



**BARBADOS STOCK EXCHANGE INC**  
*'building a better market'*

## Third Quarter Report 2010

### Overview

The first nine months of 2010 proved to be challenging for the Barbados Stock Exchange (BSE). It was characterized by declines in both total trading volume and total trading value. There was a 9% decline in the volume traded and a 37% decline in the value of shares traded when compared with the corresponding period in 2009.

All markets, with the exception of the Regular Market experienced declines in both volume and value for the period. The Put-Through Market experienced the largest declines recording a 98.91% decrease in the traded volume and a 98.97% decrease in the total traded value for 2010. There was no activity in the Junior Market.

Table 1- Trading activity for first nine months

Market	Year-to-Date	Year-to-Date	Year-to-Date	Year-to-Date	%	%
	2010	2009	2010 Value	2009 Value	Change	Change
	Volume	Volume			Volume	Value
<b>Regular</b>	7,648,636	5,651,743	\$25,362,132.44	\$22,618,208.16	35%	12%
<b>Odd-Lot</b>	159,201	171,018	\$ 770,076.97	\$ 874,578.97	-7%	-12%
<b>Put - Through</b>	29,961	2,739,454	\$ 186,719.57	\$18,064,492.47	-99%	-99%
<b>Junior</b>	-	14,846	\$ -	\$ 2,882.69	-100%	-100%
<b>Block Trade</b>	-	-	\$ -	\$ -	0%	0%
<b>Total</b>	7,837,798	8,577,061	\$26,318,928.98	\$ 41,560,162.29	-9%	-37%

The third quarter was characterized by declines in trading activity across the market with each market recording double digit declines. Trading volumes for the quarter fell by 59% with 1,376,352 shares trading compared to 3,384,339 shares traded for the corresponding period in 2009. The general trend of declining share prices which began in late 2008 has continued and contributed to the 65% decline in the value of shares traded on the board of the Exchange.

Table 2 Trading Activity for Third Quarter

Market	Third Quarter	Third Quarter	Third Quarter	Third Quarter	% Change	% Change
	2010 Volume	2009 Volume	2010 Value	2009 Value	Volume	Value
<b>Regular</b>	1,320,116	2,852,967	\$4,732,383.46	\$11,512,819.01	-54%	-59%
<b>Odd-Lot</b>	46,897	53,407	\$ 182,723.77	\$ 307,879.76	-12%	-41%
<b>Put - Through</b>	9,339	465,190	\$ 32,701.80	\$ 2,469,042.87	-98%	-99%
<b>Junior</b>	-	12,775	\$ -	\$ 2,366.25	-100%	-100%
<b>Block Trade</b>	-	-	\$ -	\$ -	0%	0%
<b>Total</b>	1,376,352	3,384,339	\$4,947,809.03	\$14,292,107.89	-59%	-65%

### Regular Market

The Regular Market continued to record increases in both the volume and values traded at the end of the third quarter. As illustrated in Table 3 the total share volume was 7,648,636, representing an increase of 35.33% over the 5,651,743 shares recorded for the same period in 2009. There was also a marginal increase of 12.13% in the value of shares traded at the end of the quarter as compared to the same period in 2009. There was a minimal reduction in the number of trading days (-1.07%) but the number of trades increased from 709 in 2009 to 748 for the corresponding period in 2010. Figure 1 illustrates a monthly comparison of the volume of trades for 2009 and 2010.

While there was an improvement in the advance to decline ratio, all three indices reported year-on-year decreases. The Cross-Listed index recorded the largest decline of -18.76%. This too was mirrored in terms of Market Capitalization, where the recorded Cross-Listed Market Capitalization at the end of the quarter declined by -28.98% when compared to that recorded at September 30<sup>th</sup>, 2009. These declines in the cross-listed statistics were the result of the delisting of GraceKennedy Limited's 331,710,547 shares from the board of the exchange at the end of the second quarter on June 30<sup>th</sup>, 2010.

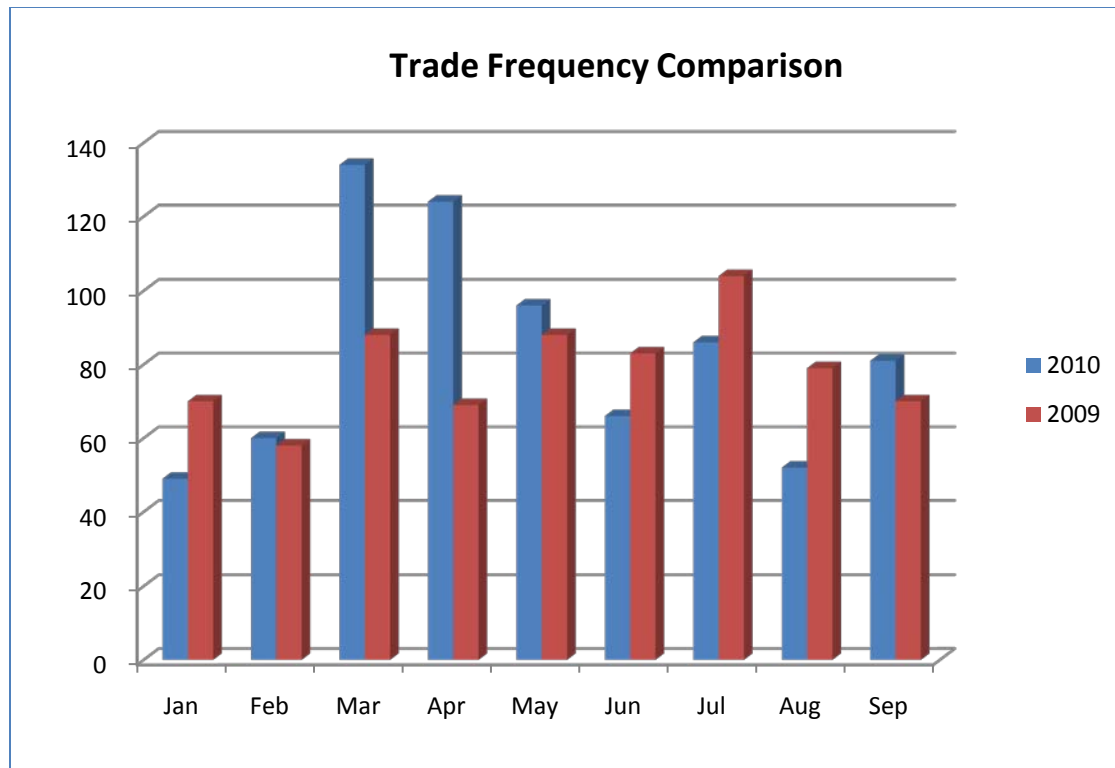


Figure 1

Table 3

	30-Sep-10	30-Sep-09	% Change
<b>Total Share Volume</b>	7,648,636	5,651,743	35.33%
<b>Total Share Value</b>	25,362,132	22,618,208	12.13%
<b>Average Daily Share Volume</b>	41,344	30,223	36.80%
<b>Average Daily Share Value</b>	\$ 137,093	\$ 120,953	13.34%
<b>Number of Trades</b>	748	709	5.50%
<b>Number of Trade Days</b>	185	187	-1.07%
<b>Average Share Price</b>	\$ 5.25	\$ 5.19	1.10%
<b>Advance/Decline Ratio</b>	8/10	3/17	N/A
<b>Local Index</b>	3,042.04	3,406.93	-10.71%
<b>Cross – Listed Index</b>	1,251.07	1,540.04	-18.76%
<b>Composite Market Index</b>	715.55	831.70	-13.97%
<b>Local Market Capitalization</b>	8,799,778,871	9,304,713,890	-5.43%
<b>Cross-Listed Market Capitalization</b>	2,151,100,780	3,028,850,307	-28.98%
<b>Composite Market Capitalization</b>	10,965,606,342	12,340,790,888	-11.14%
<b>Number of Listed Companies</b>	25	25	0.00%

Table 4 and Table 5 show the top traded companies by volume and value for the year-to-date. Insurance Corporation of Barbados Limited continued its second quarter performance by being the top

traded company in terms of both volume and value at the end of the third quarter. Trading activity in this security accounted for 51% of the total volume traded and 47% of the total value traded. They were followed by Sagicor Financial Corporation which accounted for 12% and 11% of the volume and value traded at the end of the quarter respectively.

Table 4 - Top traded Companies by Volume: Year to date

Company	2010	2009	2010	2009
	Volume	Volume	Value	Value
INSURANCE CORPORATION OF BARBADOS LIMITED	3,910,700	625,080	\$ 11,883,066	\$ 2,325,245
SAGICOR FINANCIAL CORPORATION	934,435	1,666,108	\$ 2,825,857	\$ 5,595,348
FIRSTCARIBBEAN INTERNATIONAL BANK	915,932	701,618	\$ 2,551,874	\$ 2,146,432
FORTRESS CARIBBEAN PROPERTY FUND	682,031	66,872	\$ 788,446	\$ 89,420
CABLE AND WIRELESS BARBADOS LIMITED	303,894	740,480	\$ 1,741,294	\$ 4,181,100

Table 5- Top Five Traded Companies by Value: Year-to-Date

Company	2010	2009	2010	2009
	Value	Value	Volume	Volume
INSURANCE CORPORATION OF BARBADOS LIMITED	\$ 11,883,066	\$ 2,325,245	3,910,700	625,080
SAGICOR FINANCIAL CORPORATION	\$ 2,825,857	\$ 5,595,348	934,435	1,666,108
FIRSTCARIBBEAN INTERNATIONAL BANK	\$ 2,551,874	\$ 2,146,432	915,932	701,618
NEAL & MASSY HOLDINGS LIMITED	\$ 2,126,160	\$ 28,272	151,301	444,592
CABLE AND WIRELESS BARBADOS LIMITED	\$ 1,741,294	\$ 4,181,100	303,894	740,480

As Table 6 and Table 7 illustrate, Sagicor Financial Corporation and FirstCaribbean International Bank were the top two traded securities for the third quarter in terms of volume and Cable and Wireless (Barbados) Limited and Sagicor Financial Corporation were the top two traded securities in terms of value.

Table 6- Top Five Traded Companies by Volume: 3rd Quarter

Company	2010	2009	2010	2009
	Volume	Volume	Value	Value
SAGICOR FINANCIAL CORPORATION	313,389	665,954	\$ 944,473	\$ 2,292,754
FIRSTCARIBBEAN INTERNATIONAL BANK	276,228	479,822	\$ 796,604	\$ 1,439,466
CABLE AND WIRELESS BARBADOS LIMITED	194,860	613,154	\$ 1,107,026	\$ 3,450,343
FORTRESS CARIBBEAN PROPERTY FUND	181,507	11,642	\$ 208,733	\$ 14,719
INSURANCE CORPORATION OF BARBADOS LIMITED	98,900	28,537	\$ 299,628	\$ 85,998

Table 7-Top Five Traded Companies by Value: 3rd Quarter

Company	2010	2009	2010	2009
	Value	Value	Volume	Volume
CABLE AND WIRELESS BARBADOS LIMITED	\$ 1,107,026	\$ 3,450,343	194,860	613,154
SAGICOR FINANCIAL CORPORATION	\$ 944,473	\$ 2,292,754	313,389	665,954
FIRSTCARIBBEAN INTERNATIONAL BANK	\$ 796,604	\$ 1,439,466	276,228	479,822
GODDARD ENTERPRISES LIMITED	\$ 341,838	\$ 240,534	56,625	39,951
INSURANCE CORPORATION OF BARBADOS LIMITED	\$ 299,628	\$ 85,998	98,900	28,537

### Odd- Lot Market

There were minor decreases in trading volume and value for the first nine months of 2010. The total volume of shares traded of 159,201 was -7% less than the 171,018 shares traded for the same period in 2009. The total value of shares traded on the Odd-Lot Market followed suit recording a -12% decline moving from \$874,578.97 in 2009 to \$765,850.48 in 2010.

Table 8 and Table 9 illustrate the top five traded companies for the first half of 2010. Sagicor Financial Corporation was the most active security for the year to date, trading 56,437 shares valued at \$171,109.54. This accounted for 35.45% of the volume traded on this market and 22.34% of the value traded. Neal and Massy Holdings Limited's high share price of \$14.75 meant that while the 8,107 shares traded for the year only represented 5.47% of the total volume traded; their recorded value of \$127,113.50 was the second highest and represented 16.60% of the total year to date traded value.

Table 8- Top Five Traded Companies by Volume: Year-to-Date

Company	2010	2009	2010	2009
	Volume	Volume	Value	Value
<b>SAGICOR FINANCIAL CORPORATION</b>	56,437	60,553	\$ 171,110	\$209,834
<b>CABLE &amp; WIRELESS (BARBADOS) LIMITED</b>	16,623	13,920	\$ 95,883	\$ 80,200
<b>FORTRESS CARIBBEAN PROPERTY FUND</b>	12,017	6,064	\$ 13,983	\$ 8,107
<b>GODDARD ENTERPRISES LIMITED</b>	11,855	13,107	\$ 73,714	\$ 85,139
<b>INSURANCE CORPORATION OF BARBADOS LIMITED</b>	9,472	4,603	\$ 28,760	\$ 16,666

Table 9- Top Five Traded Companies by Value: Year-to-Date

Company	2010	2009	2010	2009
	Value	Value	Volume	Volume
<b>SAGICOR FINANCIAL CORPORATION</b>	\$ 171,110	\$209,834	56,437	60,553
<b>NEAL &amp; MASSY HOLDINGS LIMITED</b>	\$ 127,114	\$139,599	8,701	8,976
<b>LIGHT &amp; POWER HOLDINGS LIMITED</b>	\$ 107,994	\$124,615	9,331	10,871
<b>CABLE &amp; WIRELESS (BARBADOS) LIMITED</b>	\$ 95,883	\$ 80,200	16,623	13,920
<b>GODDARD ENTERPRISES LIMITED</b>	\$ 73,714	\$ 85,139	11,855	13,107

For the third quarter of 2010 Sagicor Financial Corporation repeated its second quarter 2010 performance and remained the volume and value leader for the period July to September 2010. They accounted for 39.09% of the volume traded and 29.22% of the value. Fortress Caribbean Property Fund was second in terms of volume traded and Cable and Wireless (Barbados) Limited was second in terms of value traded for the quarter. Table 10 and Table 11 show the top five traded companies in terms of volume and value for the Odd-Lot Market over the third quarter.

Table 10-Top Five Traded Companies by Volume: 3rd Quarter

Company	2010	2009	2010	2009
	Volume	Volume	Value	Value
<b>SAGICOR FINANCIAL CORPORATION</b>	18,330	21,117	\$ 52,935	\$ 71,656
<b>FORTRESS CARIBBEAN PROPERTY FUND</b>	8,425	2,200	\$ 9,689	\$ 2,771
<b>CABLE &amp; WIRELESS (BARBADOS) LIMITED</b>	7,573	2,990	\$ 43,348	\$ 17,940
<b>LIGHT &amp; POWER HOLDINGS LIMITED</b>	2,594	3,155	\$ 30,189	\$ 36,307
<b>BANKS HOLDINGS LIMITED</b>	1,854	3,590	\$ 7,617	\$ 14,966

Table 11-Top Five Traded Companies by Value: 3rd Quarter

	2010	2009	2010	2009
Company	Value	Value	Volume	Volume
<b>SAGICOR FINANCIAL CORPORATION</b>	\$ 52,935	\$ 71,656	18,330	21,117
<b>CABLE &amp; WIRELESS (BARBADOS) LIMITED</b>	\$ 43,348	\$ 17,940	7,573	2,990
<b>LIGHT &amp; POWER HOLDINGS LIMITED</b>	\$ 30,189	\$ 36,307	2,594	3,155
<b>FORTRESS CARIBBEAN PROPERTY FUND</b>	\$ 9,689	\$ 2,771	8,425	2,200
<b>BARBADOS NATIONAL BANK INCORPORATED</b>	\$ 9,541	\$ 4,742	1,710	803

### Index and Market Capitalization Movement

There was a general decline in the indices and market capitalization when examined for over the past three, nine and twelve month period. For the third quarter, as illustrated in Table 12, the local index declined by 1.06% from its position at June 30<sup>th</sup>. When the comparison is extended to six months (Table 13) the cross-listed index was the hardest hit falling 15.61% for the year to date. While, over the twelve month period shown in Table 14, all three indices registered declines; the cross-listed index once again suffering the greatest decline of -18.76%.

The market capitalization comparisons, illustrated in Table 15-17, for the Cross-Listed and Composite mirror the performance of the index comparison discussed above. However, for the third quarter, marginal increases in the share prices of both FirstCaribbean International Bank and Barbados Farms Limited saw the market capitalization of this group increasing by 4.67% over the June 30<sup>th</sup> figures and 0.23% for the year to date.

It must be noted that the sharp declines in both the Cross-Listed Index and Market Capitalization were a direct result of the delisting of GraceKennedy Limited's 331,710,547 shares valued at \$437,857,922.04 from the board of the Exchange on June 30<sup>th</sup>, 2010. There was also the alignment of Trinidad Cement Limited's (TCL) listed share price which triggered the Price Stabilization Rule. The trade was approved as it was done to align the share price with that listed on the board of the Trinidad and Tobago Stock Exchange. The latter saw TCL's share price falling by \$1.37 or 55.02% from \$2.49 to \$1.12. On July 1<sup>st</sup>, 2010, the index fell by 9.24% from 1,378.36 to 1,251.00. The market capitalization also fell by 24.11% from 2,862.81 to 2,172.46.

Table 12- Index Comparison 3<sup>rd</sup> Quarter

Index	30-Sep-10	30-Jun-10	% Change
<b>Local</b>	3,042.04	3,074.77	-1.06%
<b>Cross Listed</b>	1,251.07	1,378.36	-9.23%
<b>Composite</b>	715.55	749.50	-4.53%

Table 13- Index Comparison Nine Months

Index	30-Sep-10	31-Dec-09	% Change
Local	3,042.04	3,200.87	-4.96%
Cross Listed	1,251.07	1,482.48	-15.61%
Composite	715.55	786.11	-8.98%

Table 14- Index Comparison Year-on-Year

Index	30-Sep-10	30-Sep-09	% Change
Local	3,042.04	3,406.93	-10.71%
Cross Listed	1,251.07	1,540.04	-18.76%
Composite	715.55	831.70	-13.97%

Table 15- Market Capitalization Comparison 3<sup>rd</sup> Quarter

Market Capitalization	30-Sep-10	30-Jun-10	% Change
Local	8,799,778,871.02	8,407,444,716.85	4.67%
Cross Listed	2,151,100,780.40	2,862,809,617.89	-24.86%
Composite	10,965,606,342	11,284,981,025	-2.83%

Table 16- Market Capitalization Comparison Nine Months

Market Capitalization	30-Sep-10	31-Dec-09	% Change
Local	8,799,778,871	8,779,156,676	0.23%
Cross Listed	2,151,100,780	2,915,874,519	-26.23%
Composite	10,965,606,342	11,702,257,886	-6.29%

Table 17- Market Capitalization Comparison Year-on-Year

Market Capitalization	30-Sep-10	30-Sep-09	% Change
Local	8,799,778,871.02	9,304,713,890.30	-5.43%
Cross Listed	2,151,100,780.40	3,028,850,306.95	-28.98%
Composite	10,965,606,341.82	12,340,790,888	-11.14%

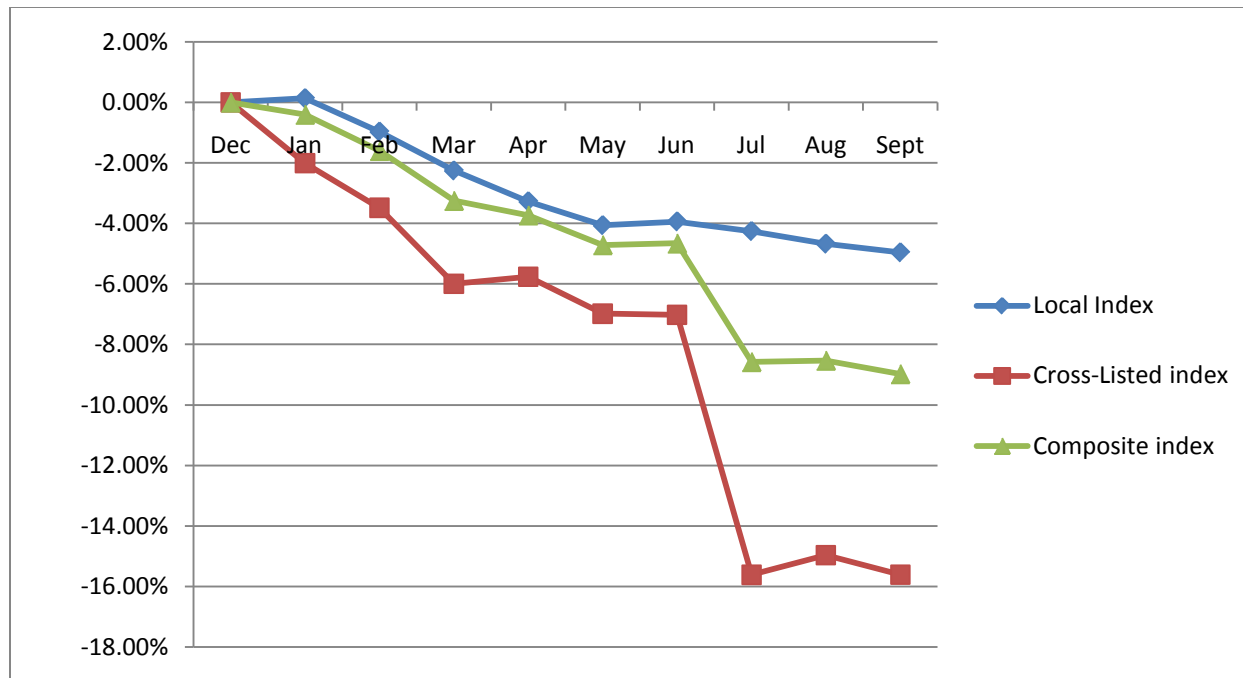


Figure 2 - Index Movement last 12 months

## Company Activity Comparative Report

For the first nine months of the year, ending September 30<sup>th</sup> 2010, eight (8) securities advanced, ten (10) declined, three (3) remained unchanged and four (4) did not trade with one suspension; there was one delisted security<sup>1</sup>. This is compared to three (3) securities advancing, fifteen (16) declining, two (2) remaining unchanged and four (4)<sup>2</sup> not trading for 2009.

Barbados Farms Limited was the top advancer for the first nine months climbing 19.51% from \$2.05 on December 31<sup>st</sup> 2009 and closing at \$2.45 for the period ending September 30<sup>th</sup> 2010. Fortress Caribbean Property Fund and West India Biscuit Company Limited rounded out the top three companies to increase in price during the first nine months of 2010 increasing 15.00% and 9.41% respectively. The five other companies to increase in price were FirstCaribbean International Bank, One Caribbean Media Limited, Light & Power Holdings Limited, Insurance Corporation of Barbados Limited, and Light & Power Holdings Limited 5.5% Preference.

Four companies experienced declines in excess of 10% for the first nine months of 2010. Trinidad Cement Limited suffered the largest decline as their share price fell by 59.84% at the close of the

<sup>1</sup> GraceKennedy Limited delisted June 30<sup>th</sup>, 2010; not recorded as a decliner.

<sup>2</sup> Please note Royal Fidelity Capital Market's TIGRS A and TIGRS A1 were listed on the Junior Market of the exchange on June 24<sup>th</sup>, 2010 and are yet to trade.

period<sup>3</sup>. Cave Shepherd and Company Limited, BICO Industries Limited and Sagicor Financial Corporation were the other companies to experience double digit declines for the half.

Table 18- Year-to-date Trading Activity by Company (Regular and Junior market only)

SECURITY	YTD 2010 Volume	YTD 2010 Value	CLOSING PRICE Sep 30 2010	CLOSING PRICE December 31 2009	% Change
Ansa Mcal (Barbados) Limited	17,500	\$ 262,000	14.80	16.00	-7.50%
Almond Resorts Inc.	88,076	\$ 122,880	1.55	1.55	0.00%
Bico Industries Ltd.	10,118	\$ 15,600	1.50	1.86	-19.35%
Barbados Dairy Industries Ltd.	9,140	\$ 48,361	5.29	5.49	-3.64%
Barbados Farms Ltd.	29,770	\$ 62,234	2.45	2.05	19.51%
Barbados National Bank Inc.	41,940	\$ 236,536	5.57	5.80	-3.97%
Banks Holdings Ltd.	165,715	\$ 686,482	4.00	4.00	0.00%
Barbados Shipping & Trading Co. Ltd.	0	\$ -	7.60	7.60	0.00%
Fortress Caribbean Property Fund	682,031	\$ 788,446	1.15	1.00	15.00%
Cave Shepherd and Co. Ltd.	43,800	\$ 237,455	4.48	6.20	-27.74%
Cable and Wireless Barbados Ltd	303,894	\$ 1,741,294	5.75	5.79	-0.69%
FirstCaribbean International Bank	915,932	\$ 2,551,874	3.00	2.75	9.09%
Goddard Enterprises Ltd.	168,483	\$ 1,030,326	5.89	6.00	-1.83%
Grace Kennedy Ltd.	21,000	\$ 24,310	-	1.00	N/A
Insurance Corporation Of Barbados Ltd.	3,910,700	\$11,883,066	3.03	3.01	0.66%
Jamaica Money Market Brokers Limited	35,322	\$ 4,948	0.15	0.15	0.00%
Light and Power Holdings Ltd.	39,318	\$ 457,733	11.75	11.52	2.00%
Light And Power Holdings Ltd 5.5% Pref	9,000	\$ 27,990	3.11	3.10	0.32%
Neal And Massey Holdings Ltd.	151,301	\$ 2,126,160	14.75	15.49	-4.78%
One Caribbean Media Limited	57,661	\$ 204,883	3.20	3.10	3.23%
Sagicor Financial Corporation	934,435	\$ 2,825,857	2.98	3.50	-14.86%
Trinidad Cement Ltd.	12,500	\$ 13,700	1.00	2.49	-59.84%
West India Biscuit Co. Ltd.	1,000	\$ 10,000	10.00	9.14	9.41%
The West Indies Rum Distilleries Ltd.	0	\$ -	8.50	8.50	0.00%
Sunbeach Communications Inc.	0	\$ -	0.15	0.15	0.00%
Royal Fidelity TIGRS A Fund	0	\$ -	10.00	-	N/A
Royal Fidelity TIGRS A1 Fund	0	\$ -	10.00	-	N/A

For the third quarter, seven (7) securities advanced, eleven (11) declined, one (1) remained unchanged and seven (7) did not trade with one suspension. This is compared to five (5) securities advancing, twelve (12) declining, one (1) remaining unchanged and seven (7) not trading in the corresponding period in 2009.

<sup>3</sup> Trinidad Cement Limited's share price fell from \$2.49 to \$1.12 to align its price with that listed on the Trinidad and Tobago Stock Exchange. The Price Stabilization Rule took effect but on examination of the documentation provided by the broker the transaction was approved.

Table 19- 3<sup>rd</sup> Quarter Trading Activity By Company (Regular and Junior market only)

SECURITY	3rd Quarter 2010 Volume	3rd Quarter 2010 Value	CLOSING PRICE Sep 30 2010	CLOSING PRICE June 30 2010	% Change
Ansa Mcal (Barbados) Limited	0	\$ -	14.80	16.00	-7.50%
Almond Resorts Inc.	0	\$ -	1.55	1.55	0.00%
Bico Industries Ltd.	1,666	\$ 2,499	1.50	1.55	-3.23%
Barbados Dairy Industries Ltd.	0	\$ -	5.29	5.49	-3.64%
Barbados Farms Ltd.	0	\$ -	2.45	2.05	19.51%
Barbados National Bank Inc.	24,940	\$ 140,316	5.57	5.74	-2.96%
Banks Holdings Ltd.	57,484	\$ 233,872	4.00	4.20	-4.76%
Barbados Shipping & Trading Co. Ltd.	0	\$ -	7.60	7.60	0.00%
Fortress Caribbean Property Fund	181,507	\$ 208,733	1.15	1.15	0.00%
Cave Shepherd and Co. Ltd.	20,000	\$ 95,710	4.48	6.20	-27.74%
Cable and Wireless Barbados Ltd	194,860	\$ 1,107,026	5.75	5.90	-2.54%
FirstCaribbean International Bank	276,228	\$ 796,604	3.00	2.70	11.11%
Goddard Enterprises Ltd.	56,625	\$ 341,838	5.89	6.26	-5.91%
Grace Kennedy Ltd.	0	\$ -	-	1.00	-N/A
Insurance Corporation Of Barbados Ltd.	98,900	\$ 299,628	3.03	3.10	-2.26%
Jamaica Money Market Brokers Limited	5,312	\$ 797	0.15	0.10	50.00%
Light and Power Holdings Ltd.	22,000	\$ 257,300	11.75	11.54	1.82%
Light And Power Holdings Ltd 5.5% Pref	9,000	\$ 27,990	3.11	3.10	0.32%
Neal And Massey Holdings Ltd.	9,205	\$ 135,774	14.75	14.50	1.72%
One Caribbean Media Limited	36,500	\$ 126,125	3.20	3.05	4.92%
Sagicor Financial Corporation	313,389	\$ 944,473	2.98	2.99	-0.33%
Trinidad Cement Ltd.	12,500	\$ 13,700	1.00	2.49	-59.84%
West India Biscuit Co. Ltd.	0	\$ -	10.00	10.00	0.00%
The West Indies Rum Distilleries Ltd.	0	\$ -	8.50	8.50	0.00%
Sunbeach Communications Inc.	0	\$ -	0.15	0.15	0.00%
Royal Fidelity TIGRS A Fund	0	\$ -	10.00	-	0.00%
Royal Fidelity TIGRS A1 Fund	0	\$ -	10.00	-	0.00%
	1,320,116	\$ 4,732,383	-	-	

## Conclusion

Table 20 - Regional Index Comparative Analysis

	Performance		
	Three Month	Nine Month	Twelve Month
<b>Barbados Stock Exchange Composite</b>	<b>-4.53%</b>	<b>-8.98%</b>	<b>-13.97%</b>
<b>Jamaica Stock Exchange Market Index</b>	<b>-3.15%</b>	<b>0.35%</b>	<b>4.61%</b>
<b>Trinidad and Tobago Composite Index</b>	<b>-0.67%</b>	<b>7.37%</b>	<b>4.33%</b>

The third quarter of 2010 has proved challenging for the Barbados Stock Exchange. The BSE three month Composite Index declined by 4.53%, while the nine and twelve month Indices recorded declines of -8.98% and -13.97% respectively. It should be noted that the declines experienced, with the exception of the three month decline, still represent an improvement on the performance on the corresponding period for 2008 – 2009 where the composite index fell by 1.41%, 9.58% and 19.82% for the three month, nine month and twelve month period respectively. These results are indicative of the fact that the Barbados Market, like many other markets of the world, is still experiencing the negative effects of the global recession. An examination of the indices of the other major exchanges in the region for 2010 shown in Table 20 shows a similar trend. The Jamaica Stock Exchange (JSE) and Trinidad and Tobago Stock Exchange (TTSE) recorded declines for the three month period with the JSE's Market Index and TTSE's Composite Index declining by 3.15% and 0.67% respectively. Over the nine and twelve month periods both the JSE and TTSE reported marginal increases in their indices.

In a recent press release issued by the International Monetary Fund (*IMF Article IV Mission to Barbados - Press Release No. 10/355 September 24, 2010*) Marcello Estevão, chief of the IMF mission to Barbados, stated, "Barbados has been severely affected by the global economic crisis. The deep global recession has curbed tourism, affecting related activities such as construction and trade which, in turn, depressed aggregate demand and raised unemployment. Despite a variety of policy measures to alleviate the impact of the crisis, the level of economic activity is expected to remain broadly unchanged in 2010". Mr. Estevão's comments only serve to cement the notion that the close linkage between the Barbados economy and the economies of North American and European countries has placed severe pressure on the local economy primarily affecting the Tourism, Construction, International Business and Financial Services sectors. The resulting impact has been felt throughout the local economy as many companies, listed or otherwise, have had to deal with contracting revenue streams and diminishing profits. In recent times, reports in the press have attempted to draw direct links between the performance on the Stock Exchange and that of the companies listed on its Board. The fact remains that many shareholders, like other members of the general public, have been unfavorably affected by the recession. While there are those who can afford to invest and are capitalizing on the current market conditions of low share prices, many are opting to cash in their investments in an effort to either remain liquid should the unforeseen occur or to service some other pressing obligation. The outcome of the latter, depending on the quantity and price of shares sold, can have adverse effects on the share price of a listed security on a

given day. To lessen such effects the BSE implemented the Volume Weighted Average Price (VWAP) pricing methodology changing the determinant of the closing price of a listed security from the last traded price to the average price of the security traded giving consideration to the volume of shares traded.

The above, in essence, is merely a sign of the times and clearly illustrates how and why market activity has mirrored current economic trends, i.e. when times are plentiful and the economy is experiencing growth, listed companies that are benefitting from said growth can afford to pay higher dividends. Market demand for their securities increases because investors want to benefit from the higher dividend yield while the supply of said securities decreases as shares are bought. The result is the share price of the security increases as the supply of the much sought after security decreases. However, when times are not as plentiful and the economy contracts, companies pay moderate dividends (in some cases no dividend is paid) to ensure sustainability, demand for their securities decreases while supply increases as investors cash in their investments in an effort to recoup the monies invested as they try to exit the market; the result of which is the decrease in share price of the listed security.

In light of these factors, the BSE is committed to continue its thrust to provide the investing public with new and more innovative features to assist in the enhancement of their investing experience. The implementation of a new website is critical, bolstering our presence on the World Wide Web with an up-to-date website, reaching a much wider cross-section of persons both locally and internationally, disseminating a wide variety of information to better enable the prospective investor to make a wise decision as well as generating general interest in investing in our local market. As a precursor to the new website we have established a presence on the ever popular [Facebook](#) and are intending to exploit this platform's potential for reaching the masses. The Facebook group is open to the public and all and sundry are invited to join. We also continue to press on with the Caribbean Exchange Network (CXN) and International Securities Market (ISM) initiatives. The latter recently received a boost with Government's acknowledgement of the role it will play in the future development of Barbados' Financial Services Sector. To this end, at a meeting held on September 14<sup>th</sup>, 2010 a Technical Working Committee was appointed with the permission of the Minister of Finance. The primary task of this committee's first meeting was to discuss what changes need to be made to the Legislative and Regulatory frameworks to allow both the successful implementation of the ISM and its viable and sustainable operation.

The harshness of the global economic meltdown is being felt in every sector of our economy; there is no escaping this reality. Investors, however, need to be reminded that investing in equity securities is a long-term endeavor. Returns on investment are generally produced over the long-term rather than in the short-term. Countries of Latin America and the Caribbean are expected to recover at much slower rates with moderate Gross Domestic Product (GDP) growth predicted for 2011. The investor who maintains a long-term perspective, in spite of the current market conditions, is likely to be the one who reaps the largest gains when the market and wider economy rebounds.