



BSE First Quarter Market Activity Report

2020



*Barbados Stock Exchange...
Building a Better Market!*

BSE First Quarter Report

2020

Overview

Overall trading volume and value decreased by 81% and 40% respectively for the first quarter of 2020. The Regular and Put-through Markets both experienced declines in activity. The former recorded decreases in terms of volume and value to the tune of 87% and 40% respectively, while the latter recorded declines of 32% and 41% respectively for both traded volumes and values. There was no activity recorded on neither the Innovation and Growth Market nor the Block Trade Market. The total number of trades at the close of the first quarter of 2020 fell by 73% as only 241 trades were conducted across the board of the BSE versus 906 trades at the close of the first quarter of 2019.

Year to Date and Year on Year market measures recorded relatively mixed results largely categorized by declines, however, only the Year to Date index measures showed some promise. All Year on Year market measures recorded declines as larger issuers suffered price reductions over the 12 months coupled with the delisting of one (1) Cross-Listed security in the last quarter of 2019¹. **Table 1 - Trading Activity Comparison by Market – Quarter 1, 2020** shows a summary of year to date trading activity.

Table 1 – Trading Activity Comparison by Market – Quarter 1, 2020

Market	Year-to-Date	Year-to-Date	Year-to-Date	Year-to-Date	% Change	% Change
	2020 Volume	2019 Volume	2020 Value	2019 Value	Volume	Value
REGULAR	1,535,920	11,687,644	\$ 3,980,835	\$ 6,615,751	-87%	-40%
PUT - THROUGH	914,350	1,349,279	\$ 3,036,512	\$ 5,114,193	-32%	-41%
INNOVATION & GROWTH MARKET	-	-	\$ -	\$ -	NA	NA
BLOCK TRADE	-	-	\$ -	\$ -	NA	NA
TOTAL	2,450,270	13,036,923	\$ 7,017,346	\$11,729,945	-81%	-40%

¹ See Index and Market Capitalization Movement Section



On March 11, 2020 the World Health Organization (WHO) declared the Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2) or COVID-19 virus a pandemic. This highly contagious virus was first reported in December 2019 in Wuhan, China and has spread across the globe at an astonishing rate. Six (6) days after the WHO declaration, on March 17, 2020, the island of Barbados recorded its first two (2) cases of the virus.

At the BSE and its wholly owned Barbados Central Securities Depository Inc. (BCSDI), several infrastructural and procedural adjustments were instituted including the installation of additional hand sanitizing stations to ensure that all staff, and clients alike, were observing proper hand hygiene guidelines. To promote social distancing and to limit the potential for exposure, the BSE Group issued its first COVID-19 Procedural Update which introduced an appointment system for clients, encouraged the use of telephone and email for the facilitation of requests where possible, and, implemented a staggered work schedule for staff. It also reduced its operating hours from eight (8) to five (5) hours per day with trading hours reduced from four (4) to two and a half (2.5) hours per day. These measures were in line with Government's recommendations related to the mitigation of the spread of the COVID-19 virus.

Regular Market

During the first quarter of 2020, Regular Market volume decreased by 87% with a corresponding decline in value of 40% when compared to activity in the corresponding period in 2019. The decrease in activity can be attributed to the absence of similar trading activity, conducted during the first quarter of 2019, of

Eppley Caribbean Property Fund SCC – Value Fund and Development Funds and FirstCaribbean International Bank.

There was a decrease in the number of trades (21%) as 234 trades occurred during the first quarter of 2020, as compared to 296 trades for the corresponding period in 2019 as seen in **Table 2 – 1st Quarter Regular Market Performance – Year on Year – 2020**. A snapshot of the advance-decline ratio at the end of the first quarter of 2020 showed that four (4) securities advanced and six (6) declined versus five (5) securities advancing in price and seven (7) declining at the close of the first quarter of 2019.

Table 2 – 1st Quarter Regular Market Performance – Year on Year – 2020

	31-Mar-20	31-Mar-19	% Change
TOTAL SHARE VOLUME	1,535,920	11,687,644	-87%
TOTAL SHARE VALUE	3,980,835	6,615,751	-40%
AVERAGE DAILY SHARE VOLUME	23,999	188,510	-87%
AVERAGE DAILY SHARE VALUE	\$ 62,201	\$ 106,706	-42%
NUMBER OF TRADES	234	296	-21%
NUMBER OF TRADE DAYS	64	62	3%
AVERAGE SHARE PRICE	\$ 5.12	\$ 4.61	11%
ADVANCE/DECLINE RATIO	4/6	5/7	N/A
LOCAL INDEX	3,157.82	3,263.96	-3.25%
CROSS – LISTED INDEX	1,400.14	1,709.11	-18.08%
COMPOSITE MARKET INDEX	772.55	818.81	-5.65%
LOCAL MARKET CAPITALIZATION	6,725,086,495	7,088,892,911	-5.13%
CROSS-LISTED MARKET CAPITALIZATION	178,782,344	1,153,721,436	-84.50%
COMPOSITE MARKET CAPITALIZATION	6,903,868,839	8,242,614,346	-16.24%
NUMBER OF LISTED SECURITIES	17	18	-6%

Goddard Enterprises Limited was the most actively traded security on the market accounting for 44% of the number of trades occurring for the first quarter of 2020. They were followed by Eppley Caribbean Property Fund SCC – Development Fund and Cave Shepherd and Company Limited which accounted for 15% and 9% of the number of trades for the quarter in this market respectively. **Figure 1 - No. of Trades - 1st Quarter 2020** illustrates the number of trades occurring on the Regular Market by Security.



Figure 1 – No. of Trades – 1st Quarter 2020

Table 3 and Table 4 illustrates the top traded securities for the quarter based on volume and value respectively. Goddard Enterprises Limited was the top performer in terms of both volumes and values traded during the first quarter of 2020. Eppley Caribbean Property Fund SCC – Development Fund and Eppley Caribbean Property Fund SCC – Value Fund rounded out the top three securities in terms of volume traded while Cave Shepherd and Company Limited and West India Biscuit Company Limited rounded out the top three in terms of value traded.

Table 3 – Top Five Traded Securities by Volume – 2020

Company	2020	2019	2020	2019
	Volume	Volume	Value	Value
GODDARD ENTERPRISES LIMITED	1,088,700	142,732	\$ 3,540,958	\$ 518,201
EPPLEY CARIBBEAN PROPERTY FUND - DEV FUND	294,881	5,747,255	\$ 47,304	\$ 1,205,675
EPPLEY CARIBBEAN PROPERTY FUND - VAL FUND	75,746	4,962,723	\$ 45,521	\$ 2,750,993
CAVE SHEPHERD AND COMPANY LIMITED	33,095	9,047	\$ 153,864	\$ 40,432
FIRSTCARIBBEAN INTERNATIONAL BANK	19,947	532,094	\$ 52,167	\$ 1,522,714

Table 4 – Top Five Traded Securities by Value – 2020

Company	2020	2019	2020	2019
	Value	Value	Volume	Volume
GODDARD ENTERPRISES LIMITED	\$ 3,540,958	\$ 518,201	1,088,700	142,732
CAVE SHEPHERD AND COMPANY LIMITED	\$ 153,864	\$ 40,432	33,095	9,047
WEST INDIA BISCUIT COMPANY LIMITED	\$ 109,116	\$ 122,658	3,377	5,275
FIRSTCARIBBEAN INTERNATIONAL BANK	\$ 52,167	\$ 1,522,714	19,947	532,094
EPPLEY CARIBBEAN PROPERTY FUND - DEV FUND	\$ 47,304	\$ 1,205,675	294,881	5,747,255

Innovation and Growth Market, Block Trade Market & Put-Through Market

There was no trading activity recorded for the Block Trade and Innovation and Growth Markets for the first quarter of 2020.

The Put-through Market recorded decreases in terms of both volume and value traded. The total volume of shares traded decreased by 32% while the total value of shares traded decreased by 41%. By the close of the first quarter of 2020, 914,350 shares were traded across the floor of this market with a corresponding value of \$3,036,512 as compared to 1,349,279 shares traded and a value of \$5,114,193 trading as at March 31, 2019. **Table 5 – Put-through Market Activity – 1st Quarter – 2020** illustrates the activity which occurred on this market as at March 31, 2019.

Table 5: Put-through Market Activity – 1st Quarter – 2020

Company	No. of Trades	Volume	Value
FIRSTCARIBBEAN INTERNATIONAL BANK	2	200,000	\$ 519,000
GODDARD ENTERPRISES LIMITED	4	713,300	\$2,493,624
EMERA DEPOSIT RECEIPT	1	1,050	\$ 23,888
	7	914,350	\$3,036,512

Fixed Income Market

As at March 31, 2020, there were three (3) Government of Barbados (GOB) bonds traded across the board of the Exchange as compared to no trading activity on the Fixed Income Market for the first quarter of 2019. There were 37 trades occurring on the Fixed Income Market resulting in a face value of \$2,614,677 trading. **Table 6 – Summary of Bonds Traded – 1st Quarter – 2020** summarizes all bonds traded for the period ended March 31, 2020.

Table 6 – Summary of Bonds Traded – 1st Quarter – 2020

Security	No. of Trades	Face Value
GOB SERIES B	31	1,010,413
GOB SERIES F	2	836,646
GOB SERIES I	4	767,619
TOTALS	37	2,614,677

The International Securities Market (ISM)

There were three securities listed on the board of the ISM, however, there was no trading activity occurring on the ISM as at March 31, 2020. On February 24, 2020, the BSE listed **70,000,000 shares** in **Shri Karni Holdings Limited** on the ISM. The listing price for this new security is **US \$6.25** and its trading symbol is **SHKHL**. The Market Capitalization of the ISM as at the close of the first quarter stood at US \$525,266,298. **Table 7 – International Securities Market – 1st Quarter – 2020** illustrates the securities listed on the International Securities Market.

Table 7: International Securities Market Summary – 1st Quarter – 2020

	CLOSING PRICE USD \$
SECURITY	Mar 31 2020
PRODUCTIVE BUSINESS SOLUTIONS LIMITED	\$0.55
PRODUCTIVE BUSINESS SOLUTIONS LIMITED – PEF 9.75%	\$0.77
SHRI KARNI HOLDINGS LIMITED	\$6.25

Index and Market Capitalization Movement

A year on year comparison of the Index and market capitalization performance (**Table 8** and **Table 9**) shows that all market measures experienced decreases over the last 12 months. First quarter 2020 Cross Listed market measures showed the greatest decline, recording decreases of 18% and 84% respectively in terms of the index and market capitalization measures – when compared to their respective first quarter 2019 positions. These results can be attributed to declines in the share price of One Caribbean Media Limited, falling 54% from \$8.55 on March 31, 2019 to \$2.70 at the close of trading on March 31, 2020. JMMB Group Limited's departure from the board of the BSE on October 22, 2019 also impacted the year on year Cross Listed market capitalization performance. **Figure 2 – Index Movement March 2019 to March 2020** illustrates the trend of the indices over the period under consideration.



Table 8 – Index Comparison Year on Year – 2020

Index	31-Mar-20	31-Mar-19	% Change
LOCAL	3,157.82	3,263.96	-3.25%
CROSS LISTED	1,400.14	1,709.11	-18.08%
COMPOSITE	772.55	818.81	-5.65%

Table 9 – Market Capitalization Comparison Year on Year – 2020

Market Capitalization	31-Mar-20	31-Mar-19	% Change
LOCAL	6,725,086,495	7,088,892,911	-5.13%
CROSS LISTED	178,782,344	1,153,721,436	-84.50%
COMPOSITE	6,903,868,839	8,242,614,346	-16.24%

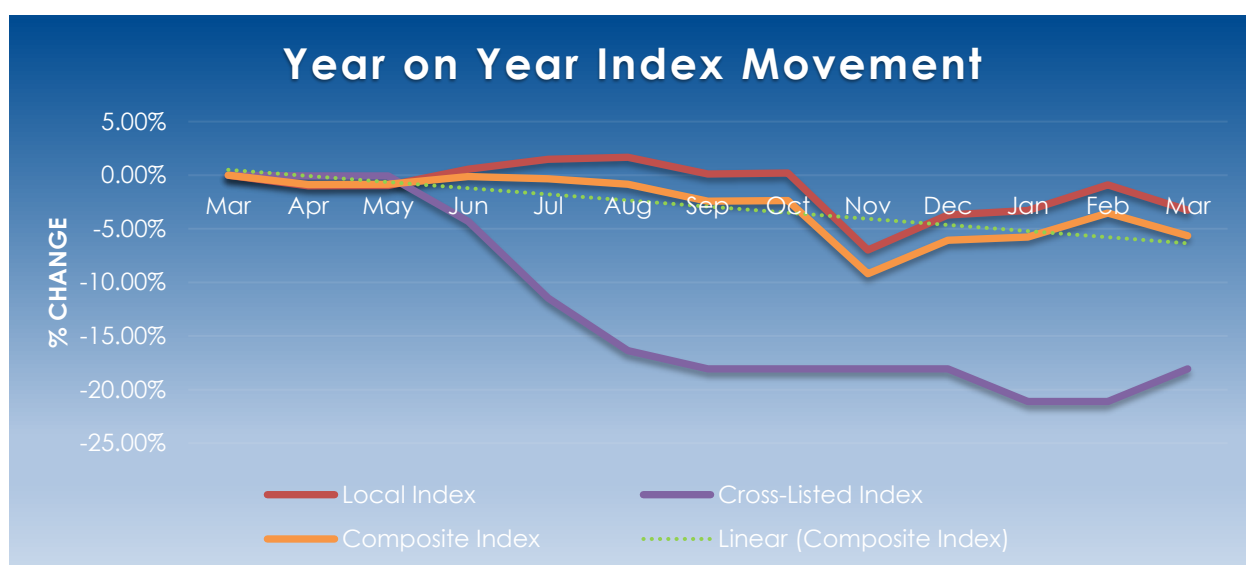


Figure 2 – Index Movement March 2019 to March 2020

The indices and market capitalization measures for the first quarter of 2020 (**Table 10** and **Table 11**) showed mixed results as some of the larger Issuers of shares experienced declines in their share prices when compared to their closing positions as at December 31, 2019. The Local and Composite Indices recorded increases of 0.47% and 0.46% respectively. Their respective Market Capitalization measures, however, fell by 1.97% and 1.92% each respectively. There were no changes to the Cross-Listed Index and Market Capitalization for the year to date.

Table 10 – Index Comparison 1st Quarter – 2020

Index	31-Mar-20	31-Dec-19	% Change
LOCAL	3,157.82	3,142.97	0.47%
CROSS LISTED	1,400.14	1,400.14	0.00%
COMPOSITE	772.55	769.02	0.46%

Table 11 – Market Capitalization Comparison 1st Quarter – 2020

Market Capitalization	31-Mar-20	31-Dec-19	% Change
LOCAL	6,725,086,495	6,860,574,548	-1.97%
CROSS LISTED	178,782,344	178,782,344	0.00%
COMPOSITE	6,903,868,839	7,039,356,892	-1.92%

Company Activity Comparative Report

For the first quarter of 2020, four (4) securities advanced, six (6) declined, two (2) remained unchanged and six (6) did not trade – Emera Deposit Receipt declined in price but did not trade². This as compared to five (5) securities advanced, seven (7) declined, four (4) remained unchanged and three (3) did not trade – Emera Deposit Receipt advanced in price but did not trade.

ABV Investments Incorporated was the top performer for the quarter climbing 650% from \$0.02 at the close of 2019 to \$0.15 at the close of the first quarter of 2020. Barbados Farms Limited (33%), West India Biscuit Company Limited (28%), and Eppley Caribbean Property Fund SCC – Value Fund (4%) were the three remaining securities experiencing increases during the quarter. Eppley Caribbean Property Fund SCC – Development Fund (20%) was the only security to record a double-digit decline at the close of the first quarter of 2020. **Table 12 – 1st Quarter Trading Activity by Security – 2020** illustrates the price movements for the first quarter of 2020.

² Emera Deposit Receipt – Due to the calculation of Emera Deposit Receipt's closing price being dependent on its parent security's – EMERA – closing price on the Toronto Stock Exchange (TSX) and the currency exchange rate (CDN to BDS) – this security may advance or decline in price with or without any trading activity.

Table 12 - 1st Quarter Trading Activity by Security – 2020 (Regular and Junior market only)

	1st Quarter 2020	1st Quarter 2020	CLOSING PRICE	CLOSING PRICE	% Change
SECURITY	Volume	Value	Mar 31 2020	Dec 31 2019	
ABV INVESTMENTS INCORPORATED	1,000	\$ 150	0.15	0.02	650.00%
BICO LIMITED	2,840	\$ 8,804	3.10	3.10	0.00%
BARBADOS DAIRY INDUSTRIES LIMITED	0	\$ -	3.00	3.00	0.00%
BARBADOS FARMS LIMITED	10,100	\$ 4,040	0.40	0.30	33.33%
BANKS HOLDINGS LIMITED	0	\$ -	4.85	4.85	0.00%
EPPLEY C'BEAN PROPERTY FUND SCC - DEV FUND	294,881	\$ 47,304	0.16	0.20	-20.00%
EPPLEY C'BEAN PROPERTY FUND SCC - VAL FUND	75,746	\$ 45,521	0.58	0.56	3.57%
CAVE SHEPHERD AND COMPANY LIMITED	33,095	\$ 153,864	4.62	4.65	-0.65%
CABLE AND WIRELESS BARBADOS LIMITED	0	\$ -	2.29	2.29	0.00%
FIRSTCARIBBEAN INTERNATIONAL BANK	19,947	\$ 52,167	2.55	2.65	-3.77%
GODDARD ENTERPRISES LIMITED	1,088,700	\$3,540,958	3.25	3.26	-0.31%
INSURANCE CORPORATION OF BARBADOS LTD	4,234	\$ 13,636	3.20	3.25	-1.54%
JMMB GROUP LIMITED	0	\$ -	-	-	#DIV/0!
EMERA DEPOSIT RECEIPT	0	\$ -	19.11	21.01	-9.04%
ONE CARIBBEAN MEDIA LIMITED	2,000	\$ 5,275	2.70	2.70	0.00%
SAGICOR FINANCIAL CORPORATION 6.5% PREF	0	\$ -	2.26	2.26	0.00%
SAGICOR FINANCIAL CORPORATION	0	\$ -	2.80	2.80	0.00%
WEST INDIA BISCUIT COMPANY LIMITED	3,377	\$ 109,116	32.00	25.00	28.01%
	1,535,920	\$3,980,835			

* Denotes delisted security



Table 13 – Year on Year Price Movements by Security – 2020, illustrates the price movements over the last twelve months. At the close of the first quarter of 2020, six (6) securities have experienced price increases over their March 31, 2019 positions while five (5) securities experienced declines.

Table 13 - Year on Year Price Movements by Security – 2020 (Regular and Junior market only)

SECURITY	CLOSING PRICE	CLOSING PRICE	% Change
	Mar 31 2020	Mar 31 2019	
ABV INVESTMENTS INCORPORATED	0.15	0.15	0.00%
BICO INDUSTRIES LIMITED	3.10	3.10	0.00%
BARBADOS DAIRY INDUSTRIES LIMITED	3.00	3.50	-14.29%
BARBADOS FARMS LIMITED	0.40	0.30	33.33%
BANKS HOLDINGS LIMITED	4.85	4.85	0.00%
EPPLEY C'BEAN PROPERTY FUND - DEV FUND	0.16	0.20	-20.00%
EPPLEY C'BEAN PROPERTY FUND - VAL FUND	0.58	0.55	5.45%
CAVE SHEPHERD AND COMPANY LIMITED	4.62	4.30	7.44%
CABLE AND WIRELESS BARBADOS LIMITED	2.29	2.29	0.00%
FIRSTCARIBBEAN INTERNATIONAL BANK	2.55	2.86	-10.84%
GODDARD ENTERPRISES LIMITED	3.25	3.25	0.00%
INSURANCE CORPORATION OF BARBADOS LIMITED	3.20	3.41	-6.16%
JMMB GROUP LIMITED*	-	0.47	NA
EMERA DEPOSIT RECEIPT	19.11	18.52	3.19%
ONE CARIBBEAN MEDIA LIMITED	2.70	5.85	-53.85%
SAGICOR FINANCIAL CORPORATION	2.80	2.59	8.11%
SAGICOR FINANCIAL CORPORATION 6.5% PREF	2.26	2.26	0.00%
WEST INDIA BISCUIT COMPANY LIMITED	32.00	24.55	30.36%

*Denotes delisted security



Conclusion

Table 14 – Year to date Index Comparison – 2020

Index Name	Region/Exchange	Closing March 31 2020	Closing Dec 31 2019	% Change
BSE COMPOSITE INDEX	Barbados Stock Exchange	772.55	769.02	0.46%
BISX INDEX	Bahamas Int'l Securities Exchange	2,117.17	2,231.60	-5.13%
BSX INDEX	Bermuda Stock Exchange	1,502.26	2,404.48	-37.52%
ECSE INDEX	Eastern Caribbean Stock Exchange	149.87	147.48	1.62%
JSE MARKET INDEX	Jamaica Stock Exchange	379,242.11	509,916.44	-25.63%
TTSE COMPOSITE INDEX	Trinidad and Tobago Stock Exchange	1,317.14	1,468.41	-10.30%

A comparison of BSE first quarter 2020 activity versus that of the first quarter of 2019 would reveal that market conditions have contracted considerably; there were no extra-ordinary transactions conducted in either period to skew results. Regular Market performance declined significantly as the Eppley Caribbean Property Funds – Development and Value Funds – did not show similar trading levels to those occurring in the first quarter of 2019. The Put Through Market activity – both volume and value – also were impacted as the customary Q1 activity in Sagicor Financial Corporation Limited was absent subsequent to their transition, by way of a Scheme of Arrangement, which has led to the listing of its parent company – Sagicor Financial Company Limited on the Toronto Stock Exchange (TSX).

An examination of first quarter 2020 closing indices for exchanges across the region (**Table 14**) when compared to their closing values as at December 31, 2019 reveal year to date improvements for the indices of only the Eastern Caribbean Stock Exchange's (ECSE) Index (1.62%) and the BSE Composite Index which recorded an increase of 0.46%. The Bermuda Stock Exchange (BSX) suffered the largest decline of 37.52% , followed by the Jamaica Stock Exchange (JSE) Market Index with 25.63%, the Trinidad and Tobago Stock Exchange's (TTSE) Composite Index with 10.30% and finally the Bahamas International Securities Exchange's (BISX) Index with 5.13%.

In the weeks and months prior to the first reported cases of COVID-19 in Barbados, the Government of Barbados, led by its Prime Minister – the Honorable Miss Mia Amor Mottley, Q.C., M.P., organized a group of healthcare professionals who, alongside members of both Government and the Private Sector, formulated an action response plan to be executed to aid the island in dealing with, and

mitigating against, the spread of the virus once it reached our shores, including a shutdown of the island.

Consequently, quarter 1 of 2020 experienced a dramatic change in the local and global economic and financial landscape. The pace of global economic activity slowed considerably. There were “sharp declines in international travel, depressed business activity and disruption in global supply chains”.

The International Monetary Fund (IMF) forecasts that global economic activity will contract by 3%. Global markets are expected to decline. There will be significant declines in international trade and commerce as a result of the disruption in global supply chains.

Tourism, one of our key economic drivers, will contract significantly. The World Tourism Organisation estimates the industry can experience declines that range between 20% to 30% with an attendant significant loss of jobs. In Barbados we are seeing many hotel properties being shuttered and employees being laid off.

As a result, the Central Bank of Barbados (CBB) reported “real economic activity contracted by 3% during the first quarter of the year as the sharp decline in tourism negatively impacted other key economic sectors”. Preliminary estimates by the CBB is for negative growth of 8% for 2020, this is dependent on a swift recovery in the tourism. Given the expected deepening of global health crisis the expectation is “there is now increased likelihood of a double-digit decline in economic activity in 2020” for Barbados.

As we look toward the second quarter and beyond, the best ways to describe upcoming times are uncertain and challenging.

Countries already being impacted by the spread of the COVID-19 virus, are experiencing shifts in market performance across the board. Their capital markets have been heavily impacted as uncertainty has led to the liquidation of assets for cash – the perceived ultimate king should the pandemic continue longer than expected.

At the BSE and BCSD, while our systems are robust and support offsite VPN connectivity to our Registered Brokers, the reality is that our Brokers can only execute transactions based on client requests. The primary focus of many will be

on the implementation of contingencies and containment of the spread of the virus. It is likely that trading activity will decline. As the country navigates the many uncertainties ahead these declines are expected to continue. Once 'the curve' has been flattened, the island will be able to return to some degree of normalcy. It is likely that citizens and organizations will be required to make some fundamental changes to the ways in which they conduct their business. The "new normal". Having done so in accordance with any new dispensations, market sentiment is likely to change for the better and conditions will improve.

Nonetheless, there are opportunities for the shrewd investor, the value investor.

We believe that we will weather the pandemic's storm. We are ever cognizant though, that trading activity is very much market driven. Therefore, we will do everything necessary to instill trust and confidence in our market to ensure its continued growth and success.

We at the BSE will play our part in seeking out avenues to diversify the investment opportunities for the investing public - local, regional and international.

We extend sincere condolences to families who have lost a loved one. May they rest in peace.