CARIBBEAN STOCK REPORT April 25 to April 29 2011

For the week ended April 29, 2011, 13,784,718 shares valued at $3, 596,213, crossed the floors of the six stock exchanges across Caricom, with 28 stocks advancing, 8 declining and 85 remaining unchanged. Cable and Wireless Jamaica was the volume leader with 20,224,782 shares being traded, Scotia Investments posted the largest gain of 48.30% for the week, while on the losing end, Capital and Credit Financial Group fell 6.30%.

It was a week of light trading but solid gains, all of the broad market and sector indices were up for the weeks For the week, thirteen of the CSX 30 stocks advanced, four declined andthirteen were unchanged. The CSX 30 gained 9.50 points to close the week at 1,195.6, up 5.62% year to date. On the junior market, three stocks advanced and seven were unchanged. The CJSX advanced 12.46 points to close the week at 1,115.1, down 2.29% for the year. The CJSX was led by Lasco Distributors and Dolphin Cove which posted gains of 2.82% and 2.79% respectively. Table 1 provides a summary of the broad market indices for the week as well as some international reference points. Readers should note that on a risk adjusted basis the CSX 30 outperforms a number of international indices, highlighting the value of a well diversified regional portfolio.

Table 1: Broad Market Indices April 25 to April 29, 2011

	Index	Change	Year To Date	Volatility	Return per Unit of Risk
Caribbean AllShare Index CASX	949.5	0.22%	-5.80%	0.81%	-7.16
Caribbean Select Index CSX 30	1,195.6	0.80%	5.62%	0.22%	25.78
Caribbean Junior Share Index CJSX	1,115.1	1.13%	-2.29%	1.22%	-1.88
S&P 500 (USA)	1,363.61	1.98%	8.15%	0.69%	11.86
FTSE 100 (UK)	6,069.9	0.86%	3.17%	0.90%	3.54
Gold (100 OZ Futures)	$1,556.4	3.70%			
Oil (Brent Crude Futures)	$125.89	1.80%			

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 April 25 to April 29, 2011

	Index	Change	Year to Date	Volatility	Return per Unit of Risk
Caribbean Banking Index (CBSX)	1,184.7	0.47%	6.34%	0.28%	22.98
Caribbean Conglomerate Index (CCSX)	1,117.2	0.06%	3.46%	0.49%	7.01
Caribbean Communications and Utilities Index (CCUX)	1,125.1	0.07%	5.59%	0.98%	5.68
Caribbean Insurance and Investments Index (CIIX)	1,048.2	2.02%	5.50%	0.99%	5.56
Caribbean Manufacturing Index (CMSX)	1,172.1	0.61%	2.75%	0.46%	6.04
Caribbean Retail and Distribution Index (CRDX)	1,149.5	0.96%	9.10%	1.32%	6.87
Caribbean Tourism and Real Estate Index (CTRX)	790.9	0.15%	-7.10%	0.92%	-7.69

The sector indices were all in positive territory for the week, and with the exception of the CRTX the sector indices are in positive territory for the year. The CIIX registered the largest gain for the week (2.02%) as eight Insurance and Investment sector stocks advanced, one declined and eight were unchanged. The CIIX was led by a whopping 43% gain by the newly rebranded Scotia Investments, and there was strong support from Famguard, Sagicor Life Jamaica, Mayberry Investments, National Enterprises Limited, First Jamaica Investments and Barita Investments which posted gains of 9.47%, 6.18%, 5.10%, 3.96%, 2.63% and 2.06% respectively. The CRDX posted the second largest gain for the week (0.96%), as two retail and distribution stocks advanced and eight were unchanged. The CRDX was led by a strong gain of 11.65% in Prestige Holdings Limited, with the other stocks in the group holding steady. The CMSX was next with a 0.61% gain, as seven manufacturing stocks advanced, two declined and twenty one were unchanged. Solid gains were posted by Jamaica Broilers (3.83%), Desnoe & Geddes (2.55%),Caribbean Cement (1.89%), Kingston Wharves (1.80%) and Demerara Tobacco (1.27%). Bankks DIH registered a loss of 1.69%, while AML Foods lost 0.91%. The CBSX posted a 0.46% gains as six banking stocks advanced, three declined and thirteen were unchanged. While Guyana Bank For Trade and Industry, Scotia Group Jamaica and Bank of Nevis posted gains of 12.27%, 7.04% and 4.35%, these were balanced by Capital and Credit Financial Group, National Commercial Bank of Jamaica and Demerara Bank Limited which registered losses of 6.25%, 4.18% and 2.08% respectively. The other sector indices were generally flat for the week.

Investing School (Value Stocks and Value Investing)

As we said last week, “Value investors” actively seek stocks of companies that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated.

Typically, value investors select stocks with lower-than-average price-to-book or price-to-earnings ratios and/or high dividend yields. A value stock is typically defined as a stock that tends to trade at a lower price relative to it's fundamentals (i.e. dividends, earnings, sales, etc.) and thus considered undervalued by a value investor. Common characteristics of such stocks include a high dividend yield, low price-to-book ratio and/or low price-to-earnings ratio.

The big challenge for value investors is to identify true value stocks. Two investors can be given the exact same information and place a different value on a company. For this reason, another central concept to value investing is that of "margin of safety". This just means that you buy at a big enough discount to allow some room for error in your estimation of value.

Stocks On The Move

Tables three and four provide some widely used financial metrics on the biggest movers for the week. The ten biggest gainers and losers for the week are highlighted. Readers should note that prices are in US dollars.

Table 3: Advancing Stocks: April 25 to April 29 2011.

	EXCH	**Index**	**Close**	**30 Day Moving Average**	**Volume For Week**	**Return For Week**	**Year to Date**	**Volatility**	**Return per Unit of Risk**
Scotia Investments	**JSE**	**CIIX**	$0.291	$0.253	276,194	48.3%	79.65%	2.99%	26.67
Bank of Trade Industry	**GASCI**	**CBSX**	$0.908	$0.822	10,000	12.3%	13.94%	1.34%	10.41
Prestige Holdings Limited	**TTSE**	**CRDX**	$0.895	$0.804	100,839	11.7%	29.88%	1.82%	16.41
Famguard	**BISX**	**CIIX**	$5.200	$5.016	11,890	9.5%	-14.01%	1.83%	-7.64
Freeport Oil Holdings	**BISX**	**CMSX**	$6.000	$5.486	2,800	9.1%	10.03%	1.90%	5.28
Scotia Group Jamaica	**JSE**	**CBSX**	$0.291	$0.256	582,678	7.0%	19.65%	1.66%	11.83
Sagicor Life Jamaica	**JSE**	**CIIX**	$0.099	$0.091	1,178,603	6.2%	20.57%	1.81%	11.36
Montego Free Port	**JSE**	**CMSX**	$0.014	$0.016	228,468	5.6%	-14.36%	3.21%	-4.47
Mayberry Investments Limited	**JSE**	**CIIX**	$0.024	$0.023	438,956	5.1%	-13.79%	2.36%	-5.85
Bank Of Nevis	**ECSE**	**CBSX**	$2.222	$2.182	24,712	4.3%	17.82%	2.51%	7.10

Table 4: Declining Stocks: April 25 to April 29 2011.

	EXCH	Index	Close	30 Day Moving Average	Volume For Week	Return For week	Year to Date	Volatility	Return per Unit of Risk
Capital and Credit	**JSE**	**CBSX**	$0.040	$0.037	89,308	-6.3%	19.21%	5.82%	3.30
Jamaica Producers	**JSE**	**CRDX**	$0.258	$0.253	38,135	-4.7%	12.39%	2.36%	5.24
NCB Jamaica	**JSE**	**CBSX**	$0.274	$0.256	436,863	-4.2%	20.30%	1.21%	16.78
Demerara Bank	**GASCI**	**CBSX**	$0.117	$0.123	51,500	-2.1%	30.23%	3.46%	8.73
Guardian Holdings	**TTSE**	**CCUX**	$2.218	$2.201	36,090	-1.7%	10.81%	1.86%	5.82
Banks DIH	**GASCI**	**CMSX**	$0.058	$0.059	233,800	-1.7%	0.36%	0.99%	0.37
Angostura Holdings	**TTSE**	**CMSX**	$1.019	$0.877	770,304	-0.9%	-2.71%	3.01%	-0.90
Cable Bahamas	**BISX**	**CCUX**	$8.740	$8.898	21,937	-0.1%	-17.52%	0.98%	-17.81
Salada Foods	**JSE**	**CMSX**	$0.105	$0.106	3,079,392	0.0%	-30.22%	2.78%	-10.89
Hardware & Lumber	**JSE**	**CRDX**	$0.052	$0.052	1,007,040	0.0%	-2.50%	1.27%	-1.97

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