

WEEKLY CARICOM STOCK REPORT November 5 to November 9 2012

Caribbean stocks were dragged down by losses on financial stocks and ended the week of November 9 2012, in negative territory. In a week of very light trading, 7,075,268 shares valued at \$1,092,267 crossed the floors of the six stock exchanges across Caricom, with 34 stocks advancing, 43 declining and 47 remaining unchanged. Lime Jamaica was the volume leader with 1,111,781 shares being traded, Palace Amusements posted the largest gain for the week (19.92%), while on the losing end, Ciboney fell (23.68%).

For the week, fourteen of the CSX 30 stocks advanced, ten declined and six were unchanged. The CSX 30 lost 3.74 points to close the week at 1,406.44, up 6.95% year to date. In the CSX 30 there were gains for Mayberry (5.26%), Desnoe & Geddes (3.67%), Careeras (3.07%), Finance Corporation Bahamas (1.92%) and Scotia Group Jamaica (1.62%). On the negative side, Lime Jamaica fell (13.77%), Carib Cement (13.24%), Lascelles (4.95%), Bank of Trade & Industry (3.76%), National Enterprises (2.92%), Grace Kennedy (2.12%), Banks DIH (2.02%) and NCB Jamaica (1.11%).

The Junior Market ended the week in negative territory with five stocks advancing and seven declining. The CJSX lost 17.96 points to close the week at 1,531.72, down 15.70% for the year. Caribbean Producers gained (2.69%), but there were losses for Lasco Financial (8.12%). Honey Bun (7.13%) and Lasco Distributors (4.28%).

Table 1: Broad Market Indices November 5 to November 9 2012

	Index	Change	Year To Date	Volatility	Return per Unit of Risk
Caribbean AllShare Index CASX	1,718.44	-0.10%	-4.27%	0.05%	-86.04
Caribbean Select Index CSX 30	1,406.44	-0.27%	6.95%	0.28%	25.20
Caribbean Junior Share Index CJSX	1,531.72	-1.16%	-15.70%	0.83%	-18.93
S&P 500 Index (USA)	1,379.85	0.17%	9.72%	0.80%	12.22
FTSE 100 Index (UK)	5,769.70	-0.11%	3.54%	0.95%	3.75
Crude Oil	\$85.8286.12	-0.03%			
Gold 100 OZ Futures	\$1,725.90	1.78%			

Table 2: Sector Indices November 5 to November 9 2012

	Index	Change	Year to Date	Volatility	Return per Unit of Risk
Caribbean Banking Index (CBSX)	1,322.6	-0.05%	5.42%	0.44%	12.35
Caribbean Conglomerate Index (CCSX)	1,197.8	-0.50%	0.26%	0.61%	0.43
Caribbean Communications and Utilities Index (CCUX)	1,126.8	-0.14%	1.75%	0.22%	7.97
Caribbean Insurance and Investments Index (CIIX)	1,122.4	-1.49%	-4.19%	0.55%	-7.68
Caribbean Manufacturing Index (CMSX)	1,438.5	-0.07%	11.35%	0.36%	31.47
Caribbean Retail and Distribution Index (CRDX)	1,167.8	1.39%	-2.19%	0.83%	-2.64
Caribbean Tourism and Real Estate Index (CTRX)	1,519.5	-0.07%	-5.04%	0.05%	-104.73

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 5 to November 9 2012

	EXCH	Index	Close	30 Day Moving Average	Volume For Week	Return For Week	Year to Date	Volatility
Palace Amusements	JSE	CRDX	\$0.6580	\$0.6216	700	19.92%	13.97%	1.95%
Mayberry	JSE	CIIX	\$0.0219	\$0.0211	381,800	5.26%	41.73%	2.69%
Berger Jamaica	JSE	CMSX	\$0.0295	\$0.0283	174,041	5.01%	20.16%	2.00%
Seprod	JSE	CMSX	\$0.1755	\$0.1755	4,000	4.09%	32.52%	2.71%
Desnoe & Geddes	JSE	CMSX	\$0.0515	\$0.0523	942,342	3.67%	12.99%	3.85%
Carreras	JSE	CCSX	\$0.6253	\$0.6194	107,252	3.07%	11.97%	1.82%
Caribbean Producers	JSE	CJSX	\$0.0247	\$0.0242	324,489	2.69%	23.68%	2.53%
Finance Corporation	BISX	CBSX	\$5.3000	\$5.2833	1,000	1.92%	17.78%	1.31%

Table 4: Declining Stocks: November 5 to November 9 2012

	Exch	Index	Close	30 Day Moving Average	Volume For Week	Return For week	Year to Date	Volatility
Ciboney	JSE	CTRX	\$0.0008	\$0.0008	23,600	-23.68%	32.96%	10.14%
Hardware & Lumber	JSE	CRDX	\$0.0329	\$0.0347	8,799	-14.35%	-51.71%	2.00%
Bico	BSE	CMSX	\$0.7882	\$0.8095	499	-13.98%	-13.98%	0.93%
CW Jamaica	JSE	CCUX	\$0.0021	\$0.0023	1,111,781	-13.77%	-0.20%	4.83%
Carib Cement	JSE	CMSX	\$0.0099	\$0.0105	197,874	-13.24%	-69.26%	4.01%
Lasco Financial	JSE	CJSX	\$0.0521	\$0.0540	76,041	-8.12%	-27.71%	2.94%
Honey Bun	JSE	CJSX	\$0.0345	\$0.0368	180,995	-7.13%	-45.61%	2.70%
Trinidad Cement	TTSE	CMSX	\$0.2556	\$0.2577	21,165	-5.97%	-8.19%	1.71%

Investing School (Investing Principles)

1. Prepare for the Situation to Proceed Faster than You Think.

Most deteriorating businesses will do so faster than you anticipate. Be very wary of value traps, or companies that look cheap but are generating little or no economic value. On the other hand, strong businesses with solid competitive advantages will often exceed your expectations. Have a very wide margin of safety with a troubled business, but do not be afraid to have a much smaller margin of safety for a wonderful business with a shareholder-friendly management team.

2. Expect Surprises to Repeat.

The first big positive surprise from a company is unlikely to be the last. Ditto the first big negative surprise. Remember the "cockroach theory." Namely, the first cockroach you see is probably not the only one around; there are likely scores more that you can't see.

3. Don't Be Stubborn.

David St. Hubbins memorably said in the movie *This is Spinal Tap*, "It's such a fine line between stupid and clever." In investing, the line between being patient and being stubborn is even finer, unfortunately. Patience comes from watching companies rather than stock prices, and letting your investment theses play out. If a stock you recently bought has fallen, but nothing has changed with the company, patience will likely pay off. However, if you find yourself constantly discounting bad news or downplaying the importance of deteriorating financials, you might be crossing that fine line into stubborn territory. Being stubborn in investing can be expensive.

Always ask yourself, "What is this business worth now? If I didn't already own it, would I buy it today?" Honestly and correctly answering these questions will not only help you be patient when patience is needed, but it will also greatly help you with your selling decisions.

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

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