

CARIBBEAN STOCK REPORT June 27 to July 1 2011

There were solid gains on the Junior Market and moderate gains for financials as Caribbean stocks end the week of June 27 to July 1 higher. For the week, 26,908,831 shares valued at \$5,135,367, crossed the floors of the six stock exchanges across Caricom, with 35 stocks advancing, 17 declining and 70 remaining unchanged. Cable and Wireless Jamaica was the volume leader with 12, 713,583 shares being traded. Ciboney Ltd posted the largest gain for the week (66.70%), while on the losing end, Cable and Wireless Jamaica fell 17.70%. For the week, eleven of the CSX 30 stocks advanced, nine declined and ten were unchanged. The CSX 30 gained 6.22 points to close the week at 1,235.20, up 8.89% year to date. On the junior market, six stocks advanced, three declined and two were unchanged as the CJSX advanced 21.24 points to close the week at 1,375.60, up 18.65% year to date. The CJSX was led by Lasco Distributors which posted a gain of 8.29% and Dolphin Cove with a gain of 2.51%. There was a loss of 4.37% on Jamaica Teas and a pullback of 2.04% in Honey Bun shares. 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 27 to July 1, 2011

	Index	Change	Year To Date	Volatility	Return per Unit of Risk
Caribbean AllShare Index CASX	951.30	0.10%	5.60%	0.66%	-8.55
Caribbean Select Index CSX 30	1,235.20	0.51%	8.89%	0.24%	37.60
Caribbean Junior Share Index CJSX	1,375.60	1.57%	18.65%	1.40%	13.28
S&P 500 (USA)	1,339.67	5.61%	3.59%	0.76%	4.75
FTSE 100 (UK)	5,989.80	5.13%	2.02%	0.91%	2.23
Gold (100 OZ Futures)	\$1,510	-1.92%			
Oil (Brent Crude Futures)	\$96.77	-13.95%			

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 27 to July 1, 2011

	Index	Change	Year to Date	Volatility	Return per Unit of Risk
Caribbean Banking Index (CBSX)	1,203.20	0.49%	7.92%	0.30%	26.33
Caribbean Conglomerate Index (CCSX)	1,162.10	0.36%	7.43%	0.45%	16.47
Caribbean Communications and Utilities Index (CCUX)	1,103.10	-0.58%	3.62%	0.80%	4.53
Caribbean Insurance and Investments Index (CIIX)	1,097.70	0.61%	6.51%	0.90%	7.23
Caribbean Manufacturing Index (CMSX)	1,230.60	0.20%	7.71%	0.52%	14.72
Caribbean Retail and Distribution Index (CRDX)	1,139.90	-1.04%	8.29%	1.09%	7.62
Caribbean Tourism and Real Estate Index (CTRX)	789.60	0.07%	-7.27%	0.75%	-9.73

The CIIX posted the strongest gain for the week advancing 0.61% for the week as nine Insurance and Investments stocks advanced, one declined and seven were unchanged. There were gains for Pulse Investments (14.36%), Barita Investments (4.68%), Jamaica Money Market Brokers (2.59%), Scotia Investments (2.01%) and MayberryT (2.00%). Pan Caribbean Financial Services bucked the general trend with a 6.35% decline. The CBSX continued the strong performance in the financial sector posting a 0.49% gain for the week as five banking stocks advanced, two declined and fifteen were unchanged. The group was led by gains for Capital and Credit Financial Group (10.58%) and Republic Bank Limited (3.42%).

The CRDX posted a loss for a second consecutive week, falling 1.04%. The group was pulled down by a 2.16% decline in relatively large capitalization stock, Carreras. The CCUX also fell for a second straight week, falling 0.58% as one Communications and Utilities stock advanced, four declined and nine were unchanged. The group was dragged down by the continued weakness in Cable and Wireless Jamaica which fell a further 17.70%, One Caribbean Media which fell 3.07% and Radio Jamaica which fell 2.23%. The other sector indices were largely flat for the week.

Investing School (Dividend Stocks)

Dividend stocks are back in favor on Wall Street as many investors seek to limit their downside with guaranteed payouts. Banking the dividends from your portfolio can help replace some of the value lost when shares slide -- or if the payout is good enough and the stock is stable enough, actually grow your nest egg even while other investors are in the red.

Dividends Provide Some Comfort in a Volatile Market

When the stock market is volatile, it usually doesn't matter what the company is: You will end up with lost value. Dividend stocks are no different; the share price is just as likely to drop in a down market as all the other stocks heading down. The dividend advantage is seen as you continue receiving a payment for your shares. If a company has solid fundamentals, it is likely to continue paying a dividend. This means you still get some benefit -- even in a volatile market.

Dividends Often Keep Up with Inflation

According to SagePoint Financial, dividends normally keep up with inflation. Indeed, if you are concerned about inflation eroding your wealth over time, dividend stocks can help you avoid that fate. Plus, companies that pay dividends are often financially sound (unless they are offering a yield that is quite high; that might be a sign of trouble). This financial soundness is likely to stand companies in good stead in the future, and owning them could mean that eventually the stock's value will rise as well. This, plus the dividends, means that you will most likely go beyond keeping pace with inflation, and actually beat it.

Things to Remember when Investing in Dividend Paying Stocks

It is important for the beginning investor to remember, though, is that dividend investing doesn't result in immediate money in your pocket. Unless you have a great deal of capital to buy up a large amount of shares, the immediate impact to your finances will be small. Instead, you need to plan for a time frame of seven to 10 years of regular investing to see an improvement in your income, as well as true value gains for the stock in question.

Also, make sure to do your homework. Research is important when you are buying dividend stocks. Make sure that you are comfortable with the company, and that the yield makes sense for the company. If you plan on using dividends for income later, you want to make sure that you have chosen solid companies with a good chance of success.

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

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 27 to July 1 2011.

	EXCH	Index	Close	30 Day Moving Average	Volume For Week	Return For Week	Year to Date	Volatility	Return per Unit of Risk
Ciboney	JSE	CTRX	\$0.0012	\$0.0007	99,333	66.7%	216.66%	14.35%	15.10
Pulse	JSE	CIIX	\$0.04	\$0.03	12,560	14.4%	76.05%	5.99%	12.70
Capital & Credit	JSE	CBSX	\$0.04	\$0.03	110,440	10.6%	29.45%	5.48%	5.38
Hardware & Lumber	JSE	CRDX	\$0.06	\$0.06	3,122	9.2%	27.90%	1.95%	14.31
Lasco Distributors	JSE	CJSX	\$0.07	\$0.06	1,239,665	8.3%	69.46%	3.50%	19.83
Caribbean Cement	JSE	CMSX	\$0.02	\$0.02	47,522	7.0%	-38.40%	3.04%	-12.63
Barita Investments	JSE	CIIX	\$0.03	\$0.02	10,000	4.7%	47.17%	2.12%	22.25
Demerara Distillers	GASCI	CMSX	\$0.05	\$0.05	1,000	3.8%	9.68%	1.37%	7.09
Lascelles	JSE	CCSX	\$3.49	\$3.43	37,700	3.5%	4.16%	1.29%	3.22
Jamaica Producers	JSE	CMSX	\$0.29	\$0.28	63,100	3.5%	25.57%	2.23%	11.45

Table 4: Declining Stocks: June 27 to July 1 2011.

	EXCH	Index	Close	30 Day Moving Average	Volume For Week	Return For Week	Year to Date	Volatility	Return per Unit of Risk
CW Jamaica	JSE	CCUX	\$0.0016	\$0.0021	12,713,583	-17.7%	-	4.27%	-17.49
Pan Caribbean Financial	JSE	CIIX	\$0.2510	\$0.2757	40,941	-6.3%	13.53%	2.32%	5.84
Montego Freeport	JSE	CTRX	\$0.0175	\$0.0178	92,181	-6.2%	18.34%	3.21%	5.72
Jamaica Teas	JSE	CJSX	\$0.0438	\$0.0458	17,485	-4.4%	-1.60%	2.66%	-0.60
Berger Jamaica	JSE	CMSX	\$0.0373	\$0.0382	28,618	-4.1%	52.78%	4.41%	11.98
NCB Jamaica	JSE	CBSX	\$0.2912	\$0.2946	443,501	-3.6%	26.58%	1.24%	21.47
Desnoe & Geddes	JSE	CMSX	\$0.0384	\$0.0401	34,146	-3.5%	1.50%	2.79%	0.54
National Flour Mills	JSE	CMSX	\$0.1321	\$0.1391	1,728	-3.4%	-6.75%	2.25%	-3.00
One Caribbean Media	TTSE	CCUX	\$1.7325	\$1.8196	9,670	-3.1%	-	1.65%	-25.61
Radio Jamaica	JSE	CCUX	\$0.0292	\$0.0299	169,509	-2.2%	26.18%	2.62%	10.01

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RETURN	VOLUME	CLOSE	30 MA	VOLATILITY	YTS	SHP
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