

# BSE MARKET REPORT 2017

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**THE BARBADOS STOCK EXCHANGE INC.**

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

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# 2017 Year End Report

The following report reviews the overall performance of the companies listed on the Barbados Stock Exchange for the year ended December 31, 2017. Additionally, to provide greater detail on the market performance, fourth quarter market statistics have been included. General discussion was also given to the overall economic situation of the country and its impact on the general performance of the market. The report has been structured as follows:

- Overall Performance
- Economic Factors
- Trading activity by Market
- Indices and Market Capitalization
- Advancers/Decliners for 2017
- Historical Company Trading statistics
- Market Events
- Takeover Activity
- Concluding Remarks

## Overall Performance

The year ending December 31, 2017 proved to be a challenging year for the Barbados Stock Exchange Inc (BSE). Overall trading volume and value decreased by 63% and 64% respectively. The negotiated markets – Put Through and Block Trade – were the only markets to record increases while the Regular Market suffered declines as the number of transactions, conducted after the closure of SLU Beverages Limited’s takeover offer to purchase all issued and outstanding shares, in Banks Holdings Limited have contracted; there was no activity on the Junior Market. There continues to be an improvement in the total number of trades being conducted despite the absence of transactions conducted either pursuant to, or after, takeovers; transactions of this nature would have been the basis for improvements in the year ended December 31, 2016. Bond Market activity also declined as the total face value traded during 2017 fell

below the corresponding value in 2016. The extraordinary transactions occurring during 2017 were as follows:

- There were two (2) Block Trade transactions reported, resulting in a total of 9 trades being conducted, which saw 2,519,171 shares in The West Indies Rum Distillery Limited trading at \$10.225586; 3,184,403 shares in Goddard Enterprises Limited trading at \$11.05; 351,433 shares in Sagicor Financial Corporation Limited trading at \$2.42; 130,000 in Insurance Corporation of Barbados Limited trading at \$3.70; and 71,485 in Cave Shepherd and Company Limited trading at \$4.02<sup>1</sup>.
- There was one (1) transaction conducted pursuant to a takeover. On February 27, 2017, Trinidad Cement Limited was the sole security trading 111,513 shares at \$1.51 closing sixty-six (\$0.66) cents above its share price on February 24, 2017. These transactions represent the trades pursuant to Sierra Trading's takeover offer for Trinidad Cement Limited<sup>2</sup>.

**Table 1** below illustrates all activity occurring on the board of the BSE for the year ended December 31, 2017.

**Table 2: Trading Statistics Comparison 2017 – 2016**

Market	December 2017 Volume	December 2016 Volume	December 2017 Value	December 2016 Value	% Change Volume	% Change Value
Regular	6,871,068	34,312,211	\$ 18,933,100	\$ 215,671,880	-80%	-91%
Put - Through	698,036	644,887	\$ 1,622,358	\$ 1,602,099	8%	1%
Junior	-	-	\$ -	\$ -	NA	NA
Block Trade	6,256,492	2,501,315	\$ 62,577,610	\$ 16,656,187	150%	276%
<b>Total</b>	<b>13,825,596</b>	<b>37,458,413</b>	<b>\$ 83,133,067</b>	<b>\$ 233,930,165</b>	<b>-63%</b>	<b>-64%</b>

<sup>1</sup> See Block Trade Market Section.

<sup>2</sup> See Market Events Section.

Two securities were delisted from the board of the BSE during 2017. On January 9th, Massy Holdings Limited<sup>3</sup> was delisted from the board of the BSE while Trinidad Cement Limited<sup>4</sup> was delisted from the board of the BSE on March 6th, 2017.

As at December 31, 2017, all market indices recorded improvements. The Local, Cross-Listed and Composite Indices recorded increases of 19%, 8% and 17% respectively. The year on year Market Capitalization measure comparison produced mixed results with only the Local Market Capitalization measure recording an increase of 19%. The Cross-Listed and Composite Market Capitalization recorded declines, the former recording the largest decline of 56%. The negative Cross-Listed Market Cap performance can be attributed to the delisting of Massy Holdings Limited and Trinidad Cement Limited.

**Table 2** below illustrates the **Trading Statistics Comparison 2017 - 2016**. Quarters I and IV for 2017 were the most active in terms of both volume and value traded. It must be noted that most of the negotiated market transaction activity occurred during these quarters.

**Table 2: Trading Statistics Comparison 2017 – 2016**

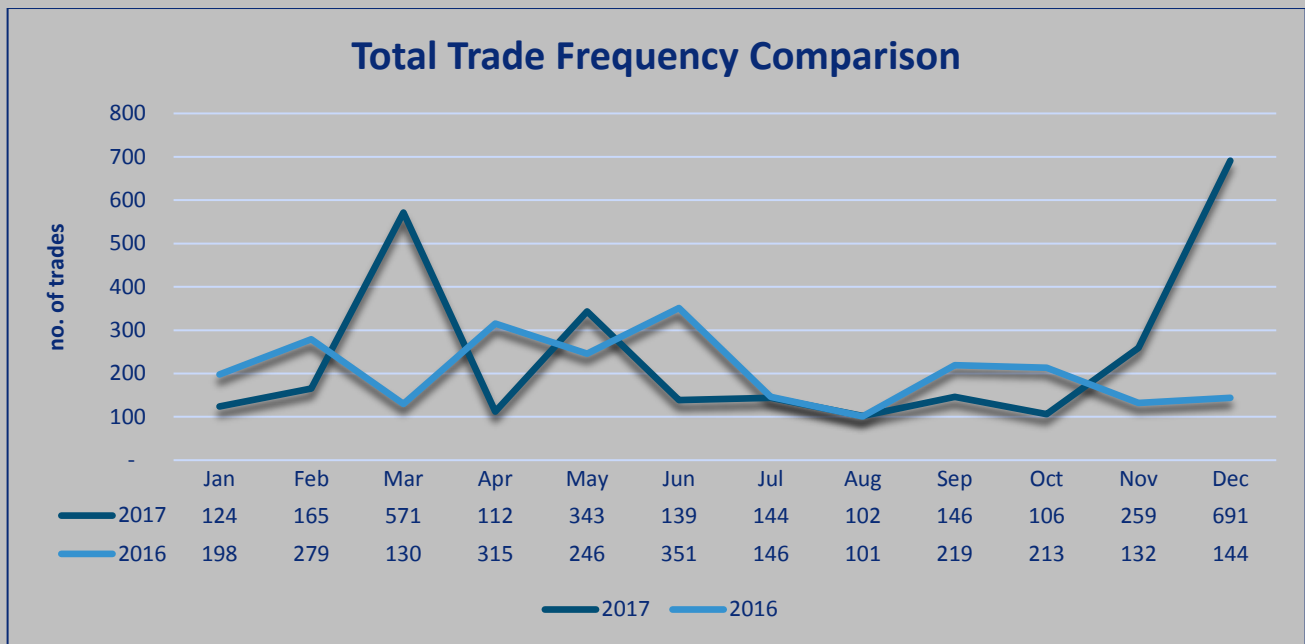
Quarter	Number of Shares		Market Value		Number of Transactions	
	2017	2016	2017	2016	2017	2016
I	4,735,436	28,854,087	\$ 30,908,794	\$ 192,721,636	860	607
II	1,486,194	2,715,092	\$ 5,079,529	\$ 9,720,586	594	912
III	2,562,873	3,778,405	\$ 6,632,586	\$ 22,048,600	392	466
IV	5,041,093	2,110,829	\$ 40,512,159	\$ 9,439,343	1056	489
<b>Total</b>	<b>13,825,596</b>	<b>37,458,413</b>	<b>\$ 83,133,067</b>	<b>\$ 233,930,165</b>	<b>2,902</b>	<b>2,474</b>

There was a 17.3% increase in the total number of trades occurring in 2017 when compared to 2016. There were 2,902 trades in 2017 as compared to 2,474 trades in 2016. **Figure 1: Total Trade Frequency Comparison**, illustrates graphically how the trade frequency has varied between 2017 and 2016.

<sup>3</sup> See Market Events Section.

<sup>4</sup> See Market Events Section.

Figure 1: Total Trade Frequency Comparison



As illustrated in **Table 3** below, there were significant improvements in both total volume and value traded for the fourth quarter of 2017 when compared to the corresponding period in 2016. There was a 139% increase in volume traded and a 329% increase in value traded for the fourth quarter. Nonetheless, the Regular Market recorded a decrease of 58% in terms of volume traded and the value traded decreased by 71% below its position in the corresponding period in 2016, however, the Put Through Market recorded marked improvements in activity. Volumes and values traded for this market recorded increases to the tune of 522% and 558% respectively. The Block Trade Market recorded activity during the fourth quarter of 2017<sup>5</sup> while there was no activity on the Junior Market.

For the 4th quarter of 2017, the Local Index recorded a decline of 0.83% while the Cross-Listed and Composite Index measures recorded increases of 49.28% and 3.63% respectively. Fourth quarter Market Capitalization measures mirrored the index measures and produced similar results.

<sup>5</sup> See Block Trade Market Section.

Table 1: Fourth Quarter Trading Activity Comparison by Market

Market	Fourth Quarter	Fourth Quarter	Fourth Quarter	Fourth Quarter	% Change	% Change
	2017 Volume	2016 Volume	2017 Value	2016 Value	Volume	Value
Regular	845,702	2,037,228	\$ 2,687,970	\$ 9,284,788	-58%	-71%
Put - Through	458,070	73,601	\$ 1,017,698	\$ 154,555	522%	558%
Junior	-	-	\$ -	\$ -	NA	NA
Block Trade	3,737,321	-	\$ 36,806,491	\$ -	NA	NA
<b>Total</b>	<b>5,041,093</b>	<b>2,110,829</b>	<b>\$ 40,512,159</b>	<b>\$ 9,439,343</b>	<b>139%</b>	<b>329%</b>



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## Economic Factors

This segment of the report was compiled from the Review of Barbados' Economic Performance for 2017 dated December 2017 and published by the Central Bank of Barbados (CBB).

In its report, the CBB noted that while activity in the Barbados economy got off to an encouraging start in early 2017, end of year preliminary data estimated the economic growth rate to be a moderate 1%. The CBB cited several reasons for the low growth rate including, but not limited to, "a slowdown in the tourism sector for the second half of the year, the delayed implementation of foreign-funded investment projects and the impact of tighter fiscal policy".

The Tourism industry continued to be a major contributor to positive economic performance as activity "in the tourism sector expanded by an estimated 1.2% in 2017." The CBB described long-stay arrivals as "buoyant" for the first half of 2017 but noted "a slowdown after September contained the increase to 4.4%." There was a 5.6% decline in the average length-of-stay by visitors primarily from all major non-regional source markets which offset the overall growth in long-stay arrivals. As it relates to these major non-regional source markets, "cumulative growth in long-stay visitors from the United States and Canada was 11.2% and 7.7% respectively." The effect of "Brexit-related uncertainty" was cited by the CBB, in part, for the reduction in arrivals from the United Kingdom which declined by 1.2%. Arrivals from CARICOM countries continued into the fourth quarter of 2017. This revival in regional visitors led to overall growth in arrivals from this market.

In discussing the latest index of industrial production, the CBB noted that, "manufacturing output was on par with that of the preceding year." This occurred despite higher production in both the sugar and non-sugar agricultural sub-sectors which were deemed beneficial to the improvements experienced in the overall traded sector activity. The non-traded sectors registered overall growth of 0.8% as activity in these sectors slowed. Construction was the primary source of growth, recording a 6.3% increase in activity, resulting from new investments in both tourism and other commercial properties.

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The unemployment rate, based on the available data as at September 2017, stood at 10.2%; 0.2% higher than its position at the close of the corresponding period in 2016. The moving average rate of retail prices was 4% resulting from increases in the prices for food and beverages, tobacco, housing and utilities. The CBB cited the 23.6% increase in international energy prices as well as the implementation of higher domestic indirect taxes during the second half of 2017 as contributing factors to the rise in prices.

The Central Bank's stock of international reserves declined to \$410 million or approximately 6.6 weeks of imports. The CBB stated that this level of import cover was, "well below the desired benchmark of twelve weeks..." and cited, "the on-going weakness in private sector capital inflows and net public sector outflows, and the delay in the receipt of planned divestment proceeds that were intended to boost reserves..." as partial contributors for this outcome. The external current account deficit was estimated at 4% of GDP and was characterized by the CBB as "stable relative to 2016 as moderate expansion in tourism receipts outweighed a rise in non-trade current account transactions and a marginal increase in retained imports." The CBB noted that while fuel volumes only rose by 3%, "The higher retained imports were driven by a 24% rise in the price of imported fuel products". The CBB also estimated declines in imports of both capital and consumer goods.

With respect to revenues, the CBB highlighted the May 2017 budgetary measures, though falling short of their anticipated targets, as significant contributors to the general improvement in tax collections. The National Social Responsibility Levy (NSRL) netted an additional \$84.9 million, Value Added Tax (VAT) added \$30 million in revenue while the newly implemented foreign exchange fee was listed as generating "\$30.4 million in receipts since its implementation in July 2017." There was an increase of \$67.3 million in excises registered, however, import duties collected declined. Property taxes were largely unchanged while increases were recorded for corporation taxes, personal income taxes and financial institutions asset taxes. Government's expenditure was up \$9.9 million for the first nine months of 2017 as current expenditures were offset by a decline in capital expenditure in the amount of \$45.9 million.



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The CBB has forecasted economic growth of “approximately 0.5% to 1.0%” in 2018 if the Government of Barbados maintains the current policy framework. They stressed the need for the reduction of the fiscal imbalance, structural expenditure reforms and greater emphasis on improved tax administration, however, cited how pivotal the reversal of the decline in international reserves in improving any projected outlook for the economy of Barbados. The CBB also made mention of preliminary indicators which “suggest a robust 2017/2018 winter tourism season” as well as significant planned tourism related investments (these will only have impact if implemented in a timely manner).



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## Trading Activity by Market

### Regular

**Table 4** below, illustrates a year on year statistical comparison of Regular Market activity for the reporting period. There was an 80% decrease in the volume traded and a corresponding decrease of 91% in terms of the value traded for the year ended December 31, 2017. These decreases led to decreases in other metrics including the Average Share Volume, Share Value and Share Price when compared to their corresponding December 31, 2016 positions. The number of Regular Market trades conducted during 2017 also suffered declines as 1,562 trades occurred compared to 1,625 occurring at the close of 2016.

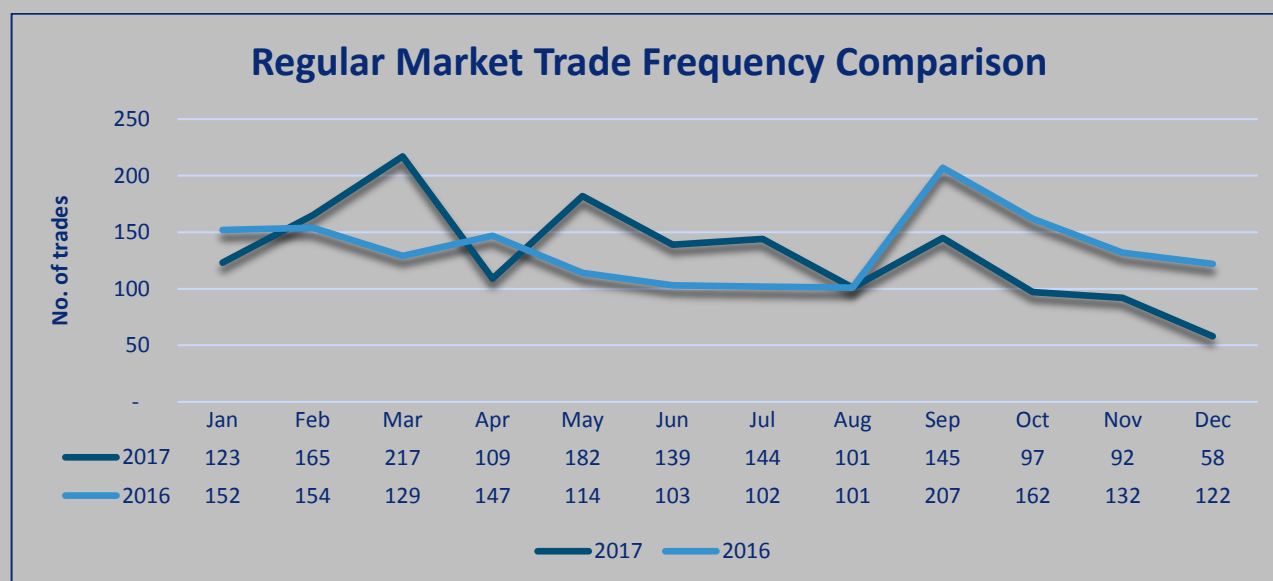
At first glance, the reduction in Regular Market activity may cast a negative light on this market's performance but it is imperative to note that there was a significant reduction in the number of transactions taking place either pursuant to, or in the wake of, takeover offers. For example, at the close of 2016, there were one hundred and thirty (130) transactions in Banks Holdings Limited which resulted in a volume of 26,284,117 shares trading with a corresponding value of \$186,617,231. These transactions occurred after the closure of SLU Beverages Limited's offer to repurchase all issued and outstanding shares in Banks Holdings Limited. In 2017, trading in this security continued, however, only seventy-five (75) transactions in Banks Holdings Limited were conducted which saw 187,789 shares trading across the floor of the Exchange with a traded value of \$1,333,302.

Table 2: Regular Market Statistical Comparison

	December 31 2017	December 31 2016	% Change
Total Share Volume	6,871,068	34,312,211	-80%
Total Share Value	18,933,100	215,671,880	-91%
Average Daily Share Volume	27,595	137,800	-80%
Average Daily Share Value	\$ 76,037	\$ 866,152	-91%
Number of Trades	1,572	1,625	-3%
Number of Trade Days	249	249	0%
Average Share Price	\$ 4.98	\$ 5.96	-17%
Advance/Decline Ratio	12/4	11/5	N/A
Local Index	3,085.74	2,598.89	19%
Cross – Listed Index	1,463.40	1,357.55	8%
Composite Market Index	763.88	651.85	17%
Local Market Capitalization	6,701,835,674	5,643,146,945	19%
Cross-Listed Market Capitalization	987,852,189	2,235,947,791	-56%
Composite Market Capitalization	7,689,687,863	7,879,094,736	-2%
Number of Listed Securities	19	21	-10%

Figure 2 illustrates the breakdown of Regular Market trades which occurred during 2017. There was a 3.26% decrease in the number of trades occurring on the Regular Market as 1,572 trades occurred in 2017, while 1,625 trades occurred in 2016.

Figure 2: Trade Frequency Comparison (Regular Market)



**Table 5** and **Table 6** show the top traded companies for the year in terms of volume and value. Sagicor Financial Corporation Limited, Fortress Caribbean Property Fund – Value Fund and FirstCaribbean International Bank were the top three performers in terms of volume traded accounting for 24%, 18% and 17% of the total volume traded respectively. In terms of value traded, Goddard Enterprises Limited was the top performer accounting for 25% of the total value traded although only accounting for 7% of the volume traded. Sagicor Financial Corporation Limited and FirstCaribbean International Bank rounded out the top three performers in terms of total value traded for the year ended December 31, 2017.

**Table 3: Top Five Traded Securities by Volume – 2017**

	2017	2016	2017	2016
Company	Volume	Volume	Value	Value
SAGICOR FINANCIAL CORPORATION LIMITED	1,622,325	2,030,102	\$ 3,815,663	\$ 4,032,039
FORTRESS CARIBBEAN PROPERTY FUND - VAL FUND	1,240,317	563,753	\$ 622,093	\$ 329,121
FIRSTCARIBBEAN INTERNATIONAL BANK	1,192,492	1,034,523	\$ 2,964,062	\$ 2,029,474
FORTRESS CARIBBEAN PROPERTY FUND - DEV FUND	864,337	953,315	\$ 129,854	\$ 169,020
INSURANCE CORPORATION OF BARBADOS LIMITED	513,332	1,143,865	\$ 1,933,779	\$ 3,154,227

**Table 4: Top Five Traded Securities by Value – 2017**

	2017	2016	2017	2016
Company	Value	Value	Volume	Volume
GODDARD ENTERPRISES LIMITED	\$ 4,762,153	\$ 2,945,772	461,446	356,544
SAGICOR FINANCIAL CORPORATION LIMITED	\$ 3,815,663	\$ 4,032,039	1,622,325	2,030,102
FIRSTCARIBBEAN INTERNATIONAL BANK	\$ 2,964,062	\$ 2,029,474	1,192,492	1,034,523
INSURANCE CORPORATION OF BARBADOS LIMITED	\$ 1,933,779	\$ 3,154,227	513,332	1,143,865
THE WEST INDIES RUM DISTILLERY LIMITED	\$ 1,520,476	\$ 7,560	152,578	945

For the fourth quarter, Sagicor Financial Corporation Limited, FirstCaribbean International Bank and Fortress Caribbean Property Fund - Value Fund were the top three performers in terms of volume traded; Goddard Enterprises Limited and Fortress Caribbean Property Fund - Development Fund rounded out the top five volume performers. Goddard Enterprises Limited, Sagicor Financial Corporation Limited, FirstCaribbean International Bank, Insurance Corporation of Barbados Limited and Banks Holdings Limited were the top performers in terms of value traded for the final quarter

of 2017. **Table 7** and **Table 8** illustrate the top traded companies for the quarter by volume and value.

**Table 5: Top Five Traded Securities by Volume – 4th Quarter**

	2017	2016	2017	2016
Company	Volume	Volume	Value	Value
SAGICOR FINANCIAL CORPORATION LIMITED	235,364	414,746	\$ 531,109	\$ 826,033
FIRSTCARIBBEAN INTERNATIONAL BANK	199,549	30,581	\$ 528,881	\$ 67,857
FORTRESS CARIBBEAN PROPERTY FUND - VAL FUND`	104,105	163,425	\$ 51,248	\$ 91,294
GODDARD ENTERPRISES LIMITED	97,265	148,898	\$ 1,079,413	\$ 1,326,452
FORTRESS CARIBBEAN PROPERTY FUND - DEV FUND	96,919	536,458	\$ 13,538	\$ 88,276

**Table 6: Top Five Traded Securities by Value – 4th Quarter**

	2017	2016	2017	2016
Company	Value	Value	Volume	Volume
GODDARD ENTERPRISES LIMITED	\$ 1,079,413	\$ 1,326,452	97,265	148,898
SAGICOR FINANCIAL CORPORATION LIMITED	\$ 531,109	\$ 826,033	235,364	414,746
FIRSTCARIBBEAN INTERNATIONAL BANK	\$ 528,881	\$ 67,857	199,549	30,581
INSURANCE CORPORATION OF BARBADOS LIMITED	\$ 218,303	\$ 178,091	59,300	48,149
BANKS HOLDINGS LIMITED	\$ 155,050	\$ 456,175	21,838	64,250

## Junior Market

There was no activity on the Junior Market for the year ended December 31, 2017.

## Block Trade Market

For the period ended December 31<sup>st</sup>, 2017, there were two (2) block trade transactions reported resulting in a total of nine (9) trades being conducted. The first transaction occurred on **March 10<sup>th</sup>, 2017** and saw 2,519,171 shares in West Indies Rum Distillery Limited trading at \$10.225586 in a single trade. This transaction was approved by the BSE as it was in accordance with Item 2(d), Section 7.01.20 - **Block Trade Rule** - of the Rules of the Barbados Stock Exchange Inc. which states, "*the sale and purchase of a listed security pursuant to a take-over transaction, conducted or to be conducted in accordance with applicable laws*". On **October 11<sup>th</sup>, 2017**, the Block Trade of 3,184,403 shares in Goddard Enterprises Limited at \$11.05; 351,433 shares in Sagicor Financial Corporation

Limited at \$2.42; 130,000 shares in Insurance Corporation of Barbados Limited at \$3.70; and 71,485 shares in Cave Shepherd and Company Limited were conducted across the board of the Exchange. It must be noted that two (2) trades were conducted per security and the BSE approved these transaction in respect of Item 2(b) in Section 7.01.20 - **Block Trade Rules** - of the Rules of the Barbados Stock Exchange which states, *“the sale and purchase of a listed security which will not effect a change in the ultimate beneficial ownership of the securities”*.

## Put-through Market

The Put Through Market experienced an increase of 8% in terms of volume traded and an associated 1% increase in the value traded for the year ended December 31, 2017. The total volume and value traded in 2017 was 698,036 shares and \$1,622,358 respectively. This is compared to a total volume of 644,867 shares with a corresponding value of \$1,602,099 traded for the year ended December 31, 2016. Table 9 below, illustrates the activity which occurred on this market for 2017.

Table 9: Put-through Market activity 2017

Company	No. of Trades	Volume	Value
BARBADOS FARMS LIMITED	1	6,000	\$ 5,160
GODDARD ENTERPRISES LIMITED	1	3,000	\$ 27,600
SAGICOR FINANCIAL CORPORATION LIMITED	1,320	689,036	\$ 1,589,598
<b>TOTALS</b>	<b>1,322</b>	<b>698,036</b>	<b>\$ 1,622,358</b>

## Fixed Income Market

As at December 31, 2017, twenty-nine (29) Barbados Government Debentures and sixteen (16) Barbados Government Treasury Notes traded on the board of the Exchange as compared to thirty (30) Barbados Government Debentures and fifteen (15) Barbados Government Treasury Notes trading for the corresponding period in 2016. There was a total of 211 trades occurring on the Bond Market resulting in a face value of \$6,957,000 trading as compared to 210 trades and a total face value of \$44,339,000 trading as at December 31<sup>st</sup>, 2016. **Table 10** below summarizes all bonds traded for the period ended December 31, 2017.

Table 10: Fixed Income Market activity 2017

Security	No. of Trades	Amount Traded
Barbados Government Debenture 5.875% 2018	3	3,000
Barbados Government Debenture 6% 2020	4	40,000
Barbados Government Debenture 6.125% 2021	7	135,000
Barbados Government Debenture 6.25% 2019	2	15,000
Barbados Government Debenture 6.25% 2022	4	51,000
Barbados Government Debenture 6.625% 2018	1	35,000
Barbados Government Debenture 6.625% 2020	7	743,000
Barbados Government Debenture 6.625% 2024	1	5,000
Barbados Government Debenture 6.75% 2021	6	138,000
Barbados Government Debenture 6.875% 2023	18	192,000
Barbados Government Debenture 6.875% 2024	4	15,000
Barbados Government Debenture 7% 2017	2	2,000
Barbados Government Debenture 7% 2023	21	100,000
Barbados Government Debenture 7% 2024	4	57,000
Barbados Government Debenture 7% 2028	3	14,000
Barbados Government Debenture 7.125% 2026	9	202,000
Barbados Government Debenture 7.25% 2026	3	7,000
Barbados Government Debenture 7.25% 2028	2	3,000
Barbados Government Debenture 7.25% 2029	4	75,000
Barbados Government Debenture 7.375% 2027	16	195,000
Barbados Government Debenture 7.375% 2029	7	56,000
Barbados Government Debenture 7.50% 2026	1	50,000
Barbados Government Debenture 7.75% 2025	6	16,000
Barbados Government Debenture 7.75% 2031	1	2,000,000
Barbados Government Debenture 7.75% 2032	1	1,000
Barbados Government Debenture 7.75% 2034	1	2,000
Barbados Government Debenture 7.75% 2035	3	32,000
Barbados Government Debenture 7.75% 2036	1	60,000
Barbados Government Debenture 8.50% 2018	5	16,000
Barbados Government T/Note 4% 2018	2	6,000
Barbados Government T/Note 4.25% 2019	6	18,000
Barbados Government T/Note 5.5% 2020	9	43,000
Barbados Government T/Note 6% 2019	1	2,000,000
Barbados Government T/Note 6% 2020	3	225,000
Barbados Government T/Note 6.125% 2020	1	10,000
Barbados Government T/Note 6.125% 2021	2	22,000
Barbados Government T/Note 6.25% 2018	11	59,000
Barbados Government T/Note 6.25% 2019	1	1,000
Barbados Government T/Note 6.25% 2021	1	10,000
Barbados Government T/Note 6.25% 2024	6	32,000

<b>Security</b>	<b>No. of Trades</b>	<b>Amount Traded</b>
Barbados Government T/Note 6.375% 2019	3	6,000
Barbados Government T/Note 6.5% 2019	7	36,000
Barbados Government T/Note 6.5% 2025	3	15,000
Barbados Government T/Note 6.625% 2019	6	13,000
Barbados Government T/Note 6.625% 2020	2	201,000
<b>TOTALS</b>	<b>211</b>	<b>\$ 6,957,000</b>



## The International Securities Market

The International Securities Market (ISM) was successfully launched on March 15, 2016 and by the close of that same year, the BSE duly registered two (2) Listing Sponsors<sup>6</sup> – Centurion ISM Services Inc., an affiliate of Chancery Chambers and Centurion Assurance Services Ltd. and ListAssist Services (Barbados) Ltd, an affiliate of Clarke Gittens Farmer. During 2017, the BSE duly registered three (3) additional Listing Sponsors – DGM Trust Corporation, a member of the DGM Financial Group (DGM), Deloitte Consulting Ltd, an affiliate of Deloitte in Barbados and ISM Sponsor Services Ltd, an affiliate of the Lex Caribbean Group.

On September 7, 2017, the combined efforts of the BSE and ListAssist Services (Barbados) Ltd were rewarded as the ISM was privileged to welcome its inaugural listing. Productive Business Solutions Limited (PBS) was duly registered after having successfully met the ISM’s Issuer Requirements. PBS is an international business company incorporated and licensed under the laws of Barbados which provides a wide range of modern business solutions and other management services to its clients across the region. PBS was officially introduced to the market on November 2, 2017 in a listing ceremony held at the BSE’s office which listed two securities on the ISM – Productive Business Solutions Limited (PBSLO) and Productive Business Solutions Limited – Pref 9.75 per cent (PBSL975)<sup>7</sup>.

There was no trading on the ISM as at December 31, 2017, however, it’s Market Capitalization stood at US \$87,766.298. **Table 11** illustrates the securities listed on the International Securities Market.

**Table 11: International Securities Market Summary**

	Year-end 2017	Year-end 2017	Closing Price US \$	Issued & Out- Standing Shares	Mkt Cap US \$
SECURITY	Volume	Value	Dec 31 2017		
PRODUCTIVE BUSINESS SOLUTIONS LIMITED	-	\$ -	0.55	123,272,727	\$67,800,000
PRODUCTIVE BUSINESS SOLUTIONS LIMITED – PREF 9.75%	-	\$ -	0.77	25,800,000	\$19,966,298

<sup>6</sup> Listing Sponsors – nominated advisers that shepherd prospective issuers through the listing process and ensure, thereafter, that issuers continuously meet their listing obligations on the board of the ISM.

<sup>7</sup> See Market Events Section.

## Index and Market Capitalization Movement

For the year ended December 31, 2017, all market index measures recorded increases when compared to their closing positions at the close of 2016. The Local Index recorded an increase of 18.73% while the Cross-Listed and Composite Market Indices recorded increases of 7.80% and 17.19% respectively. Local Index performance can be attributed to share price appreciation in twelve (12) securities, ten (10) of which experienced increases more than 10%.

Market Capitalization measures recorded mixed results with the Local Market Capitalization measure being the sole measure to record an increase of 18.76% over its December 31, 2016 position. The Cross-Listed and Composite measures recorded decreases of 55.82% and 2.40% respectively which can be attributed to the delisting of both Massy Holdings Limited and Trinidad Cement Limited. **Table 12** illustrates the year on year changes in both index and market capitalization.

**Table 12: Index and Market Capitalization - Year on Year**

Index	31-Dec-17	31-Dec-16	% Change
Local	3,085.74	2,598.89	18.73%
Cross Listed	1,463.40	1,357.55	7.80%
Composite	763.88	651.85	17.19%
Market Capitalization	31-Dec-17	31-Dec-16	% Change
Local	6,701,835,674	5,643,146,945	18.76%
Cross Listed	987,852,189	2,235,947,791	-55.82%
Composite	7,689,687,863	7,879,094,736	-2.40%

For the fourth quarter of 2017, all marker measures – index and market capitalization – recorded similar results. The Local Index and market Capitalization measures recorded nominal declines of 0.83% while the Cross-Listed and Composite measures recorded increases of 49.28% and 3.63% respectively when compared to their September 30, 2017 closing positions. The Local Market measure performance can be attributed to a 14.63% decline in the share price of Sagicor Financial Corporation Limited – the Local Market’s second largest Issuer – from \$2.46 at the close of the third quarter 2017 to \$2.10 at the year end. The Cross-Listed Market measures positive performance is credited to the twenty (20) cent or 133.33% increase in the share price of JMMB Group

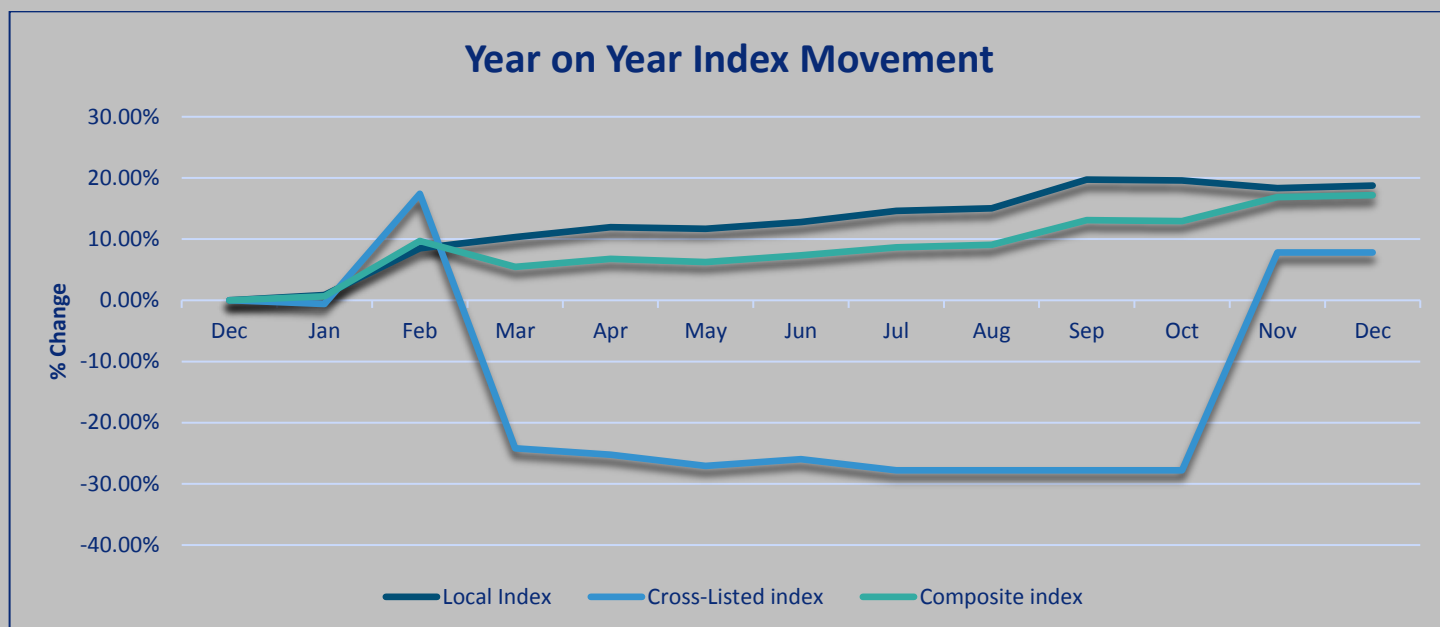
Limited; the largest Cross-Listed Issuer on the board of the BSE. **Table 13**, below, illustrates the fourth quarter index and market capitalization performance.

**Table 13: Index and Market Capitalization - 4th Quarter**

<b>Index</b>	<b>31-Dec-17</b>	<b>30-Sep-17</b>	<b>% Change</b>
Local	3,085.74	3,111.71	-0.83%
Cross Listed	1,463.40	980.30	49.28%
Composite	763.88	737.09	3.63%
<b>Market Capitalization</b>	<b>31-Dec-17</b>	<b>30-Sep-17</b>	<b>% Change</b>
Local	6,701,835,674	6,758,236,417	-0.83%
Cross Listed	987,852,189	661,741,683	49.28%
Composite	7,689,687,863	7,419,978,100	3.63%

**Figure 3** below, illustrates index movement over the one-year period 2016 – 2017. It clearly displays an increase in Cross-Listed Index performance followed by a sharp decrease during the first quarter of 2017 and a sharp increase during the last quarter of 2017. The initial spike in Cross-Listed Index performance was the result of the transaction conducted pursuant to Trinidad Cement Limited’s takeover by Sierra Trading, however, its subsequent delisting, along with the delisting of Massy Holdings Limited ultimately caused the negative movements which are seen in Figure 3. Fortunately, the share price appreciation experienced by JMMB Group Limited during the last quarter of 2017 saw Cross Listed Index performance exceeding that of the corresponding period in 2016. The Local and Composite Indices, however, maintained steady positive trajectories for the entire twelve-month period.

Figure 3: Index Movement for 2016 – 2017



## Advancers Decliners – 2017

For the year under review, of the nineteen (19) securities listed at close, twelve (12) advanced, five (5) declined, one (1) remained unchanged, two (2) did not trade; two (2) securities previously listed were de-listed during the year under review and one (1) security was suspended<sup>8</sup> from trading (See **Table 14**). This is compared to ten (10) advanced, five (5) declined, five (5) remained unchanged, one (1) did not trade; three (3) securities previously listed were de-listed during the year under review.

ABV Investments Incorporated recorded the greatest share price appreciation for 2017 climbing 650% from \$0.02 at the close of 2016 to \$0.15 at the close of 2017. Barbados Farms Limited (158.06%), JMMB Group Limited (133.33%), Barbados Dairy Industries Limited (31.58%), The West Indies Rum Distillery Limited (27.88%) and FirstCaribbean International Bank (27.62%) were the only other securities to experience share price appreciation greater than 25%. The six remaining securities that experienced share price appreciation were Goddard Enterprises Limited, BICO Limited, Cave Shepherd and

<sup>8</sup> See Market Events Section

Company Limited, EMERA Deposit Receipt, West India Biscuit Company Limited and Sagicor Financial Corporation Limited.

Three (3) companies experienced declines more than 10% in 2017. Fortress Caribbean Property Fund's Development and Value Funds declined by 25% and 14.55% respectively while Cable and Wireless Barbados Limited's share price fell by 11.92% at the close of 2017. One Caribbean Media Limited (9.22%) and Insurance Corporation of Barbados Limited (1.6%) were the other companies to experience declines (See **Table 14**).

**Table 14: Total Trading Activity by Security (Regular and Junior Market only)**

	Year-end 2017	Year-end 2017	Closing Price \$	Closing Price \$	% Change
SECURITY	Volume	Value	Dec 31 2017	Dec 31 2016	
ABV INVESTMENTS INCORPORATED	14,182	\$ 1,927	0.15	0.02	650.00%
BICO LIMITED	28,642	\$ 62,461	2.52	2.05	22.93%
BARBADOS DAIRY INDUSTRIES LIMITED	7,405	\$ 14,939	2.50	1.90	31.58%
BARBADOS FARMS LIMITED	75,286	\$ 33,544	0.80	0.31	158.06%
BANKS HOLDINGS LIMITED	187,789	\$ 1,333,302	7.10	7.10	0.00%
FORTRESS C'BEAN PROPERTY FUND - DEV FUND	864,337	\$ 129,854	0.15	0.20	-25.00%
FORTRESS C'BEAN PROPERTY FUND - VAL FUND	1,240,317	\$ 622,093	0.47	0.55	-14.55%
CAVE SHEPHERD AND COMPANY LIMITED	123,082	\$ 452,933	4.03	3.50	15.14%
CABLE AND WIRELESS BARBADOS LIMITED	209,476	\$ 493,519	2.29	2.60	-11.92%
FIRSTCARIBBEAN INTERNATIONAL BANK	1,192,492	\$ 2,964,062	2.68	2.10	27.62%
GODDARD ENTERPRISES LIMITED	461,446	\$ 4,762,153	11.11	9.01	23.31%
INSURANCE CORPORATION OF BARBADOS LTD	513,332	\$ 1,933,779	3.70	3.76	-1.60%
JMMB GROUP LIMITED	2,190	\$ 607	0.35	0.15	133.33%
EMERA DEPOSIT RECEIPT	0	\$ -	18.44	16.55	11.42%
MASSY HOLDINGS LIMITED (DL)	0	\$ -	N/A	13.50	N/A
ONE CARIBBEAN MEDIA LIMITED	46,113	\$ 301,623	6.30	6.94	-9.22%
SAGICOR FINANCIAL CORPORATION 6.5% PREF	0	\$ -	2.26	2.26	0.00%
SAGICOR FINANCIAL CORPORATION LIMITED	1,622,325	\$ 3,815,663	2.10	2.01	4.48%
TRINIDAD CEMENT LIMITED (DL)	111,513	\$ 168,385	-	0.85	N/A
WEST INDIA BISCUIT COMPANY LIMITED	18,563	\$ 321,781	17.35	15.95	8.78%
THE WEST INDIES RUM DISTILLERIES LIMITED	152,578	\$ 1,520,476	10.23	8.00	27.88%
<b>TOTAL</b>	<b>6,871,068</b>	<b>\$ 18,933,100</b>			

\* (DL) Denotes Delisted Security

For the fourth quarter of 2017, as illustrated in **Table 15**, six (6) securities advanced, three (3) declined, four (4) remained unchanged and six (6) did not trade. This is

compared to eight (8) securities advanced, four (4) declined, six (6) remained unchanged and five (5) did not trade; two (2) of which were delisted.

JMMB Group Limited (133.33%) and BICO Limited (15.07%) were the only companies to register double digit share price appreciation for the last quarter of the year. Sagicor Financial Corporation Limited was the only company to record a double-digit decline for the quarter.

Table 15: Fourth Quarter Trading Activity by Security (Regular and Junior Market only)

SECURITY	4th Quarter 2017	4th Quarter 2017	Closing Price \$	Closing Price \$	% Change
	Volume	Value	Dec 31 2017	Sept 30 2017	
ABV INVESTMENTS INCORPORATED	182	\$ 27	0.15	0.15	0.00%
BICO LIMITED	1,182	\$ 2,979	2.52	2.19	15.07%
BARBADOS DAIRY INDUSTRIES LIMITED	0	\$ -	2.50	2.50	0.00%
BARBADOS FARMS LIMITED	2,584	\$ 2,137	0.80	0.83	-3.61%
BANKS HOLDINGS LIMITED	21,838	\$ 155,050	7.10	7.10	0.00%
FORTRESS C'BEAN PROPERTY FUND - DEV FUND	96,919	\$ 13,538	0.15	0.15	0.00%
FORTRESS C'BEAN PROPERTY FUND - VAL FUND	104,105	\$ 51,248	0.47	0.45	4.44%
CAVE SHEPHERD AND COMPANY LIMITED	26,024	\$ 104,798	4.03	4.02	0.25%
CABLE AND WIRELESS BARBADOS LIMITED	0	\$ -	2.29	2.29	0.00%
FIRSTCARIBBEAN INTERNATIONAL BANK	199,549	\$ 528,881	2.68	2.65	1.13%
GODDARD ENTERPRISES LIMITED	97,265	\$ 1,079,413	11.11	11.01	0.91%
INSURANCE CORPORATION OF BARBADOS LTD	59,300	\$ 218,303	3.70	3.70	0.00%
JMMB GROUP LIMITED	1,390	\$ 487	0.35	0.15	133.33%
EMERA DEPOSIT RECEIPT	0	\$ -	18.44	18.60	-0.86%
ONE CARIBBEAN MEDIA LIMITED	0	\$ -	6.30	6.30	0.00%
SAGICOR FINANCIAL CORPORATION 6.5% PREF	0	\$ -	2.26	2.26	0.00%
SAGICOR FINANCIAL CORPORATION LIMITED	235,364	\$ 531,109	2.10	2.46	-14.63%
WEST INDIA BISCUIT COMPANY LIMITED	0	\$ -	17.35	17.35	0.00%
THE WEST INDIES RUM DISTILLERIES LIMITED	0	\$ -	10.23	10.23	0.00%
<b>TOTAL</b>	<b>845,702</b>	<b>\$ 2,687,970</b>	-	-	

## Historical Company Trading Statistics

As illustrated in **Table 16**, twelve (12 securities increased in price while four (4) declined over the last five years.

**Table 16: Historical Five-year Price Range**

	Closing Price	Closing Price	Closing Price	Closing Price	Closing Price	% Change
SECURITY	31.12.17	31.12.16	31.12.15	31.12.14	31.12.13	
ABV INVESTMENTS INCORPORATED	\$0.15	\$0.02	\$0.32	\$0.32	\$0.32	<b>-53%</b>
BICO LIMITED	\$2.52	\$2.05	\$1.85	\$1.65	\$1.80	<b>40%</b>
BARBADOS DAIRY INDUSTRIES LIMITED	\$2.50	\$1.90	\$1.60	\$1.50	\$3.00	<b>-17%</b>
BARBADOS FARMS LIMITED	\$0.80	\$0.31	\$0.40	\$0.50	\$0.50	<b>60%</b>
BANKS HOLDINGS LIMITED	\$7.10	\$7.10	\$7.10	\$2.90	\$3.03	<b>134%</b>
FORTRESS CARIBBEAN PROPERTY FUND - DEV FUND	\$0.15	\$0.20	\$0.19	\$0.22	\$0.11	<b>36%</b>
FORTRESS CARIBBEAN PROPERTY FUND - VALUE FUND	\$0.47	\$0.55	\$0.60	\$0.50	\$0.40	<b>18%</b>
CAVE SHEPHERD AND COMPANY LIMITED	\$4.03	\$3.50	\$3.01	\$3.00	\$2.70	<b>49%</b>
CABLE AND WIRELESS (BARBADOS) LIMITED	\$2.29	\$2.60	\$2.60	\$3.00	\$3.40	<b>-33%</b>
FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED	\$2.68	\$2.10	\$1.90	\$1.80	\$2.98	<b>-10%</b>
GODDARD ENTERPRISES LIMITED	\$11.11	\$9.01	\$6.61	\$6.34	\$6.15	<b>81%</b>
INSURANCE CORPORATION OF BARBADOS LIMITED	\$3.70	\$3.76	\$2.60	\$2.41	\$2.60	<b>42%</b>
JAMAICA MONEY MARKET BROKERS LIMITED	\$0.35	\$0.15	\$0.15	\$0.15	\$0.15	<b>133%</b>
EMERA DEPOSIT RECEIPT	\$18.44	\$16.55				
MASSY HOLDINGS LIMITED (DL)		\$13.50	\$20.00	\$20.00	\$17.25	
ONE CARIBBEAN MEDIA LIMITED	\$6.30	\$6.94	\$7.00	\$6.20	\$4.80	<b>31%</b>
SAGICOR FINANCIAL CORPORATION 6.5% PREF	\$2.26	\$2.26	\$2.26	\$2.26	\$2.26	<b>0%</b>
SAGICOR FINANCIAL CORPORATION	\$2.10	\$2.01	\$1.79	\$1.80	\$2.24	<b>-6%</b>
TRINIDAD CEMENT LIMITED (DL)		\$0.85	\$0.80	\$0.80	\$0.80	
WEST INDIA BISCUIT COMPANY LIMITED	\$17.35	\$15.95	\$13.00	\$10.46	\$10.03	<b>73%</b>
THE WEST INDIES RUM DISTILLERIES LIMITED	\$10.23	\$8.00	\$8.00	\$8.00	\$8.00	<b>28%</b>

\*(DL) Denotes Delisted Security

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## Market Events – 2017

The BSE made the following announcements during 2017:

### January 9, 2017 – Massy Holdings Limited

- Pursuant to the Rules of the Barbados Stock Exchange Inc. (BSE) and the Order of the Financial Services Commission dated March 8, 2016, the shares of **Massy Holdings Limited** were delisted from the Board of the BSE **on January 9, 2017**.

### February 9, 2017 – BSE Volume Limits

- **Removal of Volume Trading Limits** – The Barbados Stock Exchange (BSE) wishes to advise that effective **February 6, 2017**, in conjunction with the launch of the new STT Avvento Trading Software, the BSE will no longer utilize trading limits to determine the share price that marks the Board at the end of the trading day. Share prices will continue to be determined by the Volume Weighted Average Price (VWAP) methodology. The VWAP represents the total value of shares traded in a particular stock on a given day, divided by the total volume of shares traded in that stock on that day to give a volume weighted average of the price of the share on that particular day. In addition, the BSE has expanded the range of the **Price Stabilization Rule**, from **10%** to **15%**.

### March 6, 2017 – Trinidad Cement Limited

- Pursuant to the Rules of the Barbados Stock Exchange Inc. (BSE) and the Order of the Financial Services Commission dated October 18, 2016, the shares of **Trinidad Cement Limited** were delisted from the Board of the BSE on **March 6, 2017**.

### June 26, 2017 – DGM Trust Corporation

- The Barbados Stock Exchange Inc. (BSE) is pleased to announce that, effective June 2, 2017, **DGM Trust Corporation (DGM)** was duly registered as a Listing Sponsor in good standing of the International Securities Market (ISM). As a Listing Sponsor, DGM Trust Corporation is authorized to engage International Business



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Companies (IBCs) – both domiciled in Barbados and abroad – and Resident Business Companies (RBCs) which may be seeking a primary or secondary listing of securities. The Listing Sponsors primary role is to conduct the necessary due diligence on a company (Issuer) to ensure that it is fit and proper for listing on the ISM and act as liaison between the Issuer and the BSE. The Listing Sponsor is also responsible for ensuring that, once listed, the Issuer is in compliance with its continued obligations under the Rules of the ISM.

#### **July 19, 2017 – Deloitte Consulting Ltd.**

- The Barbados Stock Exchange Inc. (BSE) is pleased to announce that, effective July 19, 2017, **Deloitte Consulting Ltd.** was duly registered as a Listing Sponsor in good standing of the International Securities Market (ISM). As a Listing Sponsor, Deloitte Consulting Ltd. is authorized to engage International Business Companies (IBCs) – both domiciled in Barbados and abroad – and Resident Business Companies (RBCs) which may be seeking a primary or secondary listing of securities. The Listing Sponsors primary role is to conduct the necessary due diligence on a company (Issuer) to ensure that it is fit and proper for listing on the ISM and act as liaison between the Issuer and the BSE. The Listing Sponsor is also responsible for ensuring that, once listed, the Issuer is in compliance with its continued obligations under the Rules of the ISM.

#### **September 8, 2017 – ISM Sponsor Services Ltd**

- The Barbados Stock Exchange Inc. (BSE) is pleased to announce that, effective September 8, 2017, **ISM Sponsor Services Ltd** was duly registered as a Listing Sponsor in good standing of the International Securities Market (ISM). As a Listing Sponsor, ISM Sponsor Services Ltd is authorized to engage International Business Companies (IBCs) – both domiciled in Barbados and abroad – and Resident Business Companies (RBCs) which may be seeking a primary or secondary listing of securities. The Listing Sponsors primary role is to conduct the necessary due diligence on a company (Issuer) to ensure that it is fit and proper for listing on the ISM and act as liaison between the Issuer and the BSE. The Listing Sponsor is also

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responsible for ensuring that, once listed, the Issuer is in compliance with its continued obligations under the Rules of the ISM.

#### **September 22, 2017 – Cable and Wireless (Barbados) Limited**

- The Barbados Stock Exchange (BSE) Inc. wishes to advise that, as a result of the approved amalgamation of **Cable and Wireless (Barbados) Limited (CWBL)** and **Cable & Wireless West Indies (CWWI)**, trading in the security - Cable and Wireless (Barbados) Limited - has been suspended with immediate effect. The BSE also wishes to advise that the transaction in which 100 shares in CWBL occurred at \$2.90 traded on September 21, 2017 has been reversed.

#### **November 2, 2017 – Productive Business Solutions Limited**

- **Productive Business Solutions Limited – Ordinary** – The Barbados Stock Exchange Inc. (BSE) wishes to advise that, effective **November 2, 2017**, the BSE has listed **123,272,727** in **Productive Business Solutions Limited – Ordinary** shares on the **International Securities Market (ISM)**. The listing price for this new security is **US \$0.55** and the trading symbol for this security is **PBSLO**.

#### **November 2, 2017 – Productive Business Solutions Limited**

- **Productive Business Solutions Limited – Pref 9.75%** – The Barbados Stock Exchange Inc. (BSE) wishes to advise that, effective **November 2, 2017**, the BSE has listed **25,800,000** in **Productive Business Solutions Limited – Pref 9.75%** shares on the International Securities Market (ISM). The listing price for this new security is **JMD \$100.00** and the trading symbol for this security is **PBSL975**.

## Conclusion

An examination of the index performance of some exchanges across the globe (**Table 17**) showed all exchanges have seen improvements in performance over the twelve-month period. On the international stage, the top three performers under consideration were the Stock Exchange of Hong Kong's Hang Seng, NASDAQ's Nasdaq 100 and the NASDAQ/New York Stock Exchange's (NYSE) Dow Jones Industrial Average which recorded increases of 35.99%, 31.52% and 25.08% respectively. The Jamaica Stock Exchange (JSE) was the top performer in the sample selected. In the Region, the JSE's Market Index rose 49.98% followed by the BSE's Composite Index which increased 17.19% over its closing position in December 2016. The Trinidad and Tobago Stock Exchange (TTSE) and Eastern Caribbean Stock Exchange (ECSE) indices recorded nominal increases of 4.7% and 0.27% respectively.

**Table 17: Year on Year Index Comparison**

Index Name	Region/Exchange	Closing Dec 31 2017	Closing Dec 31 2016	% Change
Nasdaq 100	NASDAQ	6,396.42	4,863.62	31.52%
Dow Jones Industrial Average	NASDAQ and New York Stock Exchange	24,719.22	19,762.60	25.08%
S&P 500	New York Stock Exchange	2,673.61	2,238.83	19.42%
FTSE 100	London Stock Exchange	7,687.77	7,142.83	7.63%
Nikkei 225	Tokyo Stock Exchange	22,764.94	19,114.37	19.10%
Hang Seng	Stock Exchange of Hong Kong	29,919.15	22,000.56	35.99%
BSE Composite Index	Barbados Stock Exchange	763.88	651.85	17.19%
JSE Market Index	Jamaica Stock Exchange	288,381.97	192,276.64	49.98%
TTSE Composite Index	Trinidad and Tobago Stock Exchange	1,266.35	1,209.53	4.70%
ECSE Index	Eastern Caribbean Stock Exchange	156.55	156.13	0.27%

Market performance for 2017 on the BSE was characterized by marked increases in activity in the negotiated markets. The absence of large extraordinary transactions, occurring either pursuant, or subsequent, to a takeover led to an overall decline in total market performance. While there were two delistings from the board of the BSE, two new securities were listed on the board of the BSE's International Securities Market (ISM).

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During 2017, the BSE attained several goals set as far back as 2016 as it relates to its ISM. Having launched the ISM in March 2016, the first order of business was to attract a minimum of five local Listing Sponsors to assist the BSE in attracting quality Issuers to list their securities on the board of the ISM. The BSE is proud to have achieved both having duly registered five of Barbados' premier International Business and Financial Services (IBFS) practitioners as Listing Sponsors. One of these Listing Sponsors – ListAssist Services (Barbados) Ltd. – successfully negotiated the listing of the ISM's first listing which resulted in the listing of two securities owned by Productive Business Solutions Limited (PBS). Productive Business Solutions Limited – a US dollar denominated security – and Productive Business Solutions Limited - Pref 9.75% – a Jamaica dollar denominated security were both listed on the ISM on November 2, 2017.

As we look towards 2018 and beyond, the BSE will continue its efforts to enhance the local market, paying special attention to improving opportunities for smaller companies to access to capital through our Junior Market. ISM growth and development will also be a main initiative of the BSE for 2018.

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