

WEEKLY CARICOM STOCK REPORT November 12 to November 16 2012

Caribbean stocks had another difficult week with all the major indices ending the week lower. For the week, 19,287,182 shares valued at \$2,478,094 crossed the floors of the six stock exchanges across Caricom, with 31 stocks advancing, 48 declining and 45 remaining unchanged. JMMB was the volume leader with 8,440,228 shares being traded, Blue Power posted the largest gain for the week (23.09%), while on the losing end, Cargo Handlers fell (23.34%).

For the week, ten of the CSX 30 stocks advanced, fourteen declined and six were unchanged. The CSX 30 lost 11.51 points to close the week at 1,394.93, up 6.08% year to date. In the CSX 30 there were gains for St. Lucia Electricity Services (4.00%), Bank of Trade & Industry (3.88%), Grace Kennedy (2.84%), Scotia Group Jamaica (1.46%), JMMB (1.20%) and Agostini's (1.18%). On the negative side, Neal & Massey fell (5.57%), Mayberry (5.27%), Lime Jamaica (4.92%) and Republic Bank (3.14%).

The Junior Market ended the week in negative territory with five stocks advancing and seven declining. The CJSX lost 13.53 points to close the week at 1,518.19, down 16.44% for the year. Blue Power gained (23.09%), Lasco Financial (16.00%), Honey Bun (7.59%), Jamaica Teas (4.48%) and Access Financial (1.00%). However, there were losses for Lasco Manufacturing (2.19%) and Caribbean Producers (1.96%).

Table 1: Broad Market Indices November 12 to November 16 2012

	Index	Change	Year To Date	Volatility	Return per Unit of Risk
Caribbean AllShare Index CASX	1,716.61	-0.16%	-4.37%	2.48%	-1.76
Caribbean Select Index CSX 30	1,394.93	-0.82%	6.08%	0.28%	22.02
Caribbean Junior Share Index CJSX	1,518.19	-0.88%	-16.44%	79.49%	-0.21
S&P 500 Index (USA)	1,359.88	0.48%	8.13%	0.79%	10.25
FTSE 100 Index (UK)	5,605.60	-1.27%	0.60%	0.94%	0.63
Crude Oil	\$86.67	0.008%			
Gold 100 OZ Futures	\$1,731.10	0.003%			

Table 2: Sector Indices November 12 to November 16 2012

	Index	Change	Year to Date	Volatility	Return per Unit of Risk
Caribbean Banking Index (CBSX)	1,313.2	-0.71%	4.67%	0.44%	10.65
Caribbean Conglomerate Index (CCSX)	1,280.9	-1.07%	7.22%	0.33%	21.60
Caribbean Communications and Utilities Index (CCUX)	1,129.2	0.22%	1.97%	0.22%	9.02
Caribbean Insurance and Investments Index (CIIX)	1,120.3	-0.19%	-4.37%	0.54%	-8.09
Caribbean Manufacturing Index (CMSX)	1,436.3	-0.15%	11.18%	0.36%	31.26
Caribbean Retail and Distribution Index (CRDX)	1,170.0	0.19%	-2.00%	0.82%	-2.44
Caribbean Tourism and Real Estate Index (CTRX)	1,515.4	-0.27%	-5.29%	0.05%	-110.61

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 12 to November 16 2012

	EXCH	Index	Close	30 Day Moving Average	Volume For Week	Return For Week	Year to Date	Volatility
Blue Power	JSE	CJSX	\$0.0602	\$0.0564	204,600	23.09%	-14.4%	2.17%
Lasco Financial	JSE	CJSX	\$0.0608	\$0.0582	102,712	16.00%	-15.6%	2.99%
Hardware & Lumber	JSE	CRDX	\$0.0383	\$0.0367	48,989	15.99%	-43.8%	2.17%
Kingston Wharves	JSE	CMSX	\$0.0602	\$0.0557	10,987	9.70%	-12.0%	2.10%
Honey Bun	JSE	CJSX	\$0.0372	\$0.0359	31,756	7.59%	-41.4%	2.71%
Salada Foods	JSE	CJSX	\$0.0930	\$0.0876	800,000	7.32%	-9.24%	1.82%
Scotia Investments	JSE	CIIX	\$0.3117	\$0.2989	41,067	5.05%	-6.56%	2.89%
Jamaica Teas	JSE	CJSX	\$0.0458	\$0.0441	1,886,000	4.48%	-20.7%	2.62%

Table 4: Declining Stocks: November 12 to November 16 2012

	Exch	Index	Close	30 Day Moving Average	Volume For Week	Return For week	Year to Date	Volatility
Cargo Handler	JSE	CTRX	\$0.1094	\$0.1314	9,263	-23.34%	-27.42%	1.79%
Demerara Distillers	JSE	CRDX	\$0.0627	\$0.0642	8,000	-12.10%	18.12%	2.47%
Colina Holdings	BSE	CMSX	\$2.2000	\$2.3383	3,490	-6.75%	-10.06%	1.44%
Neal & Massey	JSE	CCUX	\$7.0932	\$7.3210	6,830	-5.57%	-0.82%	0.90%
Mayberry	JSE	CMSX	\$0.0208	\$0.0215	189,660	-5.27%	-44.80%	2.68%
CW Jamaica	JSE	CJSX	\$0.0020	\$0.0021	2,373,000	-4.92%	-14.61%	4.84%
Republic Bank	JSE	CJSX	\$6.4560	\$6.8485	4,444	-3.14%	9.78%	0.32%
Pan Caribbean Financial	TTSE	CMSX	\$0.2237	\$0.2259	16,300	-2.89%	-27.07%	2.81%

Investing School (Investing Principles)

4. Listen to Your Gut.

Any valuation model you may create for a company is only as good as the assumptions about the future that are put into it. If the output of a model does not make sense, then it's worthwhile to double-check your projections and calculations. Use DCF valuation models (or any other valuation models) as guides, not oracles.

5. Know Your Friends, and Your Enemies.

What's the short interest in a stock you are interested in? What mutual funds own the company, and what is the record of those fund managers? Does company management have "skin in the game" via a meaningful ownership stake? Have company insiders been selling or buying? At the margin, these are valuable pieces of collateral evidence for your investment thesis on a company.

6. Recognize the Signs of a Top.

Whether it is tulip bulbs in 17th century Holland, gold in 1849, or Beanie Babies and Internet stocks in the 1990s, any time a crowd has unanimously agreed that a certain investment is a "can't lose" opportunity, you are probably best off to avoid that investment. The tide is likely to soon turn. Also, when you see people making investments that they have no business making (think bellboys giving tips on bonds, auto mechanics day-trading stocks in their shops, or successful doctors giving up medicine to "flip" real estate), that's also a sign to search for the exits.

You can view more tips and other information at our website: www.carifinanceonline.com/

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