



First Citizens
Investment Services

Local and Regional Equity Outlook

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Trinidad and Tobago Equity Market

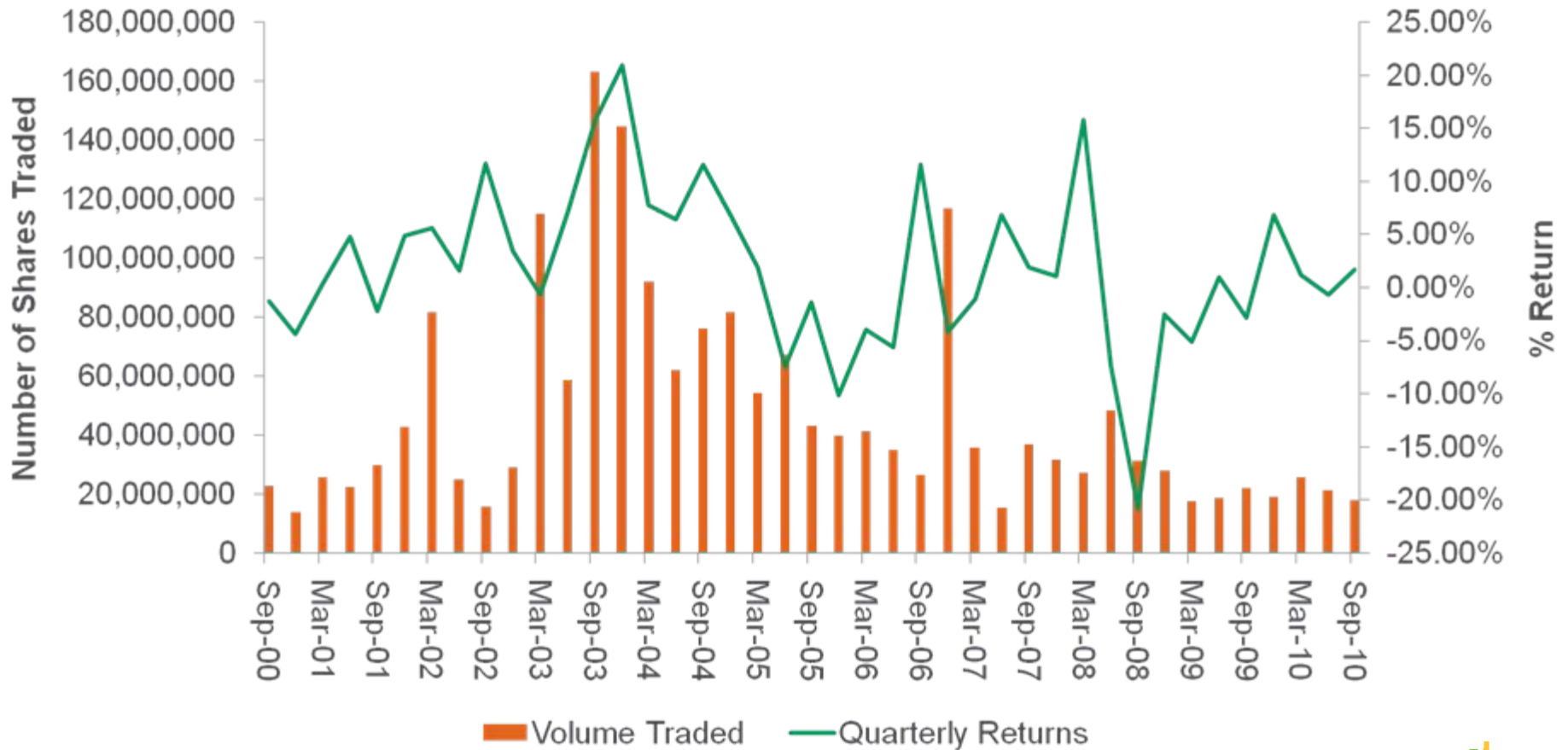
- **Regional Market Review**
- **Winners and losers**
- **Sectoral review of the TTSE**
- **Outlook for 2011**
- **Stock picks for the year ahead**

T & T Market Overview for 2010...

- TT Composite Index rose 9.19 % for 2010
- Volumes traded relatively unchanged from 2009-2010
- Illiquidity of market continued to be a challenge
- Low interest rates on short term instruments made higher dividend yielding stocks more attractive.
- Share prices closed at record 'highs' and 'lows'
- Economic activity slowed appreciably.
- No resolution to the CL and public sector negotiation issues

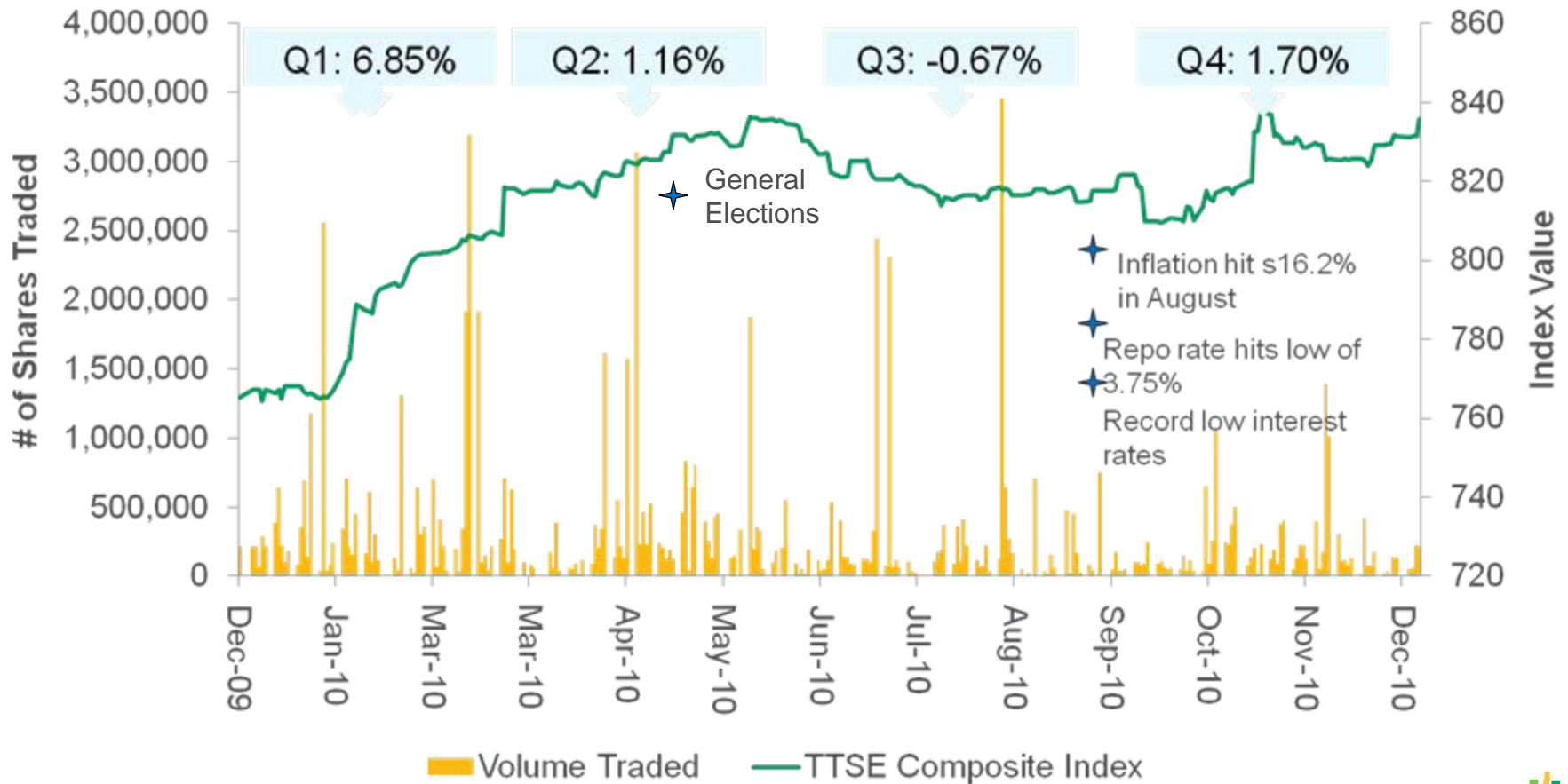
A Decade Later...

TTSE Composite Index: 2000-2010



2010 in Review - TTSE

TTSE Composite Index: 2009-2010



Movers and Shakers for 2010...

Advancers

Symbol	Volume	Opening (\$)	Closing (\$)	Return (\$)	2009 Dividend Yield (%)	Return (%)
WCO	854,488	32.39	47.81	15.42	10.27%	47.61%
NCBJ	10,565,332	1.04	1.46	0.42	7.96%*	40.38%
FCI	1,608,127	6.50	8.76	2.26	4.51%	34.77%
UCL	230,988	16.75	22.55	5.80	5.70%	34.63%
NFM	2,861,087	0.69	0.92	0.23	--	33.33%



Movers and Shakers for 2010...

Decliners

Symbol	Volume	Opening (\$)	Closing (\$)	Return (\$)	Return %
CCFG	3,215,313	0.52	0.18	-0.34	-65.4%
SFC	4,531,598	11.75	8.00	-3.75	-31.9%
TCL	6,894,278	3.85	2.90	-0.95	-24.7%
JMMB	8,088,594	0.32	0.25	-0.07	-21.9%
NML	4,037,271	45.00	37.00	-8.00	-17.8%



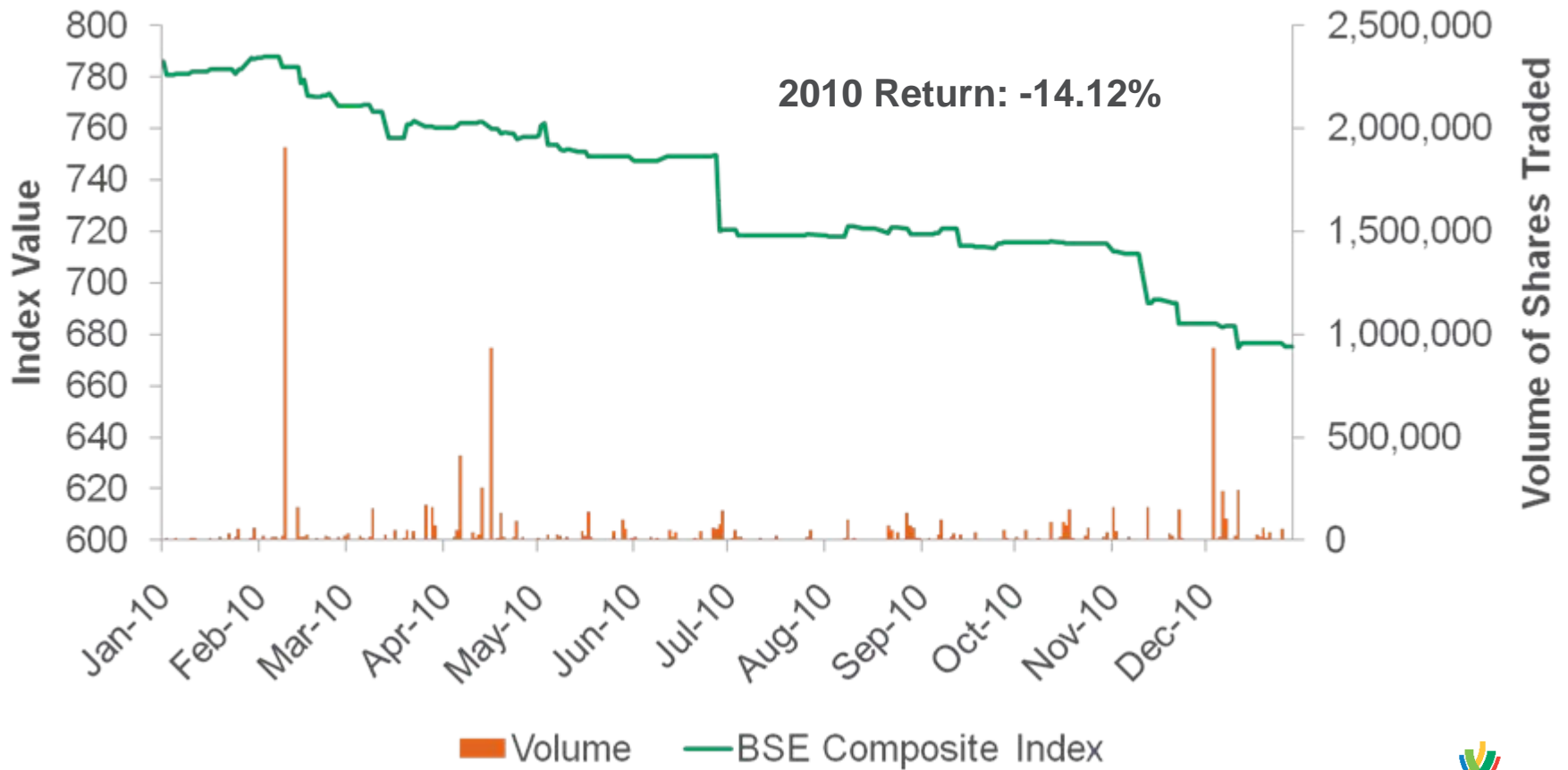
Review of 2010 Stock Picks

Stock	2010 Outlook	Open (\$)	Close (\$)	Gain/ (Loss)
RBL	Buy	74.02	76.21	2.96%
SBTT	Buy/Hold	30.75	36.32	18.11%
AMCL	Buy/Hold	43.00	46.00	6.98%
WCO	Buy	32.39	47.81	47.61%
FCI	Buy	6.50	8.76	34.77%
TCL	Sell	3.85	2.90	-24.68%
RML	Sell	31.35	26.65	-14.99%
GHL	Hold	14.11	12.81	-9.21%
SFC	Sell	11.75	8.00	-31.91%
NEL	Sell	8.25	10.28	24.61%
NML	Buy/Hold	45.00	37.00	-17.78%
GKC	Hold	3.00	3.60	20.00%



Barbados Review

BSE Market Performance: 2010



Jamaica Review

JSE Market Performance: 2010

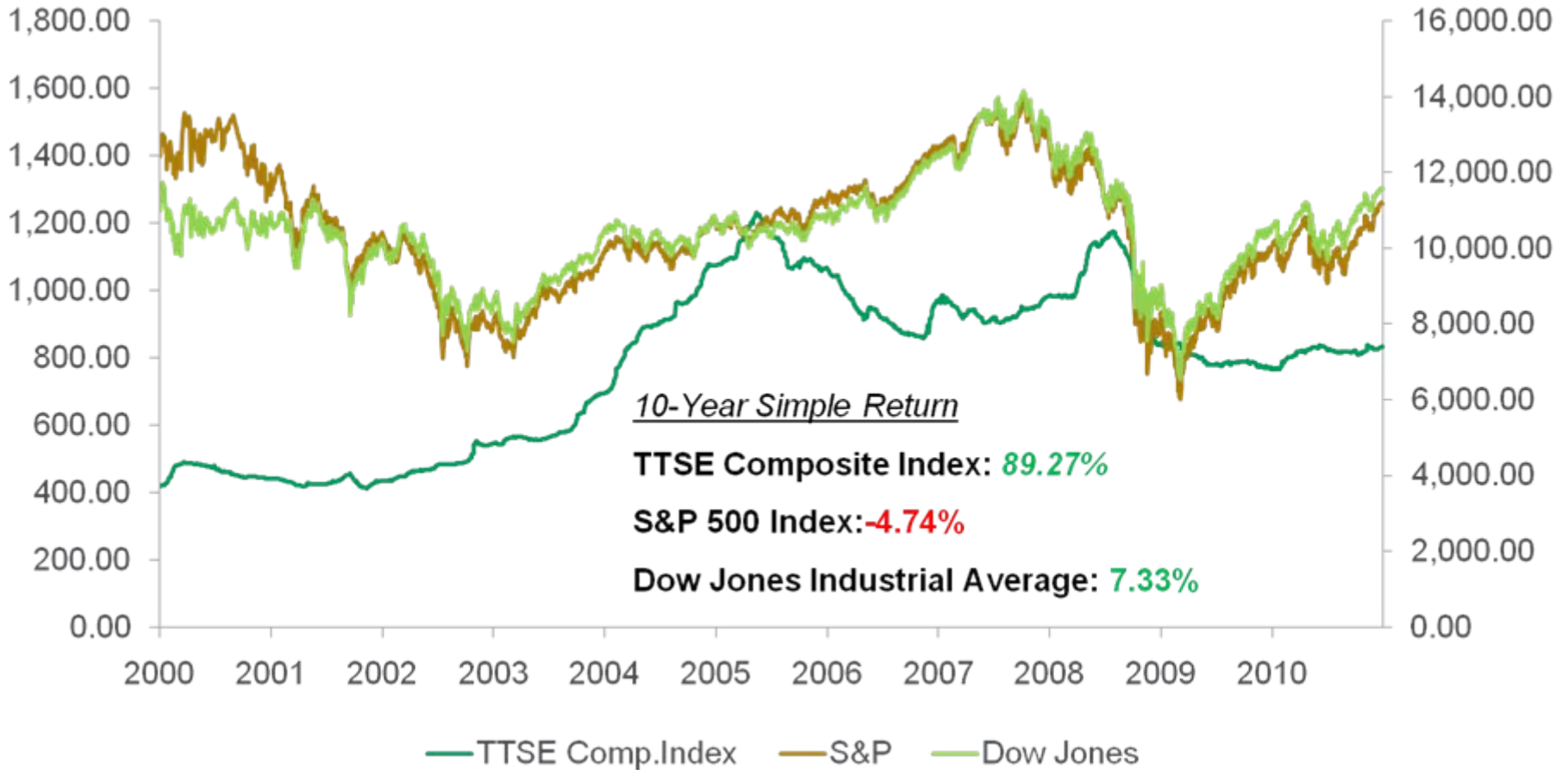


Challenges for 2011...

- 'Buy and Hold' mentality will dominate investor thinking
- Illiquid Market: Limited supply available for high-dividend stocks
- Few players in the market influencing price movements
- Low investor confidence
- Urgent need to stimulate activity in distribution, retail and manufacturing sectors
- Government Capital Investment programme vital to provide needed stimulus

U.S markets vs TTSE

International vs. Local Stock Market





A Look at the T&T Market By Sector

Banking

- **Well capitalized and profitable**
- **Liquid – strong cash positions**
- **Net interest income may be eroded**
- **Softening of demand for loans expected and with downturn there is an increased risk of defaults**
- **Less cyclical than other sectors**

Sector Recommendations for 2011

Banking

NCBJ

- 2010 PBT up 8.1 % to J\$ 11Bn
- EPS J\$ 4.50
- Dividend Yield over 6%
- Improved Net Interest Income from JDX

RBL

- 2010 PBT up 6% to TT\$ 1.3 Billion
- EPS of TT\$ 6.14 up 4.5%
- Lower loan loss provisions due to recoveries to Sept 2010.
- Dividend yield of 4.5 %

CONGLOMERATES

Diversified groups with exposure to impact of economic slowdown and reduced consumer spending

Automobile sales expected to slow

Manufacturing expected to continue to decline without significant boost construction activity

Tourism, Financial Services and Food and Transport sectors will prove challenging



Sector Recommendations for 2011

Conglomerate

GKC Hold / Take gains

- PBT declined by 14.2 % to J\$ 2.4 Bn
- Food Divisions reporting lower revenues in Jamaica and Caribbean
- Reduced net interest income in Financial Group
- Remittance Business down 17%

NML – Hold/ Take gains

- PBT declined 29.4 % to 488Mn after charges of \$117Mn on discontinued operations
- Tourism group severely challenged in Barbados
- Depressed demand in manufacturing and distribution



Sector Recommendations for 2011

Trading

AGL

- Competed two key mergers in 2010
- Closed loss making companies in manufacturing division
- PBT up 9.6% to \$57M
- EPS up from \$ 0.027 to \$0.747
- Dividend quadrupled

PHL

- PBT up 4.3% to \$26.9M
- EPS up 8% to \$0.302
- Slower recovery in Jamaica and Barbados
- Dominican Republic operations losses falling.

Sector Recommendations for 2011

Non-Banking Finance

GHL

- Capital injection by IFC improved leveraging ratios
- 9 month PBT up 10% to \$ 422M
- EPS back in positive territory
- Refocus on “core” operations
- Closure of P & C UK business

NEL

- EPS up 34% to \$0.51
- Tringen reporting increased profits
- TSTT and NGC/NGL however down
- NFM expected to maintain profitability

To Sum Up

- Local market returns expected to remain low and erratic
- Regional markets expected to decline
- Look to international equity markets for gains
- Be prepared to hold long term if you buy now
- Portfolio reassessment and monitoring vital
- We wish you Many Happy Returns!

THANK YOU

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