -14.5%                 | 10.82%              | 3.36%             | 3.22                           |
| Kingston Wharves    | <b>JSE</b>  | <b>CMSX</b>  | \$0.0594     | \$0.0599                     | 494,769                | -12.2%                 | -4.51%              | 2.69%             | -1.67                          |
| Lasco Distributors  | <b>JSE</b>  | <b>CJSX</b>  | \$0.1556     | \$0.1520                     | 488,975                | -10.0%                 | 47.74%              | 3.14%             | 15.19                          |
| Finance Corporation | <b>BISX</b> | <b>CBSX</b>  | \$4.8200     | \$5.2735                     | 6,185                  | -9.9%                  | 34.79%              | 2.32%             | -14.97                         |
| Mayberry            | <b>JSE</b>  | <b>CIIX</b>  | \$0.0404     | \$0.0395                     | 537,845                | -9.9%                  | 19.04%              | 3.30%             | 5.76                           |

