



# THE JAMAICA STOCK MARKET REVIEW



A Publication of the Jamaica Stock Exchange

March Edition - 2017

## The Art of Buying & Selling Shares

– Advice from Mr. Lepert Ewart an avid investor



Mr. Robin Levy General Manager of the JCSD and Mr. Lepert Ewart at the JSE.

**M**eet investor Lepert Ewart who started trading equities as a teenager and hear his experience as a successful shareholder.

Lepert has trumped life's setbacks caused by death, sickness and redundancy, with his financial agility in buying and selling stocks on the Jamaica Stock Exchange.

In an interview with the JSE, Lepert shared with us his journey:

**Q: Lepert, how did you come to be involved with the Stock Market?**

**A:** I purchased my first block of shares through the National Commercial Bank's Initial Public Offer in 1986, when I was 19 years old. Over the years, I have matured into an ardent investor, owning over 40 of the 61 stocks currently traded on the Jamaica Stock Exchange (JSE). I operate my trading account as a business. I do this efficiently, reinvesting my profits in a small stationery venture, to finance my living expenses, fund major purchases such as real estate and to

buy more stocks.

As the fourth child among eight children, my father passed when I was nine years old. My mother, in order to take care of us would, of necessity, leave us in the care of our older siblings on Friday nights and travel from Bog Walk, St Catherine, to sell her produce of bananas and breadfruits at the Coronation Market in Downtown, Kingston on Saturdays.

I was fortunate that within a month of graduating from Sixth Form at St. Catherine

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# The Art of Buying & Selling Shares (Continued from page 1)

High School, I was employed by the Ministry of Labour as a clerk. With my first paycheck in September 1986, I opened an account with NCB King Street Branch, Downtown, Kingston.

**Q: Was there anything or anyone who influenced you to invest in the Stock Market?**

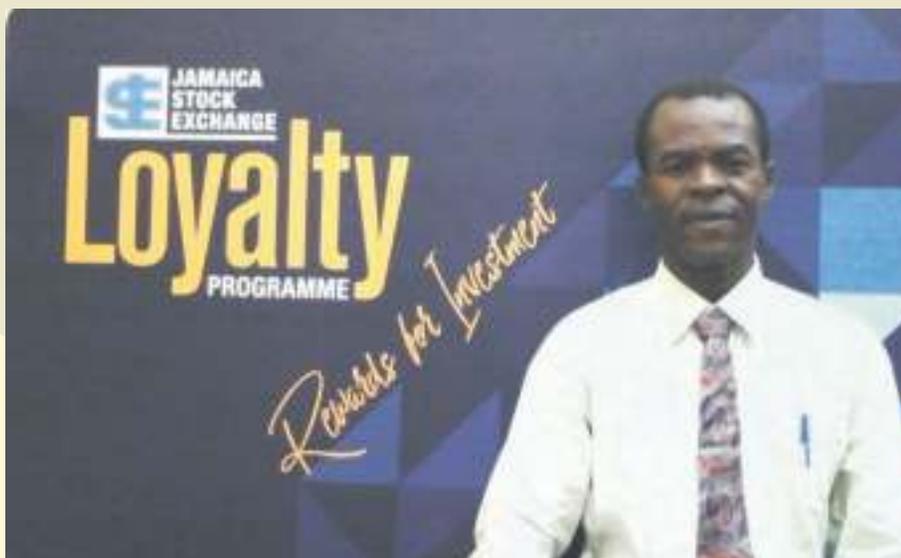
**A:** The son of the most influential man in my community (*influential because he was the only person who owned a motor car*) worked at the NCB Branch in Spanish Town and he influenced me to open an account with NCB. As a customer, I got to like the Bank because the customer service was wonderful. Because I was a satisfied customer of the bank, when the Government of Jamaica, which then wholly-owned NCB, issued its IPO and signaled its intention to list NCB on the JSE, I purchased 50 units in December of that year.

**Today, the transaction of buying and selling of shares requires a minimum purchase 100 units of any company's shares to participate in the stock market. The arrangement must be done through a brokerage, whether done directly by them or executed through JSE's Online Trading Platform.**

**Q: Lepert please explain to our readers what is Stock Trading?**

**A:** Well, to put it simply, it is an investment in which you purchase shares in a listed company and you gain when the price of the shares increases (however the reverse is also true, that you lose if the price of the shares decreases). Some companies may pay you a dividend when they make a profit. You can spend the dividend and keep your original investment which usually multiplies. Stock trading is not a bet as people sometimes say, because you have to study the market.

**A stock or share is a unit of ownership within a company. Therefore, when you buy stocks you become a part owner of the company.**



**A dividend is the money shareholders receive from a company out of the company's profit. A dividend is normally paid, quarterly, semi-annually or annually.**

**Q: Can you give some examples of how a person can benefit from the market?**

**A:** Since the launch of the Junior Market in April 2009, 20 of the 30 stocks listed on the Junior Market paid dividends and most investors have increased the number of shares owned through stock splits; some 3:1; 5:1 and 10:1. Take the example of Access Financial Services, which priced initially at \$18.00 and had a stock split of 10:1. This meant that for every share owned, the shareholder now has nine additional shares, priced at \$1.80. Over time, AFS stock value appreciated to a whopping \$40.00 at the time of this conversation, marking a 2,000% increase in value!

**A stock split is a corporate action in which a company divides its existing shares into multiple shares. Although the number of shares outstanding increases by a specific multiple, the total dollar value of the shares remains the same compared to pre-split amounts, because the split did not add any real value. For example, 2-for-1 split means that the stockholder will have two shares for every share held earlier.**

**Bonus shares are additional shares given to the current shareholders without any additional cost, based upon the number of shares that a shareholder owns. These are company's accumulated earnings which are not given out in the form of dividends, but are converted into free shares.**

**Q: How do you manage to keep abreast with market information?**

**A:** I always purchase The Gleaner on a Wednesday and a Friday because the stock market information is provided in depth through which I acquire market knowledge to determine my stock picks. This routine is especially valuable if you want to buy new shares coming on the market. One of my profitable habits is that of buying stocks that are doing stock splits, many of which have generated returns to me of up to 500%.

**Q: How can a person invest in stocks?**

**A:** I go to a broker. Actually I have more than one broker. When you go you will need your:

- ✓ TRN,
- ✓ ID
- ✓ Cash to open an account;
- ✓ Proof of address and
- ✓ Two references

*(Continued on page 4)*

# The Art of Buying & Selling Shares (Continued from page 3)

After you have satisfied the broker with the information required and have made the necessary arrangements to pay for the purchase of the stocks, he will first open an account and assign you with an account number from their system. They will also send your information to the Jamaica Central Securities Depository (JCSD) where you will also be given an account with a JCSD account number before you can begin trading.

**The JCSD is a subsidiary of the JSE, which provides depository and settlement services for securities traded electronically, and facilitates the easy and safe electronic transfer of ownership of shares between sellers and buyers during trades, without the need to physically provide certificates of ownership.**

**Q: What else does your broker do for you?**

**A:** My broker and all other brokers must provide information on your trade. When a trade is done, the broker will generate a contract note (receipt) that records the details of the trade executed, namely:

- Name of individual or company that made the transaction
- Trade Number
- Type of Trade: Buy or Sell
- Amount of Shares that were bought or sold
- Price of the share
- Charges of the broker (this charge differs among brokerages)

**Q: Lepert what other benefits do you get from having a JCSD Account?**

**A:** Other benefits include the fact that the stock splits and bonus shares are recorded in my JCSD Account. The account also allows me to trade online and view my investment portfolio.

**Q: Lepert in closing, what are some other advantages in purchasing stocks?**

**A:** You must remember that you when you buy stocks you are part owner of the business. I attend the Annual General Meetings of the companies I invest in. They invite you to attend and when I go I participate in the meetings by voting on items on the agenda. The Company will share information and get advice from their shareholders. You can ask the management questions and talk face to face with the directors. It is important to keep abreast of what is happening in the wider economy and the company itself.

My other tips are:

- While you are young and employed, whether self-employed or employed to a company, purchase stock. Take your advice from a stockbroker.

**Stockbrokers are licensed by the Financial Services Commission of Jamaica (FSC) to give investment advice.**

- Monitor your investments. Some persons may have opened accounts 30 years ago; their address has changed or they have migrated and the dividend cheques are not coming to them and or the dividend cheques become stale dated.

Instead of ignoring the situation, when this happens, you are to go to your stockbroker or any stockbroker and they will guide you how to get your dividend.

- Continue to add to your portfolio. You can do so gradually and over time.
- Put all your share certificates in the JCSD. Even if you have lost your certificate, the JCSD, who is the central depository for companies whose shares are listed on the Exchange can assist you in organizing your shares.

**Q: What has been the greatest impact on your life because of buying share?**

**A:** I am no longer paying rent because in June 2007, I sold 50% of my shares, bought a Manger's Cheque and gave it to my Attorney, who ensured that a property I wanted was purchased on my behalf. I am a satisfied customer.

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# The Jamaica Stock Exchange STOCK MARKET GAME FOR HIGH SCHOOLS



## BASIC OPERATIONS AND RULES:

### BACKGROUND:

The Jamaica Stock Exchange (JSE) in its effort to facilitate creative, innovative and fun ways to introduce the elements of the stock market trading to all ages, in 2008 introduced and launched a Virtual Stock Market Trading Game (SMG). The JSE Stock Market Game is a simulation game that aids in better understanding the stock market and how it works.

#### Students

The Stock Market Game for High Schools is aimed at students in 4<sup>th</sup> to 6<sup>th</sup> forms. It is designed to strengthen students' critical thinking skills while building confidence and self-esteem. Most importantly, the stock market game will instil an understanding of the need to save and invest at an early age and prepare students leaving high school with the basic knowledge of how to buy and sell shares.

The JSE also facilitates the Young Investor Game for All Media Group.

#### Teachers

A new format of the Game was recently developed to generate interest among high school teachers on how to create wealth through the buying and selling of shares on the market. The SMG has shown potential in motivating teachers to better plan for their future and to engage in financial planning, research, and use of investment products and services.

### HERE'S HOW IT WORKS

- 1) REGISTER**  
Access to the game is through the JSE's website.  
<https://www.jamstockex.com>  
The Game is open to four (4) students and one (1) teacher from each secondary school (registered with the Ministry of Education).
- 2) VIRTUAL CASH**  
Students/Teachers are challenged to develop a successful investment portfolio by investing a virtual \$100,000 over seven months.
- 3) PARTICIPATION**  
User roles are defined to ensure transparency and authorized access. There are two user roles available, Student and Teacher Entrant. Students will work in teams of four to investigate and gather news and data on potential investments.
- 4) ACADEMIC ENRICHMENT**  
Students utilize a broad range of informational texts and evaluate current events as an integral part of the Stock Market Game experience. Students/teachers can access company information from the JSE's and Listed Companies' websites, annual reports and newspaper articles.
- 5) ADMINISTRATION**
  - The JSE new trading platform is akin to the JSE Online Trading platform in that all trades attract fees as well as General Consumption Tax.
  - Administration and monitoring of the game will be done by selected members of the JSE and will be governed by the rules outlined.
  - Each participant can view/update their own portfolio.
- 6) EASY TO LEARN**  
The JSE and Sagicor Investments provide an instructional video and guide students and teachers on how to register and also to give an understanding on how the platform works.

1. The game is open to four (4) students and one (1) teacher from each secondary school (registered with the Ministry of Education).
2. The competition runs for a seven (7) month period; October to April, after which the JSE will determine the winner.
3. The following persons are **not eligible** to participate:
  - a. Persons working at the Jamaica Stock Exchange, Member Dealers or any other equity firm
  - b. Relatives of individuals working the any of the above entities
4. Students registering for the game must be associated with a school and must be supervised by a teacher to be involved in the SMG. Individuals can enter by registering on the Jamaica Stock Exchange's website [www.jamstockex.com](http://www.jamstockex.com)
5. A team of students and teachers are given a portfolio with JA\$100,000 virtual money to invest and the student team with the highest individual portfolio value at the end of the period are declared the winners. The school (students only) with the highest aggregate is crowned as the **JSE Sagicor Investments School Champion**.
6. Stock prices are based on real time market prices during the hours of 9:30 a.m. to the close of the market at 1 p.m.
7. Trading can be done 24/7, however portfolios will be updated when the Market opens the following trading day.

(Continued on page 6)

# STOCK MARKET GAME FOR HIGH SCHOOLS

(Continued from page 5)

8. Selection of stocks for the portfolio after the close of the market will be based on the day's Closed Prices.
9. Portfolio value will be based on the end of Closed Prices.
10. The Game will provide a summary page showing the individual rankings based on portfolio performance and value. Schools' rankings will be based on aggregate portfolio values of the students only.
11. Individuals will be able to view portfolio summaries, stock performance and transaction history.
12. It will be the responsibility of the each individual to conduct his/her own research.

You may download the JSE Mobile App from the Google Play Store and view live Market activities

## PRIZES

### STUDENTS:

- ▶ **1<sup>st</sup> Place:**
  - Prestigious SMG Plaque
  - \$25,000 cash (to include a Stock Account)
  - Gifts valued at over \$20,000
- ▶ **1<sup>st</sup> Runner Up:**
  - Prestigious SMG Plaque
  - \$15,000 cash (to include a Stock Account)
  - Gifts valued at over \$20,000
- ▶ **2<sup>nd</sup> Runner Up:**
  - Prestigious SMG Plaque
  - \$10,000 cash (to include a Stock Account)
  - Gifts valued at over \$20,000
- ▶ **4<sup>th</sup> & 5<sup>th</sup> Places:**
  - Will receive SMG Plaques

### TEACHERS:

- ▶ **1<sup>st</sup> Place:**
  - Prestigious SMG Trophy
  - \$35,000 cash (include a Stock Account)
  - Gifts valued at over \$20,000
- ▶ **1<sup>st</sup> Runner Up:**
  - Prestigious SMG Trophy
  - \$35,000 cash (to include a Stock Account)
  - Gifts valued at over \$20,000
- ▶ **2<sup>nd</sup> Runner Up:**
  - Prestigious SMG Trophy
  - \$25,000 cash (to include a Stock Account)
- ▶ **3<sup>rd</sup> Runner Up:**
  - Prestigious SMG Trophy
  - \$15,000 cash (to include a Stock Account)

**Other Prizes to be Won!**

**Register for The Stock Market Game today!**

For more information, visit [www.jamstockex.com](http://www.jamstockex.com)

Download JSE Mobile App from Google Play store icon or scan barcode



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## The Jamaica Stock Exchange STOCK MARKET GAME FOR HIGH SCHOOLS

**STIMULATES STUDENT TO EXCEL**

**A** graduate of William Knibb Memorial and St Jago High Schools, his career goal was to become a professional athlete until he won the JSE's Stock Market Game for High Schools.

At 20 years of age, Lando Graham is a stock market competitor extraordinaire, who now focusses on entrepreneurship and charitable work as well as developing

**a Time Saver App for the Stock Market that should identify winning stocks and teach new investors how to buy and sell stocks.**

“Being a trader opens a world of new opportunities. The more you understand what you can gain from it, the more you gravitate towards it.”

Lando Graham excelled in Long Jump and during his five years at William Knibb Memorial High School in the parish of Trelawny, his vision for himself was a career in sports. His dream seemed to be on track, when in 2013, he received a Track & Field Scholarship to St Jago High School in St Catherine. While attending William Knibb, on two occasions, he visited the Jamaica Stock Exchange (JSE) as part of the JSE's outreach program to schools and teachers.

During the presentations at the Exchange, Lando was introduced to the stock market, its life-long benefits, and also learned about the

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## JSE'S STOCK MARKET GAME FOR HIGH SCHOOLS STIMULATES STUDENT TO EXCEL

(Continued from page 6)



*SMG winners 2016 L-R 2<sup>nd</sup> runner up - Ruel Maxwell ( Calabar High School); 1<sup>st</sup> place Shanany Graham ( William Knibb Memorial) 1<sup>st</sup> runner up Christal Stewart (William Knibb Memorial)*

Stock Market Game for students. His interest grew and he decided to enter the competition. His opportunity came when he was transferred to St. Jago, where he quickly volunteered to represent the School. The Stock Market Game had 74 competitors, of which Lando was the winner. His teammate Domar Blake was first runner up, and their combined performance gave the 2014/2015 Championship to St. Jago High School.

In recapping the event, Lando said he was at the bottom of the competition for several weeks as his early trading methods sent his trading account out of whack, but he persevered and saw his account balance increase steadily. His early roller-coaster experience resulted in his realization that **“Failure is an opportunity to start from the beginning and rise to the top and success is a matter of hanging on when others have quit!”**

Winning JSE's Stock Market Game for High School has been the beginning of a season of success for Lando, now a second year student at the University of the West Indies (UWI), Mona Campus, where he majors in Accounting and Management Studies. He reveals that if it were not for the stock market competitions he won, he would have stayed longer in High School to fulfil his dream of becoming a professional athlete.

Lando has won other stock market competitions, namely: JSE/All Media Young Investor Series for 2016, and all of the series four Quarters results. Over that period, he also won the JSE/Sagcor Investments Limited Stock Market Game for High Schools, held during February April 2016.

In addition to the cash prizes and tech-devices received, the Sagcor's Award gave him the opportunity to attend his choice of any of the professional courses offered by the JSE e-Campus. He selected JSE e-Campus' Online Securities Course, a six-week foundational course tailored for busy professionals and students desirous of getting a sound understanding of the financial services sector. “The Online Securities Course was very good,”

said Lando. “I expanded my knowledge of the stock market, investments in general and specifically about the JSE Online Trading Platform.” His favourite sessions Lando said were from the module on **Portfolio Management**. “It gave me more insight on how to manage large volumes of money.”

It was no surprise that UWI's Head of the Finance Department, Dr Twila-Mae Logan recommended Lando to compete in the Chartered Financial Analysts (CFA) Research Challenge - local, regional, and global competition between university-sponsored teams that research a designated publicly traded company. In March 2017, Lando and his team went to Miami and faced-off against teams from The Bahamas and Cayman Islands, valuing stock listed on the New York Stock Exchange. Lando and his team won!

Currently, Lando uses his stock market knowledge to mentor participants in the Young Investor Series. He joined the Young Investors Club at UWI and, as the Investment Officer has formed a Young Investors Competition to help university students understand the stock market. “Trading stocks has taught me how to manage money. It teaches me how to invest excess capital to create wealth rather than let the money sit in the bank”.

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## JSE'S STOCK MARKET GAME FOR HIGH SCHOOLS STIMULATES STUDENT TO EXCEL

(Continued from page 8)

His renowned successes in stock market competition has led to him being co-opted into an entrepreneurial venture on Campus, "Tessholm Sound", where his input has seen the idea transformed into a startup business that provides PA System, Emcees and deejays for university events. "If you don't know understand how to manage money, it is a big problem in life, no matter what you do." Motivated by his strong entrepreneurial spirit and his care for helping others, Lando has keen interest in forming a charitable investment venture that provides employment and invests funds from donors to help students fund their education. Lando, being of modest background still struggles to meet on time all the expenses and tuition fees required to pay for his university education.

A personal project that's no longer a secret is 'The Time Saver App' he is designing for the stock market. As a university student, he no longer has the time to compete and analyze stocks as he did in High School and so he is working on coding his winning strategies into an App that saves on time among other advantages and benefits.

### The Stock Market Game for High Schools

The 2016-2017 competition is underway with 80 high schools and 320 students competing. The Game was developed in 2008 to assist students to understand the capital market:

- How to trade in the stock market
- How to manage an equity portfolio
- The costs and benefits involved in economic decision-making

### JSE/All Media Young Investor Series

The Young Investor Game managed by Journalist and All Media Founder, Mr. Owen James, invites the top students from the high schools' game to compete for 12 months buying and selling stocks traded on the JSE with virtual money.

### The Public Stock Market Game

The Public Game which started on October 3, 2016 will end on September 29, 2017. The persons with the top three highest portfolio values will be adjudged 1st, 2nd and 3rd place winners respectively, and awarded cash prizes.

Similar to the stock trading games geared towards high school students, the Public Stock Market Game is a web-based simulation game that aids any interested member of the general public to trade with virtual money to gain a better understanding the stock market and how it works, without risks.

Members of the public register online and compete against each other over a twelve months period. The rules of trading closely replicate real market trading conditions, investing in common stocks

listed on the JSS's Main and Junior Markets. The top three individuals with the highest portfolio value at the end of the period will receive cash prize awards.

Access to the public game is through the JSE's website at [www.jamstockex.com](http://www.jamstockex.com)

**The JSE believes that the stock market games help to promote public understanding of the stock market and the economy and create awareness about the role of the stock market in building personal wealth and aiding the Country's economic development.**

**The JSE is inviting all high schools to participate in the competitions which also aid students doing CXC classes satisfy their Student Based Assessments in in Business, Management and Economic subjects.**



Winner of the Stock Market Game for High Schools for 2014/2015 Lando Graham (right) flanks Mrs. Marlene Street Forrest, JSE's General Manager, with teammate & 1st Runner up Domar Blake (left) of St. Jago High School.



Lando Graham (centre) with Belair High School's four member 2016/2017 Stock Market Game team during their visit to JSE. From L-R: Ms. Paula Findley, teacher in the Management & Economics Dept; Terrain Wright; Head Boy; Ayanna Bennett; Twins Malakai Higgins; Deputy Head Girl and brother Olunga Higgins; Ms. Salomie Salomon, teacher from the Business & IT Dept.



## The Jamaica Stock Exchange

# Best Practices Awards

The JSE Best Practices Awards was established in 2004 by the Jamaica Stock Exchange. This event, which is in its 13<sup>th</sup> year, was established to promote best practice standards for the companies listed on the Stock Exchange. In 2016 the Jamaica Stock Exchange celebrated the 12<sup>th</sup> staging of its Best Practices Awards.

The objectives of these awards are:

1. To provide an avenue to recognize listed companies and stockbrokers in the securities industry who uphold best practice standards;
2. To enrich the relationship between the JSE and its stakeholders;
3. To create an awareness of the standards for the best practices in the area being adjudged.

The major award categories include: Annual Report, Website, Corporate Disclosure and Investor Relations, Best Performing Company, Investor Relations, the PSOJ/ JSE Award for Corporate Governance and the Coveted Governor General's award for Excellence given to the overall winner for Listed Company on the main market.

The Member Dealers Awards category was established five years ago to recognize the Member Dealers for their contribution in developing the Capital Market and for upholding the best practices standards in the process. A Junior Market category was established in 2011 for companies listed on this market.

Chairman of the Best Practices Committee is Professor Neville Ying, Executive Director of the Jamaica Diaspora Institute.

The past winners of the Governor General's Award for Excellence have been GraceKennedy (2004), Dehring, Bunting and Golding (2005), Bank of Nova Scotia (2006), Pan Caribbean Financial Services and National Commercial Bank (2007), Pan Caribbean Financial Services and Scotia DBG Investments (2008), National Commercial Bank (2009), Pan-Caribbean Financial Services (2010), National Commercial Bank (2011 & 2012), National Commercial Bank and Sagicor Group (2013) and National Commercial Bank (2014 & 2015).



# National Commercial Bank and Honey Bun Limited Copped Prestigious Governor General's Awards

## The JSE Revenue Generation & Market Activity Award

- this category recognizes Member Dealers that during the year:  
(i) "Traded the most value on the Exchange" and  
(ii) Participated in JSE's Programmes

**N**ational Commercial Bank Jamaica Ltd. (NCBJ) copped its third consecutive Governor General's Award for Excellence for the Main Market for 2015, while Honey Bun Jamaica Ltd. won the equivalent for the Junior Market for the second time, having done so in 2011. This announcement was made at the Jamaica Stock Exchange's twelfth staging of its Best Practices Awards Banquet held at the Jamaica Pegasus Hotel on Wednesday, December 7, 2016. Grace Kennedy won the coveted JSE/PSOJ Best Practices Award for Corporate Governance for the first time and JMMB Securities Ltd. was crowned top Member Dealer for 2015.

Mrs. Marlene Street Forrest CD, General Manager of the Jamaica Stock Exchange in her welcome, recognized Custos Rotulorum in her parish of St. Andrew, The Hon. Dr. Patricia Dunwell, CD, and JP who was representing the Governor General. Mrs. Street Forrest went on to state that "We are one year shy of being a teenager and like pre-teens we have questioned and challenged ourselves on whether we are achieving our objectives. Also, similar to what we expect that our listed companies and member dealers are doing on a daily basis, we have examined whether we are giving of our best. Like the Exchange itself we are convinced that the Best Practices Awards assist in promoting transparency and best practices by listed companies and member dealers; which are two critical pillars of capital market infrastructure. We continue to have these awards because Best Practices are ever evolving and these awards we believe keep us focused on an important objective, that of giving of our best in these critical areas of business which have been adjudged and for which we eagerly anticipate the results this evening."



*Mrs. Therese Turner-Jones, General Manager country Department Caribbean Group, IDB (Guest Speaker right), hands trophy to the winner Sagicor Investments Limited representative Mr. Kirk Brown, Assist. Manager- Stock Brokerage Unit.*

## The Investor Relations Award

- this award recognizes the Member Dealer that consistently exceeds customer expectation by providing excellent customer service.



*Mr. Sushil Jain, Best Practices Committee Member (left), hands trophy to the winner Barita Investments Limited representative Mr. Horace Walters, Senior Equity Trader.*

(Continued on page 13)



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Before closing she highlighted a commitment made at last year's Awards noting that "In an attempt at continuing our efforts to achieve the best practices, last year we informed you that we would launch the Corporate Governance Index towards the end of the first quarter of 2016; we delivered a soft launch sensitizing our listed companies on the components of the index and the measurement criteria. We are happy to report that we have had positive feedback and constructive comments from our listed companies."

Professor Neville Ying, the Chairman of the Best Practices Awards, recalled that, "When we started out we saw financial companies doing very well and winning the major prizes. However, the other companies did not sit back on their laurels and allow the financial companies to continue to dominate. Now, we are seeing companies from all sectors of the economy competing aggressively for the different categories of awards. In a few moments you will see for yourselves as the presentation of awards unfolds, where forty-one (41) Awards will be presented to different companies" He went on to state that, "We are pleased to inform the audience tonight that the winners are not separated in most instances by many points and those that did not win a prize tonight, should be heartened by the fact that if you continue to improve, it will be just a matter of time before you will be in the winners' enclosure. Therefore, we implore companies to continue to innovate and improve your products and services and above all customer satisfaction. This will not only allow you to win a Best Practices Award, but will ensure the longevity of your company as well as its ability to be internationally competitive in the global marketplace."

Mrs. Therese Turner Jones, General Manager, Country Department Caribbean Group IDB was the guest speaker for the

### The JSE Member-Dealers Award for Best Website

-this award is given to encourage member dealers to raise the quality and efficiency of the dissemination of information to the investing public via the website.



*Honorable Mrs. Marigold Harding, former Custos of St. Andrew(right), Hands trophy to the winner Barita Investment Limited representative Ms. Francine Fearon, Portfolio Analyst.*

### Expansion of Investors & Listed Companies Base Awards

- this award recognizes the Member Dealer that has increased the number of clients in the JCSD and has listed the most companies within 2015.



*Mrs. Marlene Street Forrest, General Manager of the Jamaica Stock Exchange (left), hands trophy to the winner JMMB Securities Limited representative Ms. Fornia Young, General Manager Investment Client Partnership.*

night. In her presentation, she focused on Alternative Funding, specifically Crowd Funding. She cited changes in regulations in Latin America and the UK to facilitate Crowd Funding and encouraged companies that are planning and preparing to go public to seek alternate funding in their preparation. She noted that there are companies in Jamaica that have the expertise to assist and guide them through the process.

Master of Ceremonies, Mr. Francois St. Juste along with Dr. Indiana Minto Coy, Senior Research Fellow, Mona School of Business and Management and member of the Best Practices Awards Committee announced the winners for all Awards.

*(Continued on page 15)*

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#### MEMBER DEALERS AWARDS

In the category of **Revenue Generation & Market Activity**, the JSE recognizes Member Dealers that during the year, traded the most value on the Exchange and participated in the JSE's Programmes:

Sagicor Investments Ltd was the winner in this category with Proven Wealth Ltd. and Mayberry Investments Ltd. taking 1<sup>st</sup> and 2<sup>nd</sup> Runner up places respectively.

The next category to be announced was that of **Investor Relations**. This award recognizes the Member Dealer that: "consistently exceeds customers' expectation by providing excellent customer service." Barita Investments Ltd. was declared the winner while Sagicor Investments Ltd and JMMB Securities Ltd. were declared 2<sup>nd</sup> and 1<sup>st</sup> Runner up respectively.

**JSE Member-Dealers Award for Best Website** was next. This award is given to encourage member dealers to raise the quality and efficiency of the dissemination of information to the investing public via the website. The winner in this category was Barita Investments Ltd., with JMMB Securities Ltd. the 2<sup>nd</sup> Runner and Sagicor Investments the 1<sup>st</sup> Runner up.

The next category to be announced was the "**Expansion of Investors & Listed Companies Base**". This award recognizes the Member Dealer that has "increased the number of clients in the JCSD and has listed the most companies within 2015". The winner in this category was JMMB Ltd, the 2<sup>nd</sup> runner up in this category was Proven Wealth Ltd. and Mayberry Investments the 1<sup>st</sup> runner up.

**The Chairman's Awards for the Overall Winner in the Member Dealers Category went to JMMB Securities Ltd.**

### Annual Report Awards

- this award is given to encourage public listed companies to produce clearer, more reader-friendly annual reports and to provide greater insight into the companies' financial affairs, governance practices and business activities.



*Mr. Alvaro Casserly, Chairman of the Annual Report Committee (left), hands trophy to Mrs Jan Polack, Chief Financial Officer of Junior Market winner, Caribbean Producers Jamaica Ltd.*



*Mr. Alvaro Casserly, Chairman of the Annual Report Committee (left), hands trophy to the Main Market winner NCB Financial Group Limited representative, Ms. Jacqueline DeLisser, Group Investor Relations Manager, Performance Monitoring and Planning of the Main Junior Market winner, NCB Financial Group Limited*

*(Continued on page 17)*



## Best Performing Awards

- this award seeks to identify and recognize outstanding performance by listed companies in enhancing shareholder value in the areas of capital efficiency, profitability and direct return on shareholdings.

### LISTED COMPANIES AWARDS

It was now time for the Best Practices Awards 2015 for Listed Companies to be announced.

The first award in this category was the presentation of the **Best Practices - Annual Report Award** for Junior & Main Markets Listed Companies. *This award is given to encourage publicly listed companies to produce clearer, more reader-friendly annual reports and to provide greater insight into the companies' financial affairs, governance practices and business activities.*

**Junior Market:** In this category the winner was Caribbean Producers Jamaica Ltd., with Honey Bun Ltd. the 1<sup>st</sup> Runner up.

**Main Market:** National Commercial Bank Ja. Ltd., was the winner while the 1<sup>st</sup> and 2<sup>nd</sup> Runner up positions went to JMMB Securities Ltd. and Scotia Group Jamaica respectively.

**Best Performing Company Award** seeks to identify and recognize outstanding performance by listed companies in enhancing shareholder value in the areas of capital efficiency, profitability and direct return on shareholdings. Winners in the Junior and Main Market categories were:

- **Junior Market-** Cargo Handlers emerged the winner while 1<sup>st</sup> and 2<sup>nd</sup> Runners up were Paramount Trading Ja. Ltd., and Lasco Financial Services Ltd., respectively.
- **Main Market -** The winner was Carreras Ltd. for the fourth consecutive year while the 1<sup>st</sup> and 2<sup>nd</sup> Runner up positions went to Pan-Jamaica Investments, D & G respectively.



*Mrs. Audrey Richards, Chair for the Best Performing Committee (left), hands trophy to the Junior Market winner Cargo Handlers Limited representative Ms. Jan Polack, Chief Financial Officer of Caribbean Producers Limited.*



*Mrs. Audrey Richards, Chair for the Best Performing Committee (left), hands trophy to the Main Market winner Carreras Limited representative Ms. Janene Shaw, Finance Director and Company Secretary.*

(Continued on page 19)

**Corporate Disclosure & Investor Relations** award serves to recognize companies that maintain good investor relations with the wider investing public and make timely and accurate reports and announcements to the JSE. The winners were:

- **Junior Market** - Honey Bun Ltd. won for the third consecutive year.
- **Main Market** - the Winner was National Commercial Bank Jamaica, the 1<sup>st</sup> and tied 2<sup>nd</sup> Runner up positions went to GraceKennedy Ltd., and Scotia Group and Scotia Investments, respectively.

**The Best Practices Website Award** seeks to encourage listed companies to raise the quality and efficiency of the dissemination of information to the investing public via their websites.

- **Junior Market:** This award went to Caribbean Producers Jamaica Ltd. for the second consecutive year with the 1<sup>st</sup> and 2<sup>nd</sup> Runner up positions going to Access Financial Services Ltd. and Honey Bun Ltd. respectively.
- **Main Market** Scotia Group was the winner. 1<sup>st</sup> place Runner up position went to National Commercial Bank Jamaica Ltd., while 2<sup>nd</sup> runner up went to Sagicor Group.

The penultimate award was the **PSOJ/JSE Corporate Governance Award** which seeks to recognize companies that demonstrate and practice outstanding corporate governance.

- **Junior Market:** Honey Bun Ltd. received a special certificate of recognition
- GraceKennedy was declared the winner and Scotia Group Jamaica Ltd., and Scotia Group were joint 1<sup>st</sup> Runner up. The 2<sup>nd</sup> Runner up position went to Scotia Investments Ja. Ltd.

The **Governor General's Award for Excellence for the Overall Best Practices Award** went to Honey Bun Limited for the Junior Market and to National Commercial Bank Jamaica Ltd., for the Main Market category.

## Corporate Disclosure & Investor Relations Awards

- this award serves to recognize companies that maintain good investor relations with the wider investing public and make timely and accurate reports and announcements to the JSE.



*Ms. Alicia Hussey, Chair for the Corporate Disclosure & Investor Relations Committee(right), hands trophy to the Junior Market winner HoneyBun (1982) Limited representative Mr. Herbert Chong, Chairman.*



*Ms. Alicia Hussey, Chair for the Corporate Disclosure & Investor Relations Committee(right), hands trophy to the Main Market winner NCB Financial Group Limited representative Mr. Dave Garcia, NCB Company Secretary & General Manager, Group Legal & Compliance Division*

(Continued on page 19)



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As a listed company on the Jamaica Stock Exchange (JSE), we have been the proud recipient of many awards in the category of Best Performing Company. These awards recognize Carreras for its outstanding performance in enhancing shareholder value in the areas of capital efficiency, profitability and direct return on shareholdings.

### **Jamaica Stock Exchange Awards**

Best Performing Company Award,  
2007, 2010, 2011, 2012, 2013, 2014, 2015  
First Runner-up Award, Best Website, 2012, 2014  
Second Runner-up Award, Best Website, 2013

### **Other Awards**

Other awards, including those from the Jamaica Employer's Federation, the Private Sector Organization and United Way coupled with our contribution to Jamaica's development, have made us a proud Jamaican Company, since 1962.

### **Jamaica Employer's Federation:**

Corporate Social Responsibility, 2008  
Top Small Employer of Choice, 2008

### **Private Sector Organization of Jamaica:**

Most Strategic Approach to  
Corporate Social Responsibility, 2008

### **United Way of Jamaica:**

Jupiter Award for Corporate  
Social Investment, 2011  
United Way Platinum Award for Corporate Social Investments,  
2010  
United Way Jupiter Award for Corporate Social Investments,  
2012, 2013, 2014, 2015  
United Way Highest Corporate Donor, 2014

### **Contributing to Jamaica's development**

We also have contributed and continue to contribute to Jamaica's development through adult education • crime prevention • arts & culture and creating a cleaner environment

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## Website Awards

- this award seeks to encourage listed companies to raise the quality and efficiency of the dissemination of information to the investing public via their website.

## JSE/PSOJ Corporate Governance Awards

- this award seeks to recognize companies that demonstrate and practice outstanding corporate governance.



Mr. Errol Anderson, Chairman of the Website Committee (right), hands trophy to the Junior Market winner Caribbean Producers Jamaica Limited representative Ms. Jan Polack, Chief Financial Officer.



Ms. Greta Bogues, Chair of the JSE/PSOJ Corporate Governance Committee (right), hands Mrs. Michelle Chong a Certificate of Recognition to Honey Bun (1982) Limited (the only Junior Market company) for strides and efforts made in Corporate Governance and to encourage them to keep up the good work.



Mr. Errol Anderson, Chairman of the Website Committee (right), hands trophy to the Main Market winner Scotia Group Jamaica Limited representative Mr. Hugh Miller, Chief Operations Officer.



Ms. Greta Bogues, Chair of the JSE/PSOJ Corporate Governance Committee (right), hands trophy to the Main Market winner GraceKennedy Limited representative Mr. Don Wehby, Group Chief Executive Officer.



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# 2016 Year In Review of JSE's Regulatory Activities

As is customary, the Jamaica Stock Exchange's (JSE) Stock Market Review presents the perfect opportunity to provide our stakeholders with a year in review of undertakings of the Regulatory and Market Oversight Division (RMO) during the year.

In 2016 the RMO continued to satisfy our core responsibility of ensuring compliance with the rules and regulations of the Jamaica Stock Exchange (JSE). During the year we continued, though the application of our processes, to timely identify and resolve breaches as well as sensitize market participant on their obligations under the JSE's Rules, by the use of appropriate mechanisms.



*Mr. Andre Tulloch (r), Deputy CRO (Acting) of the JSE handing Mr. Oliver Townsend, CEO of Knutsford Express, the Junior Market Rule Book at the Knutsford Express Listing Ceremony.*

## Performance Indicators

Arising from the abovementioned activities, the RMO continued to maintain a case closure rate of over 90% despite an increase in the number of compliance and market surveillance issues handled in 2016. In this regard, the RMO in 2016 handled 303 compliance and market surveillance issues compared to 205 in 2015. Further comparative details of performance indicators over the years 2014 -2016 are shown in **Table 1**. ▶

**Table 1 - Performance Indicators**

Activity	2016	2015	2014
Compliance and Market Surveillance Issues handled	303	205	238
Percentage of regulatory/compliance Issues Closed	95%	95%	98%
Total Number of Enforcement Actions	60	60	31
Member-dealers timely filing of Monthly Statements	93%	95%	97%
Member-dealers timely filing of Quarterly Statements	94%	100%	98%
Member-dealers timely filing of Audited Statements	75%	58%	85%
Main Market Companies timely filing of Unaudited Statements	94%	95%	96%
Main Market Companies timely filing of Audited Statements	73%	78%	80%
Main Market Companies timely filing of Annual Reports	56%	86%	79%
Junior Market Companies timely filing of Unaudited Statements	96%	95%	87%
Junior Market Companies timely filing of Audited Statements	69%	87%	77%
Junior Market Companies timely filing of Annual Reports	74%	68%	48%

## Operational Activities

The RMO's operational activities span several areas, which are Member-Dealer Regulation, Listed Company Compliance, Market Surveillance, Enforcement, Dispute Resolution and Risk Assessment. During the year the RMO undertook several activities in relation to each area, which are detailed below:

### 1. Member-Dealer Regulation

In 2016 the RMO identified Fifty-Three (53) compliance and market surveillance issues concerning member-dealers. These issues were identified through activities relating to reviews of member-dealers financial filings, monitoring of trading activities on the JSE, inspections and monitoring of member-dealers compliance to applicable rules of the JSE. In this regard, the RMO in 2016 reviewed Two Hundred and Four (204) financial submissions from Member-Dealers, which included Monthly, Quarterly and Audited Financial Statements and conducted six (6) on-site inspections. Other engagement by the RMO in 2016 included providing timely reminders to Member-Dealers on JSE Rule 229 - Business Continuity and Contingency Plan (BCCP) reviews and JSE Rule 225 Insurance renewals.

(Continued on page 22)

# 2016 Year In Review of JSE's Regulatory Activities

(Continued from page 21)

Arising from the RMOD's engagement with Member-Dealers on their financial filings, which included notifying member-dealers of outstanding financial statements, member-dealers have continued to maintain a timely filing rate of over 90% for Monthly and Quarterly financial filings. It is also worthy to note that in 2016, Member-Dealers timely filing rate for Audited Statements improved to 75% from 58% in 2015.

## **2. Listed Company Compliance**

During the year, listed companies submitted a total of 1,315 submissions (2015: 1,238), which were reviewed by the Division. These submissions related to financial reporting, notices concerning trading by insiders and corporate actions concerning issues such as dividend payments amongst others. Stemming from the review of the aforementioned notices as well as market surveillance activities, the RMOD in 2016 identified Two Hundred and thirty-one (231) issues concerning listed companies. The RMOD in 2016 also continued its sensitization of listed companies on their obligations under the JSE's rules via the issuance of reminder notices. In this regard, the RMOD circulated 353 (2015: 312) reminder notices concerning financial filing, corporate governance and mentor agreement renewals. In 2016 the RMOD also convened eight (8) orientation sessions with newly appointed Company Secretaries and Mentors of Listed Companies to sensitize as to their role and the JSE's requirements.

Arising from the RMOD's engagement with Listed Companies on their financial filings, both Main and Junior Market Companies continued to maintain a timely filing rate of over 90% in respect to unaudited filings. It is also worthy to note that in 2016, the timely filing rate for Junior Market Companies' Annual Reports improved from 68% in 2015 to 74% in 2016. The RMOD's engagement with Listed Companies in 2016 also saw a decrease in the tally of listed companies that provided late notices to the JSE concerning dealings by insiders. Our engagement also resulted in all listed companies, except one, satisfying the timeline requirements of providing notification of corporate actions relating to dividend payments and stock splits. The RMOD also saw a 100% compliance rate for Junior Market Companies' Mentor Agreement Renewals and an 85% compliance rate to JSE Rule 414 concerning Corporate Governance Guidelines review.

## **3. Market Surveillance**

The RMOD's market surveillance routine involves examining daily trading activities on the JSE to detect market infractions and the generation of Exception Reports. In 2016, the RMOD formulated 25 (2015:32) Exception Reports based on its market surveillance activities, which aided in identifying issues as noted above for Member-dealers Regulations and Listed Companies Compliance. It is also worthy to note that the RMOD's operations in this area assisted in identifying five (5) issues that were classified as "Other Compliance and Market Surveillance issues," which are issues that are attributable

to other market participants who are not classified as a member-dealer or listed company.

## **4. Enforcement**

The Division's enforcement activities involve levying fines, delisting and suspension of market constituents. In 2016 the Division administered Sixty (60) enforcement actions and levied fines amounting to \$9.2 million.

## **5. Dispute Resolution**

For 2016 the RMOD handled 14 (2015: 6) complaints through its Dispute Resolution processes and closed all except one (1).

## **6. Risk Assessment**

The RMOD's Risk Assessment applies to all area of its operations and is supported by examinations from the JSE's Internal Auditors. For the year under review JSE's Internal Auditors conducted one (1) assessment of the RMOD's operations.

## **7. Other Operational Activities**

In promoting awareness to the JSE's regulatory programme, the RMOD releases recurring publications that provide updates to the market on the Division's regulatory undertakings. During the year, the RMOD released via the JSE's website twelve (12) Monthly Regulatory Reports and two (2) Newsletters.

In addition to the above, the RMOD also participated in the review of circulars concerning Initial Public Offerings and Takeover Offers. For the year, the RMOD examined Eighteen (18) prospectuses, Two (2) Takeover Bid Circulars and Four (4) Directors Circulars while upholding its review turnaround cycle of two (2) days.

## **Closing Remarks**

In closing, the RMOD wishes to thank all its stakeholders for their input and assistance, which allowed the JSE's regulatory arm to realize the abovementioned operational activities for 2016. We also wish to thank specifically the Regulatory & Market Oversight Committee (RMOC) and the wider JSE's Board for their continued commitment to ensuring a robust and conformable stock market. Much respect and acknowledgment is also extended to those investors in the market who have engaged the RMOD and were involved in ensuring that the market operated on sound principles of transparency. For 2017 we anticipate the continuation of this support from all and commit to delivering performance that assures the Exchange maintains an effective regulatory programme.



# STOCK MARKET REVIEW 2016

Table 1

Stock Market Statistics	Value 2016	Value 2015	Change	Change %
Main JSE Index	192,276.64	150,692.13	↑ 41,584.51	↑ 27.60
All Jamaican Composite Index	210,139.49	167,363.25	↑ 42,776.24	↑ 25.56
JSE Select Index	6,403.77	4,979.74	↑ 1,424.03	↑ 28.60
JSE Cross Listed Index	2,096.06	499.06	↑ 1,597	↑ 320
JSE Combined Index	204,960.10	158,269.14	↑ 46,690.96	↑ 29.50
Junior Market Index	2,593.71	1,791.05	↑ 802.66	↑ 44.81
JSE USD Equities Market Index	164.50	161.06	↑ 3.44	↑ 2.14
Market Capitalization (Combined Market)	800,864,403,246.24	683,506,273,473.43	↑ 117,358,129,772.81	↑ 17.0

## Indices

At the end of 2016, all indices with the exception of the USD index increased by more than 25%. The Cross Listed index realized the most significant increase of 320% or 1,597 points to close at 2,096.06 points. The Junior Market recorded the second largest increase of 44.81% or 802.66 points closing at 2,593.71 points.

Table 2

SELECTED IMF PSBA QUANTITATIVE PERFORMANCE (QPCs) AND INDICATIVE TARGETS	FYTD ACTUAL	FYTD TARGET
	NOV 2016	DEC 2016
Primary Balance of Central Government (J\$B)	63.6	54.0
Tax Revenues (J\$B)	280.3	300.0
Non-Borrowed Reserves (US\$M)	1,521.0	1,418.6
Inflation Target (%)	1.7	1.0 – 9.0

(Continued on page 24)

\*Source: EPOC Communique #2, January 2017

# STOCK MARKET REVIEW 2016

(Continued from page 23)

According to EPOC's January 2017 release, the country is on course to satisfying the December 2016 quantitative performance criteria under the current 3-year IMF Precautionary Stand-by Arrangement (PSBA). During the period April to November 2016 Revenues and Grants totalled \$304.1 billion, which was 4.7% more than the target of \$290.3 billion. Over the same period, total expenditure amounted to \$331.5 billion, \$10.5 billion less than budgeted. As at November 2016 the primary balance of Central Government stood at \$63.6 billion which exceeded the December 2016 target of \$54 billion.

The Statistical Institute of Jamaica (STATIN) has indicated that for the month of December 2016, there was a 0.3% movement in the All Jamaica 'All Divisions' Consumer Price Index (CPI). The Housing, Water, Electricity, Gas and Other Fuels division increased by 0.8%, this represented the largest increase in comparison to the other divisions for the month. Food and Non Alcoholic Beverages, the highest weighted division, realized an increase of 0.4% which was largely attributable to the sub-class 'Vegetables and Starchy Foods' moving upwards by 0.8%. The Transport division decreased by 0.5%, this was primarily due to cheaper fuel prices locally. Of the various divisions, only Transport recorded a decline.

The calendar year inflation rate for 2016 was 1.7%; this represents a 2.0% decline when compared to the 3.7% recorded in 2015. In 2014, the calendar year inflation rate was 6.4% while in 2013 a rate of 9.7% was recorded. As at December 2016, the fiscal year-to-date movement was 3.1%.

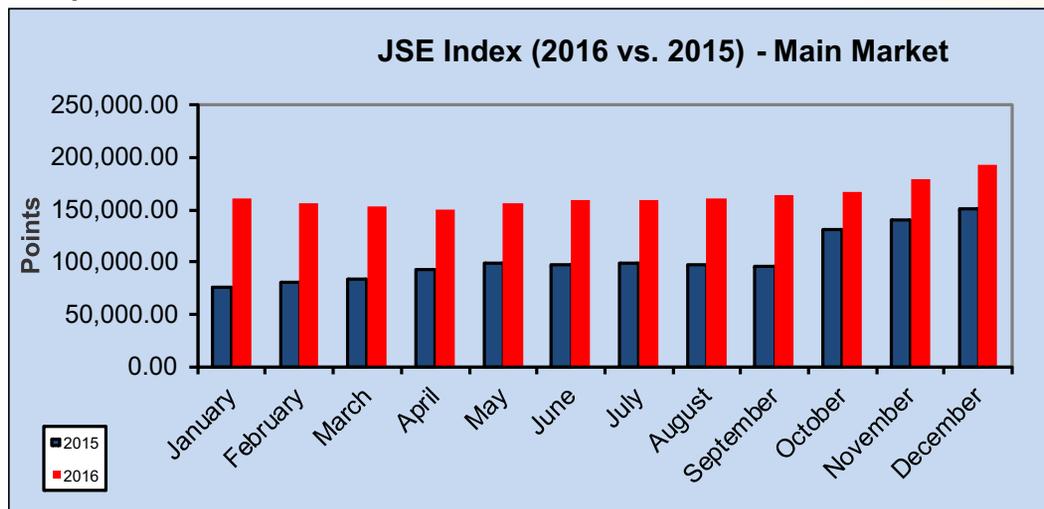
According to the Planning Institute of Jamaica (PIOJ), during the period July to September, 2016 real Gross Domestic Product (GDP) increased by approximately 2.2% in comparison to the similar period in 2015. Real value added rose by 6.7% and 0.8% for the Goods Producing and the Services industries respectively. The favourable performance of the Agriculture, Forestry and Fishing industry over the period largely contributed to the growth recorded for the second quarter of the fiscal year. The unemployment rate for July 2016 was 12.9% in comparison to the 13.1% recorded for July, 2015. The employed labour force increased by 39, 100 persons (its highest rate on record) to a total of 1,186,900 persons in comparison to data recorded for July, 2015.

The Jamaican dollar traded at 128.3623:USD1:00 as at December 30, 2016. This represents a decline of JA\$7.9473 or 6.6% since the start of the year. In 2015 the Jamaican dollar declined by 5.02% and by 7.79% in 2014. Treasury Bill yields for the month of December 2016 were 5.64%, 5.68% and 6.56% for the 28-day, 90-day and 180-day instruments respectively.

At the end of December 2016 the Net International Reserves (NIR) stood at US\$2.72 billion. This reflects an 11.93% increase over the US\$2.43 billion recorded in 2015.

## Performance of the JSE Main market index 2016 vs 2015.

Graph 1



(Continued on page 26)

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# STOCK MARKET REVIEW 2016

(Continued from page 24)

## Performance of the JSE Junior market index 2016 vs 2015.

Graph 2



## Performance of the JSE USD market index 2016 vs 2015.

Graph 3



(Continued on page 27)

# STOCK MARKET REVIEW 2016

(Continued from page 26)

Table 2: Indices Statistics for 2016

Indices	Highest Value	Lowest Value	Largest One Month Gain	Largest One Month Decline	Largest One Month Gain	Largest One Month Decline
<b>JSE Index</b>	192,276.64 points on December 30, 2016	148,138.55 points on April 21, 2016	7.62%(13,614.91 points) at the end of December 2016 closing at 192,276.64	2.51 % (3,872.15 points) at the end of April 2016 closing at 150,039.18	2.4% (3767.19 points) on January 13, 2016 closing at 160,847.44	2.65% (4,233.89 points) on January 19, 2016 closing at 155,745.69
<b>JSE All Jamaican Composite Index</b>	210,139.49 points on December 30, 2016	164,504.76 points on April 21, 2016	7.62 % (14876.91 points) at the end of December 2016 closing at 210,139.49	2.53% (4330.49 points) at the end of April 2016 closing at 66,630.36	2.26% (4561.3 points) on December 28, 2016 closing at 206,750.96	2.66% (4731.62 points) on January 19, 2016 closing at 173,010.89
<b>JSE Select Index</b>	6,403.77 points on December 30, 2016	4,979.74 points on January 1, 2016	6.79% (407.25 points) at the end of December 2016 closing at 6,403.77	2.44%(135 points) at the end of February 2016 closing at 5,397.51	3.03% (164.91 points) on January 13, 2016 closing at 5,609.13	3.10% (173.75 points) on January 14, 2016 closing at 5,435.38
<b>JSE Cross Listed Index</b>	2,096.06 points on December 15, 2016	499.06 points on January 1, 2016	290% (1,447.29 points) at the end of November 2016 closing at 1,946.35	-	290% (1447.29 points) on November 24, 2016 closing at 1,946.35	-
<b>JSE Combined Index</b>	204,960.10 points on December 30, 2016	157,037.38 points on April 7, 2016	7.51% (14,317.07 points) at the end of December 2016 closing at 204,960.10	3.21%(5491.79 points) at the end of February 2016 closing at 165,384.32	2.02% (3991.66 points) on December 28, 2016 closing at 201,943.16	2.3% (3935.84 points) on January 19, 2016 closing at 167,170.08
<b>JSE Junior Market Index</b>	2,594.85 points on December 29, 2016	1,756.02 points on April 6, 2016	7.8% (172.97 points) at the end of September 2016 closing at 2,389.9	10.43% (226.90 points) at the end of February 2016 closing at 1,947.91	8.72% (167.78 points) on January 8, 2016 closing at 2,092.37	4.72% (100.65 points) on July 7, 2016 closing at 2,032.92
<b>JSE USD Index</b>	207.55 points on March 8, 2016	117.69 points on August 10, 2016	14.00% (20.20 points) at the end of December 2016 closing at 164.5	16.76% (26.61 points) at the end of March 2016 closing at 132.2	30.00% (47.82 points) on March 8, 2016 closing at 207.55	23.91% (49.62 points) on March 9, 2016 closing at 157.93

## Trading Activity - Main Market

At the end of 2016 total value of ordinary and block trades amounted to \$48.450 billion. This represents a decrease of 25.06% over the previous year, which saw value of trade totalling \$64.647 billion for ordinary and block trades.

The volume of ordinary and block trades declined by 18.40% to 3,359,339,325 units. The previous year saw ordinary and block volume of 4,116,650,859 units.

The number of ordinary and block trades amounted to 30,698. This reflects an increase of 41.03% on the 21,767 recorded during the previous year.

Market capitalisation for the main market amounted to \$697.45 billion. This compares to \$615.56 billion at the end of the year 2015. During the year 2016 market volume (excluding blocks) amounted to

1,809,980,412. This reflects a decline of 3.79% relative to the 1,881,260,650 recorded during the previous year.

The total value of trades (excluding blocks) in 2016 amounted to \$25.532 billion compared to \$20.429 billion in 2015. This represents an increase of 24.98% when compared to the \$20.429 billion recorded for the previous year. The number of trades in 2016 stood at 30,684 up 41.03% on the 21,757 recorded in 2015.

Block trades in 2016 and 2015 amounted to 14 and 10 respectively. Block volume in 2016 amounted to 1,549,358,913, a decline of 30.69% in comparison to the 2,235,390,209 reported in 2015. The value of the block trades also decreased significantly by 48.17% to \$22.918 billion in the year 2016, coming from \$44.219 billion in 2015.

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## STOCK MARKET REVIEW 2016

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In terms of monthly market activity in 2016, the month of January realized the largest number of transactions with a total of 3,355. In contrast, the month of October saw the lowest number of transactions with 2,099 transactions.

Monthly market volume peaked at 337,063,166 units in April 2016. On the other hand, monthly market volume was at its lowest in July 2016 at 61,147,647 units.

As it relates to the value of trades, the month of September recorded the largest value of trades with \$3.52 billion. In contrast, the month of July recorded the lowest value of trades of \$912.50 million.

The top three advancers for the year were Trinidad Cement Limited, up 320.00% to close at \$63.00, Palace Amusement (1921) Company Limited, up 124.68% to close at \$195.00 and Caribbean Cement Company Limited up 82.87% to close at \$34.80. On the other hand, the top three of the four decliners for the year were Cable & Wireless Jamaica Limited down 47.83% to close at \$0.72, Ciboney Group Limited down 14.29% to close at \$0.18 and 1834 Investments Limited down 7.69% to close at \$1.20. This information is outlined in Table 3 and Table 4.

The value leader for the year was National Commercial Bank Jamaica Limited with \$5.417 billion.

The volume leader for the year was Sagicor Real Estate X Fund Limited with 500,642,505 units traded during the year.

During the year, trading occurred in 45 stocks of which 31 advanced, 13 declined and 1 traded firm. As it relates to ordinary shares, 33 ordinary shares traded of which 28 advanced 5 declined.

The main advancers and decliners for 2016 were:

**Table 3: Advancers**

Company	Close Price (\$)	% Change
Trinidad Cement Limited	63.00	320.00
Palace Amusement	195.00	124.68
Caribbean Cement	34.80	82.87
Jamaica Producers Group	9.23	78.65
Kingston Wharves	20.01	76.14
Berger Paints	5.60	75.00
Barita Investments	6.00	57.89
PanJam Investment	28.32	50.64
GraceKennedy Limited	40.29	48.76
Jamaica Stock Exchange	5.50	47.85

**Table 4: Decliners**

Company	Close Price (\$)	% Change
Cable & Wireless Jamaica	0.72	(47.83)
Ciboney Group	0.18	(14.29)
1834 Investments Limited	1.20	(7.69)
Salada Foods Jamaica	8.50	(0.23)

### The JSE Junior Market

The JSE Junior Market Index closed the year 2016 at 2,593.71 points. This represents an increase of 44.82% compared to its closing value of 1,791.05 points at the end of 2015. Seven securities were listed on the Junior Market in 2016. Table 5 shows the companies/securities that were listed during the year, the amount raised from these listings and the close prices as at December 31, 2016 along with their listing price:

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## STOCK MARKET REVIEW 2016

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Table 5

Company	Date Listed	Amount Raised (\$)	Listing Price (\$)	Close Price Dec 30, 2016	% Change Since listing
Derrimon Trading Company Limited 11.75% Preference Share	March 27, 2015	250 million	2.00	2.10	5.00%
CAC 2000 Limited	January 7, 2016	133 million	4.89	5.09	4.09%
tTech Limited	January 7, 2016	50 million	2.50	5.30	112.00%
IronRock Insurance Company Limited	March 15, 2016	315 million	3.00	4.00	33.33%
Jetcon Corporation Limited	March 24, 2106	95.67 million	2.25	6.00	166.67%
ISP Finance Services Limited	March 30, 2016	97.97 million	2.00	8.50	325.00%
Key Insurance Company Limited	March 31, 2016	234.19 million	2.27	2.60	14.54%

### Trading Activity: Junior Market

In 2016, 15,536 trades were conducted in comparison to 7,754 trades in 2015. This represents an increase of 100.36%. Market volume declined by 54.40% to 590,811,107 relative to 1,295,714,331 shares in 2015. The market value of trades decreased by 50.13% to \$3.71 billion versus \$7.43 billion at the end of the previous year.

In the Junior Market there was one block trade in 2016 while in 2015 there were no block transactions. Block volume in 2016 amounted to 84,291,640 and the value of the block trade was \$1.36 billion.

Market capitalisation at the end of 2016 amounted to 103.418 billion an increase of 35.471 billion or 52.22% versus the 67.947 billion recorded in 2015.

Dolphin Cove Limited was the value leader with \$3.706 billion traded.

LASCO Financial Services Limited was the volume leader with 296,716,610 units traded.

Table 6 - Advancers Junior Market 2016

Company	Close Price (\$)	Change%
Cargo Handlers Limited	18.57	51.22%
Caribbean Flavours & Fragrances Limited	12.00	40.35%
C2W Music Limited	0.35	40.00%
IronRock Insurance Company Limited	4.00	33.33%
AMG Packaging & Paper Company Limited	24.51	32.49%
Blue Power Group Limited	29.00	31.82%
K.L.E Group Limited	1.95	30.00%
Jetcon Corporation Limited	6.00	14.29%
General Accident Insurance Company Limited	2.99	13.26%
Derrimon Trading Company Limited	5.52	13.11%

(Continued on page 32)



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# STOCK MARKET REVIEW 2016

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**Table 7: Decliners Junior Market 2016**

Company	Close Price (\$)	Change%
Paramount Trading (Jamaica) Limited	3.01	(18.65%)
T-Tech Limited	5.30	(3.64%)
Dolphin Cove Limited	15.00	(1.90%)
Honey Bun (1982) Limited	5.85	(1.85%)
CAC 2000 Limited	5.09	(0.20%)
Knutsford Express Services Limited	19.99	(0.05%)

## Trading Activity US Dollar Equities Market

The USD Equities Market Index closed the year 2016 at 164.50 points. This represents a marginal increase of 3.44 points or 2.14% over the 161.06 points reported at the end of 2015.

In 2016 there were two preference share listings in the USD market (see Table 8).

**Table 8**

Instrument	Amount Raised	Listing Price
JMMBGL 5.75% USD Preference Shares	USD320,250	USD1.50
JMMBGL 6.00% USD Preference Shares	USD42.78 million	USD1.00

Market volume for the year 2016 amounted to 59,634,379 units. This reflects a significant increase of 142.39% when compared to the 24,602,573 units recorded in 2015.

The market value of trades grew by 140.54% to US\$12.112 million as against the US\$5.035 million realized in 2015.

The number of trades stood at 1,289, representing a 98.00% increase on the 651 trades in 2015.

Market capitalization at the end of 2016 amounted to US\$142.13 million compared to US\$132.58 million at the end of 2015.

## Bond Market

**Table 9**

Company	Date Listed	Amount Raised (\$)
Access Financial Services Limited 11% Fixed and Variable Rate Note	August 15, 2016	199 million
ISP Finance Services Limited 10% Secured Corporate Bond	October 12, 2016	150 million
Eppley 8.25% Preference Shares	December 22, 2016	361.6 million

During the year 2016 three trades were conducted on the bond market totalling \$6.3 million.

## Market Developments

The Gleaner Company Limited changed its name to 1834 Investments Limited on April 4, 2016.

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## STOCK MARKET REVIEW 2016

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### Acquisitions

Year	Company	Acquired by	Value of Transaction (\$)
2016	Dolphin Cove Limited	World of Dolphin Inc	1.36 billion
2016	Desnoes & Geddes Limited	Heineken Sweden	19.45 billion
2016	Hardware & Lumber Limited	Argyle	590.5 million

### Delistings

Desnoes & Geddes Limited delisted on March 31, 2016

Hardware & Lumber Limited delisted on June 9, 2016

Montego Bay Ice Limited delisted on December 30, 2016

Total Raised on Junior Market in 2016: \$925.82 Million

Total Raised on Junior Market since inception: \$5.17 Billion

Total Raised in 2016: \$9.4 Billion

### Stock Split/Subdivision of Shares

Company	Nature of Subdivision
Jamaican Teas	1 to 2
Pan Jamaican Investment Trust Limited	1 to 5
Honey Bun (1982) Limited	1 to 5
GraceKennedy Limited	1 to 3
Cargo Handlers Limited	1 to 10
Jamaica Stock Exchange Limited	1 to 5
Paramount Trading (Jamaica) Limited	1 to 10
Eppley Limited	1 to 10

### Bonus

Jamaica Producers Group Limited: For every one receive an additional 5 shares.

### Merger

Radio Jamaica/Gleaner.

There were 33 companies listed on the Main Market as at December 30, 2016. The total number of companies/ordinary shares listed on the Junior Market amounted to 29. Also, 3 companies were listed on the USD Equities Market in 2016.

As at December 30, 2016, 12 preference securities were listed on the Main Market. Four preference securities were listed on the JSE Junior Market and four securities listed on the Bond Market as at December 31, 2016. The USD market had a total of two preference securities listed at the end of the period.



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