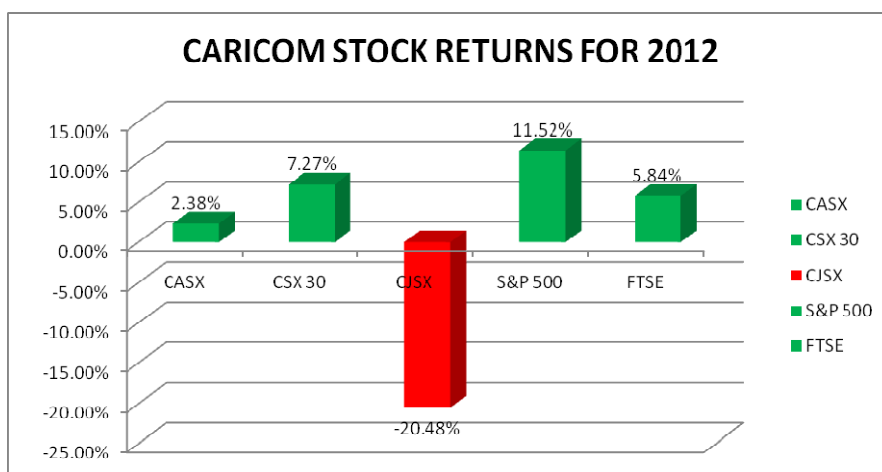


## **CARICOM STOCK MARKET REVIEW 2012**

The year 2012 was a challenging year for equity investors in Caricom. Despite solid gains on Manufacturing, Conglomerate and Banking stocks, returns were depressed by declines on Tourism, Real Estate, Insurance, Investments and Retail Stocks. As a result, the CSX 30, which tracks the 30 most influential stocks in Caricom, posted a modest gain of 7.27% for the year. Investors in Junior Market shares had a torrid year, and the CJSX, which tracks the returns of Junior Market shares in Caricom posted a decline of 20.48%. New readers should note that returns are in US dollars, and reflect movements in the stock's price (capital gains), dividends and movements in the exchange rate against the US dollar.

For the year, 1,991,884,759 shares valued at US \$400,107,790 crossed the floors of the six stock exchanges across Caricom, with 50 stocks advancing, 74 declining and 8 remaining unchanged.

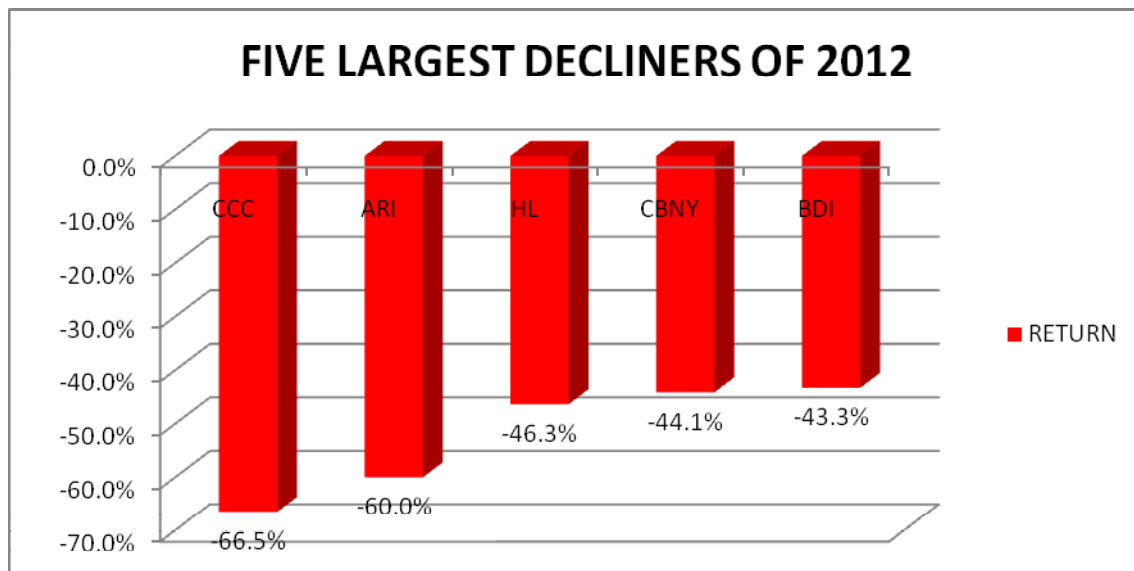
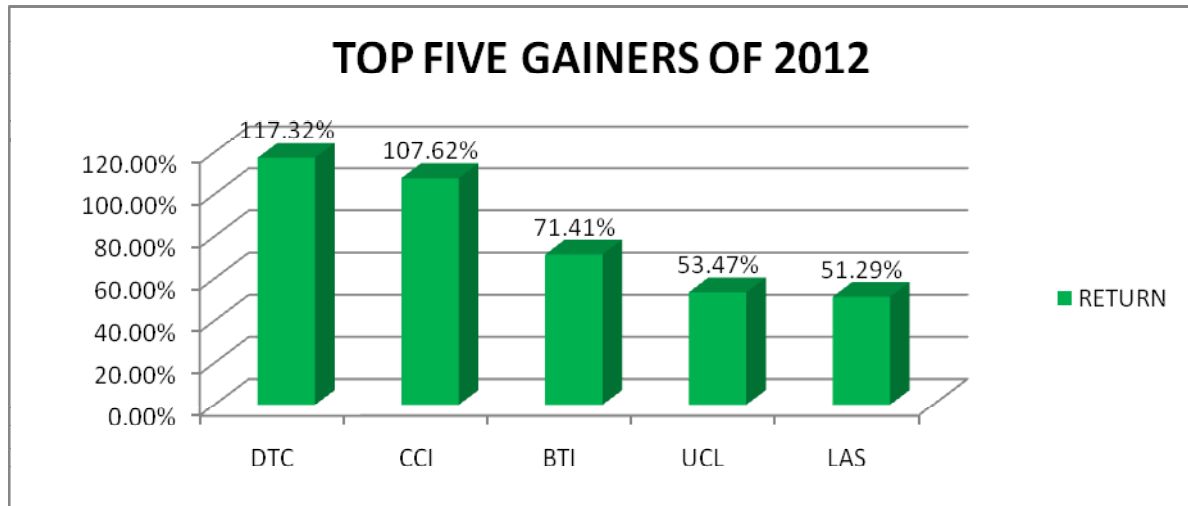


Sagicor Life Jamaica was the most active stock of the year with 358,057,483 shares being traded. Demerara Tobacco Company posted the largest gain for the year (117.32%), while on the losing end, Caribbean Cement Company fell (66.51%).

For the year, fifteen of the CSX 30 stocks advanced and fifteen declined. The CSX 30 gained 95.62 points to close the year at 1,410.60, up 7.27% for the year. In the CSX 30 there were gains for Bank of Trade and Industry Guyana (71.41%), Lascelles Jamaica (51.29%), One Caribbean Media (43.52%), Banks DIH Guyana (42.95%), West India Tobacco Company (41.15%), Scotia Bank Trinidad & Tobago (32.67%), Guardian Holdings (31.14%), Finance Corporation Bahamas (21.78%), Agostini's Limited (24.23%), Ansa Mcal (22.15%) and Republic Bank (12.54%). On the losing end, Caribbean Cement Company fell (66.51%), Gleaner (37.16%), Jamaica Money Market Brokers (37.48%), Lime Jamaica (30.12%), Montego Bay Free Port (23.00%), Grace Kennedy (22.99%), Mayberry Investments (22.40%), Sagicor (19.51%), NCB Jamaica (15.78%), Desnoe & Geddes (14.62%) and Scotia Group Jamaica (11.81%).

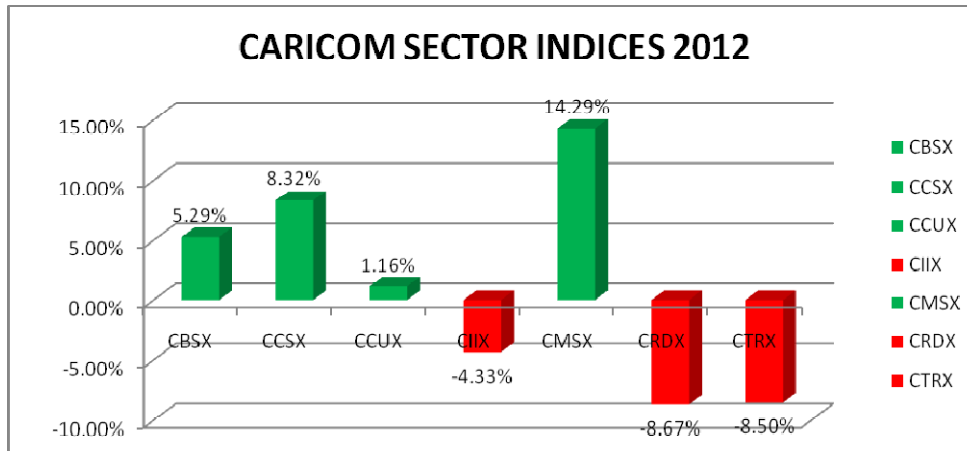
The Junior Market experienced a difficult year, with one stock advancing and fourteen declining. The CJSX lost 372.1 points to close the week at 1,444.80, down 20.48% for the year. Access Financial Services posted a gain of (35.24%), however, there were losses for Honey Bun (38.82%), General Accident (30.66%), Jamaica Teas (25.60%), Lasco Manufacturing (25.42%), Lasco Financial 24.84%), Lasco Distributors (21.67%), AMG Packaging (16.65%), and Caribbean Producers (12.42%).

## STOCKS ON THE MOVE



## CARICOM STOCK PERFORMANCE BY SECTOR

Stocks in the manufacturing sector generated the best returns in 2012, while Tourism, Real Estate and Retail stocks were the weakest performers. The Caricom Manufacturing Share Index (CMSX) gained 184 points to close the year at 1,476.5, up 14.29% for the year. The Caricom Conglomerate Share Index (CCSX) gained 99.45 points to close the year at 1,294.2, up 8.32% for the year. The Caricom Banking Share Index (CBSX) gained 66.3 points to close the year at 1,321, up 5.29% for the year. The Caricom



Communications and Utilities Share Index (CCUX) gained 12.9 points to close the year at 1,118.5, up 1.16% for the year. The Caricom Retail and Distribution Share Index (CRDX) posted the largest decline of the year, declining 103.5

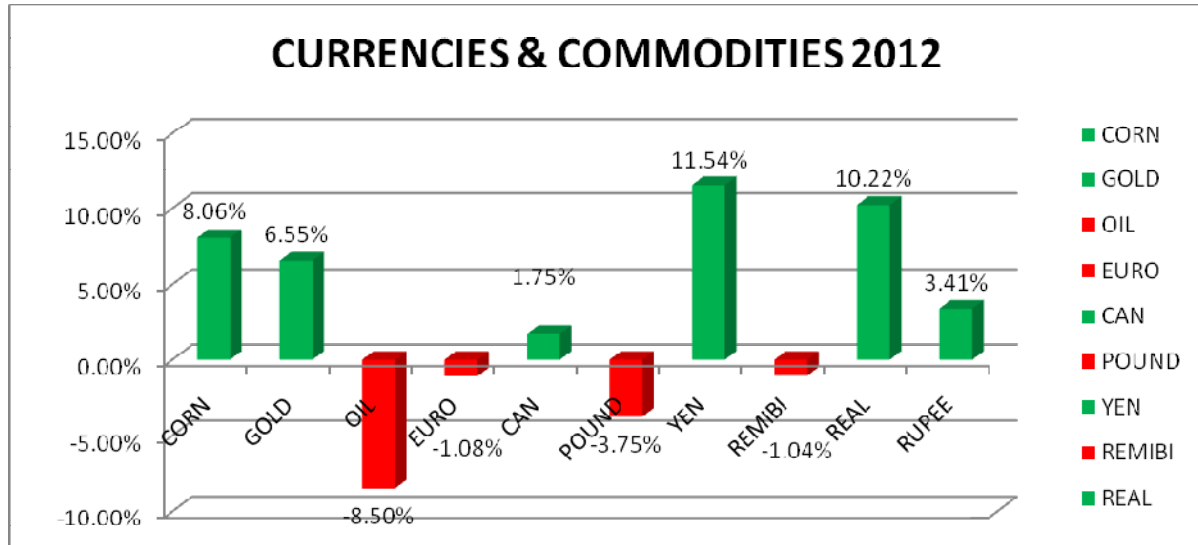
points to close the year at 1,090.4, down 8.67% for the year. The Caricom Tourism and Real Estate Share Index (CTRX) lost 136 points to close the year at 1,464.1, down 8.50% for the year. The Caricom Insurance and Investments Share Index (CIIX) lost 50.8 points to close the year at 1,120.8, down 4.33% for the year.

## NEW LISTINGS AND DELISTINGS

There were a number of listings and De-Listings across the regional exchanges in 2012. On the Bahamas International Securities Exchange, Arawak Port Development was listed on April 23 2012. In Guyana, Rupununi Development Company Limited was listed on March 19 2012. In Jamaica, First Caribbean International Bank Jamaica, First Jamaica Investments Limited, Montego Freeport and Pegasus Hotels were De-listed, while on the main market Proven Investments was listed, and, Consolidated Bakeries, Paramount Trading Jamaica, C2W Music Limited and K. L.E. Group Limited were listed on the Junior Market. Supreme Ventures was De-listed from the Trinidad and Tobago Stock Exchange.

## COMMODITIES AND CURRENCIES

On the commodity markets, Crude Oil Futures stood at \$91.76 per barrel, down 8.50% for the year. Gold Futures stood at \$1,675.85 per ounce, up 6.55%. Corn Futures stood at \$699.25 per Contract (5,000 Bushels per Contract), up 8.06% for the year. On the currency markets, the dollar ended the year stronger against the Canadian Dollar, Japanese Yen, Brazilian Real, Indian Rupee, but weakened against the Euro, Chinese Yuan and the British Pound.



## INVESTING SCHOOL

### (Should You Sell Those Shares To Finance Christmas Shopping?)

In the two years we have been publishing this report, we have noticed an increase in share trading around the end of the year. This has led us to suspect that some investors may be liquidating their shares to help finance Christmas and New Year holiday expenditures. Is this a wise decision? Like so many things it all depends. In general, you should not use investment funds to finance consumption. If you are holding the shares as a means of financing some future expenditures like retirement, education and so on, then you should desist from liquidating shares to finance holiday related consumption expenditures. However, liquidating shares to help finance Christmas and New Year expenditures is generally a better financial decision than undertaking expensive hire purchases or neglecting to pay other bills. In general, I would suggest that you save over the course of the year to finance holiday expenditures, avoid debt to finance holiday expenditures, exercise moderation in holiday expenditures and if you must, then only finance holiday expenditures from the gains on your investments rather than liquidating your capital.

You can view more tips and other information at our website: [www.carifinanceonline.com/](http://www.carifinanceonline.com/)

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