

## CARIBBEAN STOCK REPORT June 13 to June 17 2011

Strong gains in the Insurance and Investments sector and among Caribbean conglomerates saw stocks end the week of June 13 to June 17 higher as 28,874,187 shares, valued at \$5,717,127, crossed the floors of the six stock exchanges across Caricom, with 37 stocks advancing, 22 declining and 63 remaining unchanged. Kingston Wharves was the volume leader with 10,187,695 shares being traded, Pulse Investments again posted the largest gain for the week (14.0%), while on the losing end, Cable and Wireless Jamaica Limited fell 5.50%. For the week, sixteen of the CSX 30 stocks advanced, nine declined and five were unchanged. The CSX 30 gained 9.91 points to close the week at 1,233.60, up 8.76% year to date. On the junior market, ten stocks advanced and one declined as the CJSX advanced 0.25 points to close the week at 1,350.00, up 16.73% year to date. The CJSX was again led by new listing Honey Bun which posted a gain of 8.69%, Access Financial Services gained 5.64% and Lasco Financial gained 4.17%. However, the gains on the index were constrained by a 4.92% decline in Lasco Distributors. 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 June 13 to June 17, 2011**

	<b>Index</b>	<b>Change</b>	<b>Year To Date</b>	<b>Volatility</b>	<b>Return per Unit of Risk</b>
<b>Caribbean AllShare Index CASX</b>	951.90	0.08%	-5.54%	0.68%	-8.12
<b>Caribbean Select Index CSX 30</b>	1,233.60	0.81%	8.76%	0.23	37.46
<b>Caribbean Junior Share Index CJSX</b>	1,350.00	0.02%	16.73%	1.44%	11.64
<b>S&amp;P 500 (USA)</b>	1,267.64	0.04%	1.10%	0.73%	1.51
<b>FTSE 100 (UK)</b>	5,714.90	-0.88%	-2.73%	0.89	-3.07
<b>Gold (100 OZ Futures)</b>	1,539.50	1.41%			
<b>Oil (Brent Crude Futures)</b>	112.46	-6.57%			

### 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 June 13 to June 17, 2011**

	<b>Index</b>	<b>Change</b>	<b>Year to Date</b>	<b>Volatility</b>	<b>Return per Unit of Risk</b>
<b>Caribbean Banking Index (CBSX)</b>	1,199.60	0.63%	7.61%	0.30%	25.46
<b>Caribbean Conglomerate Index (CCSX)</b>	1,158.30	0.78%	7.10%	0.47%	15.20
<b>Caribbean Communications and Utilities Index (CCUX)</b>	1,110.10	-0.07%	4.25%	0.83%	5.12
<b>Caribbean Insurance and Investments Index (CIIX)</b>	1,101.20	0.67%	10.47%	0.86%	12.19
<b>Caribbean Manufacturing Index (CMSX)</b>	1,232.70	-0.09%	7.88%	0.54%	14.57
<b>Caribbean Retail and Distribution Index (CRDX)</b>	1,157.20	0.51%	9.79%	1.13%	8.68
<b>Caribbean Tourism and Real Estate Index (CTRX)</b>	790.20	0.01%	-7.19%	0.78%	-9.25

The conglomerate sector registered the largest gain for the week (0.78%), as three conglomerate stocks advanced, two declined and five were unchanged. The group was led by Ansa Mcal which gained 2.99%. The CIIX gain turned a strong performance posting the next largest gain (0.67%) as six Insurance and Investments stocks advanced, seven declined and four were unchanged. The group was led by Pulse Investments (4.14% gain), Scotia Investments (6.18%), Mayberry Investments (6.18% gain), Barita Investments (4.01% gain) and National Enterprises Limited (2.30% gain). These gains more than offset losses of 1.93% for Guardian Holdings and 1.23% for Pan Caribbean Financial Services. The CBSX posted a solid gain of 0.63% for the week as fourteen banking stocks advanced, one declined and seven were unchanged. The banking group was led by Capital and Credit Financial Group (.88% gain), Scotia Group Jamaica (3.07% gain), and Bank of the Bahamas (1.31% gain). The CRDX also enjoyed another solid week with a gain of 0.57% as five Retail and Distribution stocks advanced, one declined and four were unchanged. The index was led by a 4.53% gain in Agostini's Limited, while the other stocks were largely flat. The other sector indices were essentially flat for the week.

### **Investing School (Beta )**

In investment circles the **Beta** of a stock refers to a number describing the relationship between the return on a particular investment and the overall market. You can think of beta as the tendency of a security's returns to respond to swings in the market. A beta of 1 indicates that the security's price will move pretty much in line with the market, so if the market goes up by 10% that security will typically go up by around 10%. A beta of less than 1 means that the security will be less volatile than the market, so if the markets goes up by 10% that security will typically go up by less than 10%, while if the market falls by 10% that security will typically fall by less than 10%. A beta of greater than 1 indicates that the security's price will be more volatile than the market. so if the markets goes up by 10% that security will typically go up by more than 10%, while if the market falls by 10% that security will typically fall by more than 10%.

In constructing a portfolio you can think of stocks with Beta greater than 1 as your aggressive investments. They are your Chris Gayle stocks so to speak, in that there is the potential for great returns but also great risk and volatility. Stocks with Betas of less than 1 are your defensive investments. They are your Shiv Chanderpaul, Brendan Nash stocks so to speak, not exciting or glamorous but there for you whatever the conditions. In building a portfolio you need a judicious mix of both. Many utilities stocks have a beta of less than 1. Conversely, most high-tech tech stocks have a beta of greater than 1, offering the possibility of a higher rate of return, but also posing more risk.

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### **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: June 13 to June 17 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>
Pulse Investments	<b>JSE</b>	<b>CIIX</b>	\$0.0379	\$0.0242	42,000	14.0%	54.13%	6.07%	8.92
Capital & Credit	<b>JSE</b>	<b>CBSX</b>	\$0.0373	\$0.0372	239,498	13.9%	17.44%	5.66%	3.08
Jamaica Broilers	<b>JSE</b>	<b>CMSX</b>	\$0.0788	\$0.0747	2,875,292	8.7%	10.57%	1.60%	6.61
Point Lisas	<b>TTSE</b>	CTRX	\$0.7395	\$0.7015	6,558	8.0%	-4.17%	1.17%	-3.57
Scotia Investments	<b>JSE</b>	CIIX	\$0.2797	\$0.2688	33,817	6.2%	18.04%	1.71%	10.55
Mayberry Investments	<b>JSE</b>	CIIX	\$0.0263	\$0.0245	373,451	6.2%	1.14%	2.43%	4.68
Montego Bay FreePort	<b>JSE</b>	CTRX	\$0.0186	\$0.0168	8,000	6.0%	24.66%	3.28%	7.50
Access Financial Services	<b>JSE</b>	CJSX	\$0.0524	\$0.0548	28,885	5.6%	-7.43%	2.23%	-3.32
National Flour Mills	<b>JSE</b>	CMSX	\$0.1401	\$0.1424	25,000	4.7%	-0.92%	2.31%	-3.97
Agostinis Limited	<b>JSE</b>	CRDX	\$1.8683	\$1.7659	1,750	4.5%	21.96%	0.87%	25.17

**Table 4: Declining Stocks: June 13 to June 17 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>
CW Jamaica	<b>JSE</b>	<b>CCUX</b>	\$0.0020	\$0.0024	807,329	-5.5%	57.17%	4.09%	-13.97
Lasco Distributors	<b>JSE</b>	<b>CJSX</b>	\$0.0699	\$0.0568	938,914	-4.9%	61.01%	3.53%	17.27
Berger Paints Jamaica	<b>JSE</b>	<b>CMSX</b>	\$0.0389	\$0.0377	85,163	-4.5%	56.85%	4.53%	12.54
Jamaica Producers	<b>JSE</b>	<b>CCSX</b>	\$0.2738	\$0.2751	83,860	-4.1%	18.93%	2.15%	8.81
Salada Foods	<b>JSE</b>	<b>CMSX</b>	\$0.1049	\$0.1114	10,000	-3.7%	29.30%	2.65%	-11.07
Trinidad Cement	<b>TTSE</b>	<b>CMSX</b>	\$0.3301	\$0.3870	8,317	-3.6%	28.49%	1.36%	-21.01
Pan Jamaican Investments	<b>JSE</b>	<b>CIIX</b>	\$0.5842	\$0.6016	400	-3.6%	7.11%	0.92%	7.74
Caribbean Cement Company	<b>JSE</b>	<b>CMSX</b>	\$0.0290	\$0.0318	79,394	-3.5%	17.31%	2.66%	-6.50
Lascelles	<b>JSE</b>	<b>CCSX</b>	\$3.3799	\$3.4934	13,673	-3.3%	0.74%	1.28%	5.76
Angostura Holdings	<b>TTSE</b>	<b>CMSX</b>	\$1.4012	\$1.4652	75,875	-2.7%	30.79%	3.24%	9.49

**Department of Management Studies, UWI Cave Hill. Justin.Robinson@uwi.cavehill.edu**

