

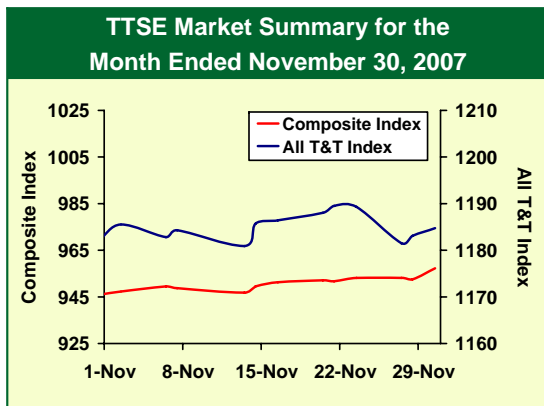


Securing Your Future Is Our Main Investment

## THE WISE CHRONICLE December 2007

### Local Market Summary

The bullish momentum of October continued into November as both Indices ended the month in positive territory. The Composite Index closed at 957.2078 after gaining 11.3522 points or 1.20 per cent; while the All T&T Index rose by 2.7035 points or 0.23 per cent to close at 1,184.7306. While this is encouraging for the market, the year to date percentage change still has some catching up to do, with the Composite down 1.23 per cent and the All T&T down 1.74 per cent. The advance to decline ratio ended the month at a close 12 to 11.



November's market activity resulted in 10,873,916 shares crossing the floor, which fell below last month's volume of 14,001,315 shares traded by 22.34 per cent. Also, when compared to the same period in 2006 the volume of shares traded was down a whopping 75.93 per cent from 45,167,252. However, this large difference was mainly due to the fact that November

2006 saw over 65 per cent of the total volume traded for the month in one trading day. Of which Jamaica Money Market Brokers Limited (JMJB) accounted for 90 per cent of the total volume. The value of shares traded for the period was \$96,957,725.03, down a significant 60.61 per cent on November 2006. Also, when compared to October's value of \$158,101,205.63, November's value of shares traded was down 38.67 per cent.

National Commercial Bank (Jamaica) Limited (NCBJ) took the title of volume leader with 5,091,915 shares traded or 46.83 per cent of all trades. While National Flour Mills Limited (NFM) followed with 775,425 shares traded or 7.13 per cent of the market. The third volume leader was RBTT Financial Holdings Limited (RBTT), which saw 734,583 shares traded or 6.76 per cent of the total volume traded.

The major advance went to Ansa Merchant Bank Limited (AMBL) which rose 20.81 per cent or \$3.96 to close the month at \$22.99. GraceKenedy Limited (GKC) was next in line up 9.91 per cent or 55 cents to end at \$6.10. While Angostura Holdings Limited (AHL) was the third major advance, up 8.51 per cent or 40 cents to \$5.10.

Leading the declines for the month was JMJB which fell 7.45 per cent or 7 cents to close at \$0.87. RBTT was next after falling by 5.57 per cent or \$1.95 to end November at \$33.05. While Guardian Holdings Limited (GHL) followed as the third major decline, down 4.00 per cent or \$1.00 to \$24.00.

### Jamaica Market Summary

In Jamaica both Indices ended the month of November in positive territory. The Market Index advanced 3,850.17 points or 3.72 per cent to close at 103,429.39; the Select Index rose 316.63 points or 10.97 per cent to end at 2,887.51. Advances outnumbered declines by a ratio of 21 to 15.

Market activity resulted in 336,596,608 shares changing hands valued at over JMD9,157,145,999.56. Cable and Wireless Jamaica Limited (CWJA) was the volume leader commanding 26.94 per cent of the market with 90,669,726 shares traded. The major advance for November went to Lascelles, deMercado and Company Limited (LAS) which rose 86.03 per cent to close at JMD560.00, while the major decline was Ciboney Group Limited (CBNY) which fell by 50 per cent to end the month at JMD0.01.

### ANSA McAL Limited (AMCL)

For the Nine Months (NM) Ended September 30, 2007, ANSA McAL Limited (AMCL) reported Earnings Per Share (EPS) of \$2.37, up a considerable 26.74 per cent or \$0.50 on the corresponding period in FY06. Q307 on Q306, the Company's EPS was up from \$0.86 to \$1.00, an increase of 16.28 per cent.

Third Party Turnover for the period under review amounted to \$3.54 billion, up a significant 18.32 per cent or \$548.27 million on the comparable period in the last financial year. Q307 on Q306, this figure grew by 16.39 per cent or \$173.08 million from \$1.06 billion to \$1.23 billion. The Group's Operating Income for the Nine Months was \$708.35 million, up a substantial 27.82 per cent or \$154.17 million from \$554.17 million on the same period in FY06. Q307 on Q306, this figure was also up significantly from \$239.16 million to \$289.71 million, an increase of 21.14 per cent.

For the Nine Month period under review Finance Costs totaled \$107.02 million, up a substantial 24.93 per cent or \$21.36 million on NM06. Q307 on Q306, Finance Costs was also up a significant 122.99 per cent or \$26.89 million from \$21.86 million to \$48.75 million.

Share of Results of Associated Companies for NM07 was \$8.72 million, down a substantial 52.81 per cent or \$9.76 million on the corresponding period in the last financial year. Q307 on Q306, this figure was down 43.81 per cent or \$2.58 million from \$5.88 million to \$3.30 million. Thus, the Group's Profit Before Taxation ended the period at \$610.05 million compared to \$486.99 million for NM06, an increase of 25.27 per cent.

The Effective Tax Rate for the period under review was 22.20 per cent compared to a Tax Rate of 21.99 per cent for the same period in FY06. As a result, Profit After Taxation stood at \$474.65 million, up 24.93 per cent or \$94.72 million on the corresponding figure for NM06.

The Chairman has stated that all sectors in the Group have continued to record growth over their 2006 year to date results. He also stated that all sectors are expected to surpass the objectives that were set at the start of the year in accordance with the Company's "Vision 2010 Beyond Blue". AMCL's best performing quarter is traditionally the last quarter of the year and the Chairman has stated that early indications are that this will be the case for 2007.

AMCL closed November at a price of \$47.99 on the local exchange. We are maintaining our forecasted EPS of \$3.50 for FY07. At this forecasted EPS and the current price, this share is trading at a p/e multiple of 13.71 times. Additionally, using a multiple of 15 times and the forecasted EPS, this share has an expected return of approximately 9.4 per cent on the current price or a target price of \$52.50. At this time we recommend a **BUY** on this share.

### Guardian Holdings Limited (GHL)

For the Nine Months (NM) Ended September 30, 2007, Guardian Holdings Limited (GHL) reported an Operating Profit (before fair value losses) of \$259.92 million compared to an Operating Loss (before fair value losses) of \$41.55 million for NM06. This represented an increase of \$301.47 million. For the third quarter of fiscal 2007, the Group reported an Operating Profit (before fair value gains) of \$92.37 million, an improvement of \$112.03 million on the comparable period in FY06.

The Chairman stated that the Group's operating companies performed well and produced increased revenues. Life Net Premium Income increased by 20 per cent, Health Premium grew by 9 per cent and Property & Casualty Net Premiums increased by 28 per cent over the corresponding period in 2006.

Insurance Premium Revenue for the period under review was \$3.71 billion, an increase of 13.53 per cent or \$441.98 million on the same period in fiscal 2006. Q307 on Q306, this figure was up a healthy 19.06 per cent. Insurance Premium ceded to Re-insurers totaled \$575.28 million for NM07, down 22.21 per cent on the same figure for NM06. Thus, Net Insurance Premium Revenue for the Nine Month period stood at \$3.13 billion, up a noteworthy 23.99 per cent or \$606.21 million on the corresponding period in the last financial year.

Investment Income for NM07 amounted to \$581.33 million, an increase of \$80.13 million or 15.9 per cent on NM06. Q307 on Q306, this figure was up 14.15 per cent. Fees and Commission was up a considerable 47.22 per cent, from \$63.14 million (NM06) to \$92.96 million (NM07). However, Q307 on Q306, this figure was down a substantial 33.97 per cent from \$45.57 million to \$30.09 million. Other Revenue ended the Nine Months at \$200.77 million, up an outstanding 62.72 per cent on the same figure in FY06, while Q307 on Q306, this figure was up by an even larger margin

of 326.25 per cent or \$66.22 million. Thus, Total Revenue ended NM07 at \$4.01 billion, up a healthy 24.69 per cent or \$793.55 million on NM06.

Net Insurance Benefits and Claims amounted to \$2.45 billion, an increase of 27.76 per cent or \$532.93 million on the same figure for NM06. For Q307 this figure was \$873.58 million, up 24.74 per cent or \$173.27 million on Q306. NM07 on NM06, Expenses fell by 3.06 per cent from \$1.34 billion to \$1.30 billion. Thus, as mentioned above, Operating Profit (before fair value losses) amounted to \$259.92 million.

Fair Value Losses for the Nine Month period under review was \$182.97 million compared to Fair Value Losses of \$586.02 million in the corresponding period of fiscal 2006. However for Q307, GHL had a Fair Value Gain of \$66.77 million compared to a Fair Value Loss of \$98.88 million for Q306. Thus, Operating Profit for NM07 was \$76.95 million compared to an Operating Loss of \$627.56 million for NM06. While Q307 saw an Operating Profit of \$159.14 million.

Share of Profits of Associated Companies was \$20.70 million for NM07 compared to \$14.62 million for NM06, an increase of 41.61 per cent. Finance Charges for the period under review was \$112.14 million compared to \$104.71 million for NM06. As a result, the Loss Before Taxation was \$14.49 million for NM07 compared to a Loss of \$717.66 million for the same period in the last financial year. Taxation for NM07 totaled \$65.81 million compared to \$58.53 million for NM06. Thus, the Loss After Taxation was \$80.29 million for NM07 and \$776.19 million for NM06, an improvement of \$695.89 million.

The shares of GHL ended November at a price of \$24.00 on the local market. We continue to recommend a **LONG TERM BUY** on this share.

A Member of the  FINANCIAL GROUP

*West Indies Stockbrokers Limited (WISE) is a subsidiary of RBTT Financial Group. From time to time WISE and/or its staff may take positions in some or all of the shares mentioned in our report. WISE welcomes your comments. Please e-mail us at [info@wisett.com](mailto:info@wisett.com).*

## WISE STOCK MARKET QUOTATIONS AS AT NOVEMBER 30, 2007

	Hist Eps	Est Eps	Est Div	Curr Price	Est Yield %	Est P/E Ratio
<b>Bank</b>						
FirstCaribbean	70.0	95.0	43.0	12.00	3.58	12.63
NCB Jca	25.0	28.0	7.0	2.00	3.50	7.14
RBTT Fin Hold	276.0	280.0	125.0	33.05	3.78	11.80
Republic Bank	833.0	725.0	300.0	80.00	3.75	11.03
Scotiabank	210.4	230.0	90.0	30.00	3.00	13.04
<b>Non-Bank Fin</b>						
ANSA Fin & Merch	177.0	200.0	85.0	22.99	3.70	11.50
Capital & Credit	11.0	8.0	1.8	0.88	2.05	11.00
DB&G	22.0	24.0	8.0	2.00	4.00	8.33
Guardian Holdings	-114.0	0.00	15.0	24.00	0.63	0.00
JMMB	7.0	8.0	1.8	0.87	2.07	10.88
National Enterprises	46.0	80.0	70.0	6.50	10.77	8.13
Sagicor Financial Corp	158.0	190.0	48.0	15.50	3.10	8.16
<b>Conglomerates</b>						
Ansa Mcal Ltd	276.0	350.0	95.0	47.99	1.98	13.71
Bdos Ship & Trad	138.0	165.0	69.0	27.94	2.47	16.93
GraceKennedy	53.3	70.0	13.0	6.10	2.13	8.71
Neal and Massy	337.0	430.00	133.0	48.00	2.77	11.16
<b>Trading</b>						
Agostini's Ltd	103.0	115.0	46.0	10.01	4.60	8.70
Furness Trinidad	68.0	80.0	0.0	6.15	0.00	7.69
L J Williams Ltd. - 'A'	0.8	0.5	0.2	0.60	0.33	120.00
L J Williams Ltd. - 'B'	15.0	25.0	9.0	1.20	7.50	4.80
Prestige Holdings	23.9	36.0	20.0	5.75	3.48	15.97
<b>Property</b>						
PLIPDECO	372.00	410.0	20.0	8.00	2.50	1.95
Valpark	47.3	47.3	0.0	5.00	0.00	10.57
<b>Manufacturing</b>						
Angostura Holdings	91.0	0.0	0.0	5.10	0.00	0.00
Berger Paints	-27.0	7.0	19.0	3.40	5.59	48.57
Flavorite Foods	67.0	80.0	35.0	5.12	6.84	6.40
National Flour Mills	-45.0	0.0	0.0	0.80	0.00	0.00
One Caribbean Media	131.0	140.0	77.0	17.80	4.33	12.71
Readymix WI	129.0	305.0	3.0	7.07	0.42	2.32
Trinidad Cement	60.0	75.0	8.0	7.38	1.08	9.84
Trinidad Publishing	117.0	145.0	60.0	19.92	3.01	13.74
Unilever Caribbean Ltd	133.0	153.0	125.0	17.50	7.14	11.44
WITCO	171.0	190.0	186.0	27.50	6.76	14.47

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