SERIOUS ABOUT WEALTH

NCB CAPITAL MARKETS LIMITED

Weekly Market GUIDE

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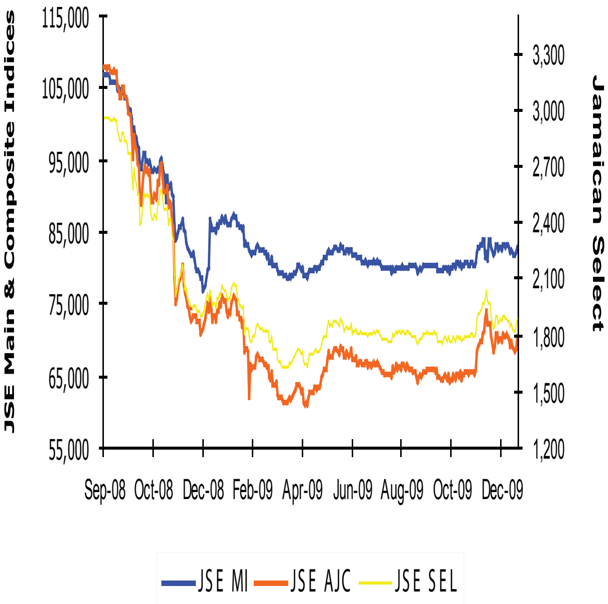
Week ending December 24, 2009

Jamaican Stock Market



Weekly Movement in Indices

Indices	Closing Levels	Change
JSE Market Index	82,947.22	+841.16
All Jamaican Composite	70,381.51	+1,370.26
Jamaica Select Index	1,885.53	+48.05
JSE Cross Listed Index	962.98	0.0

Most Active Stocks

	Units Traded	%
NCBJ	75,821,880	93.43%
SDBG	1,158,915	1.43%
JBG	926,837	1.14%

Top Winners & Losers This Week

	$ Change	% Change
Winner: SALF	$4.03	44.73%
Winner: KW	$0.70	28.00%
Loser: PCFS	-$2.04	10.09%
Loser: CAR	-$2.46	6.56%

Market Analysis and Commentary

There was limited activity in the shortened trading week ahead of the Christmas Holidays. However, market volume was high at 81.15Mn units (value $1.24Bn) reflecting heavy trading in NCBJ, the majority of which was done in a single cross transaction. Outside of this, overall volume was thin. A number of financial stocks recovered from the previous week and helped to push the advance to decline ratio to 15:10 from a total of 28 stocks which traded. As a result, all three stock market indices registered gains last week. The Main Index advanced 841.16 points (1.02%); the All Jamaican Composite Index recovered 1,370.26 points (1.99%); and the Composite Index added 48.05 points (2.61%). The expectation for the current week is for increased market activity as managers re-balance their portfolios ahead of the new year.

Government's Revised Tax Package Aimed at Collecting More from Wealthier Jamaicans

Last week the government outlined the revised tax measures which have seemingly lessened the burden on the poorer class and shifts more of the weight to wealthier Jamaicans. While most of the measures from the original package which the Minister of Finance presented remain, there were a few changes. The main highlight was that all the exempt items (except electricity) which were scheduled to be brought under the GCT net, will continue to be exempt and therefore will attract no GCT. This revenue measure which was expected to yield $6.2Bn will be replaced by the following:

The tourism sector which enjoys 50% GCT will have a tax rate fixed at 10% as at April 1, 2010. This will yield approximately $1.2Bn.

The increase in the GCT to 17.5% on the usage of electricity above 200Kw per month has been reduced to a special GCT of 10% on the excess usage for both residential consumption as well as commercial and industrial usage. Schools, hospitals, clinics, government agencies and government offices will be exempt from this new imposition of GCT on electricity. In addition, private hospitals and schools will receive special waivers and so will also not have to pay GCT on their electricity consumption. Originally this was expected to yield $1.2Bn but given the special GCT rate of 10%, will now yield $711Mn from residential usage and $742Mn from Net GCT commercial and industrial usage.

Commercial importers will pay an additional 5% advanced GCT payment on all taxable goods imported. There will be some exceptions which include: capital goods, petroleum, zero rated or items exempt from GCT. This is expected to yield $2.9Bn.

Personal income tax which is currently 25% will increase to 27.5% for income above $5Mn and less than $10Mn; and 35% for income above $10Mn. This is a temporary measure that will apply January 1, 2010 and end March 31, 2011. This is expected to yield $1.317Bn.

Licensing fees on high end motor vehicles with an engine capacity in excess of 3000cc will be increased by $4,000 annually. Additional tax rates ranging between 20% and 25% will be applied to certain luxury items such as jewelry, television sets exceeding 32", shot guns and shot gun cartridges jet skis and leisure boat. These combined measures are expected to yield $542Mn.

The revised tax measures have somewhat minimized the impact on lower income Jamaicans and increased the burden which must be born by wealthier individuals. It should be noted however that the demand for luxury items on which the proposed taxes will be focused are highly elastic (an increase in the price leads to a more significant falloff in demand than the price increase). As such, we anticipate a significant decline in demand for these items. There is the risk that the government expected revenues from taxes on these items may fall short of the target due to the combined effects of the decline in consumer disposable income as well as the price increases.

Now that we have heard the government's plans to reduce the fiscal deficit, the government needs to outline a clear strategy of how it intends to 1)increase tax compliance and 2) stimulate economic growth.

J$ Money Market Rates

Liquidity levels were moderate in the local money market last week. Overnight rates were between 7.0% and 9.0%, while 30-day rates ranged from 11.0% to 12.0%. BOJ OMO maturities and interest payments should total $3.39Bn this week.

Foreign Exchange Market

Selling	Close: 18/12/09	Close: 24/12/09	Change
J$/US$1	$89.63	$89.57	-$0.06
J$/CDN$1	$83.93	$84.73	+$0.80
J$/GBP£1	$145.50	$142.46	-$3.04

In foreign exchange market trading last week, there were some brokers on the sell-side which helped to ease US$ supplies some-what. However, demand for hard-currency was heavy. The US$ was being sold in the range of $89.60 and $89.75. At the close of the week, the local currency recovered $0.06 to close at $89.57.

GOJ Bonds

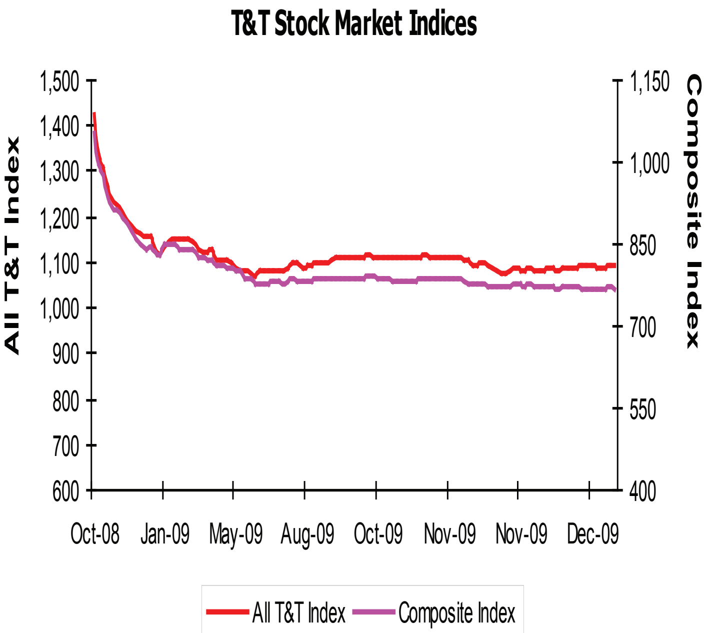
The bond market remained relatively quiet with demand squarely focused on the 2017 bond which traded as high as 93.25. There were small pockets of demand on 15s and 19s as well, however trading was very limited. We expect demand to continue to trickle in as the IMF agreement nears completion.

Indicative Levels

	Bid	Offer	Offer Yield*
2011	99.000	101.000	10.93%
2012	87.000	92.000	14.87%
2014	85.000	90.000	13.42%
2015	88.750	93.750	10.54%
2017	90.750	94.750	11.70%
2019	78.000	83.000	11.16%
2022	102.125	106.125	10.71%
2025	79.750	82.750	11.66%
2036	65.750	70.750	12.25%
2039	69.000	73.000	11.14%

*NB: The rates quoted above are opening indicative levels on the international market and are subject to change as market conditions vary throughout the trading session. Additionally, the prices quoted to clients of NCB Capital Market Limited (NCBCML) are adjusted to reflect the costs associated with completing the transaction on the respective client's behalf.

Trinidad & Tobago Update



The two main stock market indices on the Trinidad & Tobago stock exchange closed the week higher with the All T&T Index gaining 4.41 points to close at 1,094.73 points, and the Composite Index advancing 0.78 points to close at 769.24 points.

A total of 872,239 units valued at TT$14.31Mn traded. Although volumes had increased relative to the previous week, the number of transactions which took place declined by roughly 25% to 116.

Advancers outpaced decliners by a ratio of two to 1. GraceKennedy which gained 12% to close at TT$2.81 and Ansa McAl which gained 2.50% to close at TT$42.02, were the main winners. On the losing end, Point Lisas Industrial declined 9.93% to $5.80 and Sagicor Financial lost 2.1% to TT$11.75.

EXCHANGE RATE:

Exchange Rate **TT$1/J$14.10**

Trinidad central bank reports decline in inflation for November

Data for the month of November showed that consumer prices continued to decelerate in Trinidad & Tobago. In the year to November 2009, inflation fell to 1.5% from 2.7% for the twelve months to October 2009 helped by the easing of food price inflation. The ongoing slack in the domestic economy has been the main driving force behind lower inflation.

Core inflation, which excludes the movement in food prices, declined from 2.2% to 2.1%.

With continued weakness in the economy, private sector credit from the financial system fell 2.0% on year-on-year basis for the month of October. Credit to consumers and businesses contracted by 3.1% and 1.8% respectively.

Against the background of lower inflation, the Central Bank reduced its benchmark repo rate to 5.25, a 50 basis point reduction, in its bid to use monetary policy to stimulate economic activity.

Source: Central Bank of Trinidad & Tobago

International News

The Dow Jones industrial average (DJIA) and the S&P index hit their highest level over the last year ahead of the Christmas holiday period. A second straight month of strong existing-home sales gave a boost to the housing outlook but a downward revision to third-quarter GDP, now up a modest 2.2%, kept a lid on the enthusiasm. The brightest spot from economic data releases continues to be initial decline in jobless claims which fell substantially- a decline that the Labor Department describes as a part of a "long-term trend" of improvement in the job market.

Following last weeks downgrade of Greece's government debt by Standard and Poor, Moody's Rating agency also cut the governments bond ratings by one notch to A2 and kept the country on negative outlook. The rating agency highlighted "The very limited short-term liquidity risks on the one hand, and its medium-to long term solvency risk on the other".

- GDP in the US in Q3 was revised to 2.2%.
- Housing Price Index M-o-M increased by 0.6%.
- Existing housing sales m-o-m increased by 7.4% for the month.
- Personal Income increased by 0.4% from 0.2% in the previous month.
- Personal spending moved up 0.5%; down from the increase of 0.7% registered last month.
- New home sales m-o-m plunged 11.3% from the 6.2% increase last month.

U.S. Economy Grew at 2.2% Annual Rate Last Quarter

Dec. 22 (Bloomberg) The economy in the U.S. expanded in the third quarter at a slower pace than anticipated as companies curbed spending and cut inventories at an even faster pace, reductions that have set the stage for acceleration in growth. The 2.2 percent increase in gross domestic product from July through September compares with a 2.8 percent gain previously reported by the Commerce Department in Washington. Improved consumer spending combined with a record drop in stockpiles this year will promote increases in production that may keep the world's largest economy growing well into 2010. At the same time, companies such as Dell Inc. point to gains in business investment that signal growing confidence the expansion will be sustained. The government's advance estimate two months ago was 3.5%.

Sales of Existing Homes Increase More Than Forecast

Dec. 22 (Bloomberg) Sales of existing U.S. homes rose more than forecast in November, to the highest level since February 2007; a sign housing is gaining strength along with the broader economy entering 2010. Purchases increased 7.4 percent to a 6.54 million annual rate from a revised 6.09 million pace the prior month, the National Association of Realtors said today in Washington. The median sales price declined 4.3 percent from the same month a year earlier, the smallest decrease since November 2007. Lower interest rates, cheaper homes and a homebuyer tax credit have resuscitated a housing market that contributed to the worst economic slump since the 1930s. A sustained recovery in housing and the economy depends on a resumption of payroll growth after employers cut 7.2 million jobs in the past two years.

U.K. Economy Shrinks Less Than Previously Estimated

Dec. 22 (Bloomberg) The U.K. economy shrank less than previously estimated in the third quarter as a jump in construction and fixed investment brought the longest recession on record closer to ending. Gross domestic product fell 0.2 percent from the second quarter, compared with a previous measurement of a 0.3 percent drop, the Office for National Statistics said today in London. The median forecast in a Bloomberg News survey of 24 economists was for a 0.1 percent contraction. The recession has now shaved 6 percent off GDP, the statistics office said. The Confederation of British Industry yesterday raised its 2010 economic growth forecast and said the Bank of England may pause its bond-purchase plan in February. Policy makers have pledged to print 200 billion pounds of new money to stoke spending and shake off Britain's longest recession on record.

Goods Orders in U.S. Rise in Sign Companies Investing

Dec. 24 (Bloomberg) Orders for goods meant to last several years rose in November, pointing to increases in spending and production that will help sustain the expansion into 2010. Bookings minus demand for transportation equipment, which is often volatile, gained 2 percent last month, almost twice as much as forecast, figures from the Commerce Department showed today in Washington. A 33 percent slump in civilian aircraft limited the gain in total durable goods orders to 0.2 percent.

U.S. Initial Jobless Claims Fell to 452,000 Last Week

Dec. 24 (Bloomberg) The number of Americans filing claims for unemployment benefits last week declined to the lowest level since September 2008, signaling firings are easing as employers gain confidence in the economic recovery. Initial jobless claims fell by 28,000, more than forecast, to 452,000 in the week ended Dec. 19, from 480,000 the prior week, Labor Department figures showed today in Washington. Improving sales combined with increases in production mean companies may not need to trim staff further after implementing the deepest payroll cuts in the post-World War II era. A strengthening labor market may boost consumer spending, the biggest part of the U.S. economy, and help sustain the recovery.

NCB Capital Markets Ltd (formerly Edward Gayle and Co.) established in 1968 is Jamaica's oldest stockbrokers. The company became a part of the NCB Group in 1994 and a fully owned subsidiary in October 2002. In December 2002, the then Edward Gayle and Co. was merged with another NCB subsidiary, NCB Investments. The products distributed by this combined subsidiary cover the traditional money market product offerings (J$ and US$ Repos), primary dealer services, stock brokerage and investment advisory services. Edward Gayle was renamed NCB Capital Markets Ltd. in October 2003.

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