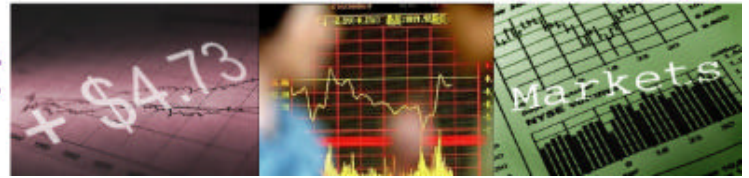




Stock Market Weekly



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Angostura on course to reap long term rewards

Angostura Holdings Limited (AHL) continued its thrust towards international positioning and expansion in 2005. The company reported an 18% improvement in sales totaling \$1.2 billion and was mainly attributable to higher export volumes in the branded case segment, especially in the US markets. Sales in the local market and in the lower margin bulk rum continued to head south, which the Group attempted to offset by partnering with European E&A Scheer SA to help further boost foreign bulk rum sales. The inclusion of gains from the disposal of the Group's holdings in Cruzan International boosted profit before tax to TTS352 million up from TTS 40 million in 2004.

Operating expenses continue to rise as the Group continues to build brand equity and is an area for management to monitor more closely going forward. The company's current assets are up to TTS\$1.2 billion, 54% more than the prior period as a result of the Cruzan sale and a build up in inventory to facilitate production of Ten Cane. The Group's debt position improved which should work to ensure greater financial flexibility in its expansionary thrust into the European markets.

Later this year Angostura Holdings, CL World Brands and Clico intend to increase their holdings in Belvedere to 51% through a rights issue after which the 51% holdings will be transferred (from CL World Brands and CLICO) to AHL through an internal restructuring exercise. This should help the group rank among one of the world's top 10 spirits companies within the next three years.

The Group, through a collective 25.8% interest in Belvedere SA is currently in the process of purchasing Marie Brizard SA in France to the tune of EUR 308 million. Clico and CL world Brands hold 10% each and AHL holds 5% interest in Balvedere SA. Marie Brizard SA is a French company with a strong position in liqueurs, cordials, wines, cognacs and scotch whiskeys and is listed on the Paris stock exchange. The group also owns six production units and generated a turnover of EUR 336 million in 2005. This news caused AHL's share price to climb 30% to a high of \$7.50, but year to date the stock lost 2.6% of its value.

AHL is currently trading at TTS\$5.60. Our outlook for AHL is cautiously optimistic; the company has been involved in an intense global brand building strategy is leading to challenges in controlling operational efficiency given its more long-term global branding approach, the company's profits are not expected to trickle down to shareholders in the medium term.

Regional Market Review

With many stocks now trading at book value (stripped of their premium) both in Trinidad and Jamaica it seems like institutional investors are creeping back into the market. Locally, some 4,460,304 of NFM shares were traded accounting for 75% of total shares traded; leaving bids in excess of 1 million outstanding. The stock closed at \$.68 on the same day, which represents a year to date fall of 62%. Investors are hoping for a turnaround in fortunes for the company on appointment of the new CEO, PLIPDECO's ex President, Neil Rolingson. Rolingson was influential in spearheading favorable returns of the Plipdeco share which jumped 47% in 2005. Overall market performance remains in negative turf. For the year the market has retreated by 12.8% mainly weighed by locally listed stocks considering that the ALL Trinidad Index is trailing the former with 14.7% and on par with the ALL Jamaica Index, which is traditionally outperformed by the Trinidad indices.

Sagicor offered the best returns in terms of value advancing 2.1%, Trinidad Publishing and AMBL also offered marginal returns of 1% and 0.8% respectively. Top decliners included CCMB which fell to TT\$1.43 followed by NFM (9.3%) and NML (3.6%)

The Barbados Local Index continued to record negative returns falling a further 2.22 points to close at 3,897.88 on 27 April 2006. Unlike its Jamaican peer, trading volumes continue to grow thin as 82,810 shares traded for the period compared to the prior weeks. FCIB came out on top, trading more than half of the total volumes for the period. The slowdown in market activity was also evidenced by advance/decline ratio with 4 shares on the downswing, none advancing and an astounding 21 remaining unchanged.

The Jamaican markets seem to be searching for optimism as the JSE Composite rose 4.6% to 88,516.38 points and recorded a two week rally. Increasing volumes traded for each of the three trading weeks in April suggests that the “prodigal sons” are returning to the equity markets. Following on the heels of the main Index was the ALL Jamaica and JSE Select which recorded growth of 2.1% and 1.6%, respectively, on a one week comparison. Supreme Ventures accounted for the 84% of total volumes traded (44,402,318 shares) the stock fell to 2.4% to J\$2.91 at the end of the period. The best performing stock in terms of price appreciation was First Jamaica Insurance (12.9%), followed by Guardian Holdings (12.5%) and Mayberry Investments (12.2%). Decliners for the period were topped by Ciboney which lost 22.2% of its value. Cable and Wireless Jamaica and Salad Foods also fell by 9.5% and 4.8% respectively.

Table:1 Regional Market Performance

| Index | Closing Value | Weekly Change (%) | Monthly Change (%) | YTD Change (%) | 1 Year Change (%) |
|----------------|---------------|-------------------|--------------------|----------------|-------------------|
| TTSE Composite | 930.84 | -3.73 | -4.18 | -12.75 | -22.21 |
| All Trinidad | 1,128.62 | -0.43 | -5.08 | -14.66 | -24.39 |
| JSE Index | 88,516.38 | 4.63 | 1.55 | -14.68 | -26.23 |
| All Jamaica | 87,999.26 | 2.08 | 3.92 | -14.86 | -32.96 |
| JSE Select | 2,409.30 | 1.63 | 3.88 | -15.39 | -30.27 |
| BSE Local | 3,897.88 | -0.06 | -0.39 | -0.82 | 0.03 |

Current Happenings

- CMMB CLI projects flat growth in T&T in May
- Caricom to remove CET on Petroleum products
- Trinidad contractors and businessmen insist that slow down in construction, not price controls is the only solution
- Barbados and Jamaica only member states with Competition law in place
- Guyana Stock Exchange to register more businesses

Table:1 International Market Performance

| Index | Closing Value | Weekly Change (%) | Monthly Change (%) | YTD Change (%) | 1 Year Change (%) |
|------------------|----------------------|--------------------------|---------------------------|-----------------------|--------------------------|
| S&P 500 | 1,301.74 | -0.63 | 3.57 | 2.60 | 12.01 |
| Nasdaq Composite | 2,330.30 | -1.71 | 4.21 | 3.86 | 19.45 |
| Dow Jones | 11,283.25 | 0.04 | 3.10 | 4.02 | 10.16 |
| German Dax | 6,078.80 | 0.26 | 1.77 | 11.32 | 43.13 |
| FTSE 100 | 6,086.60 | -12.12 | -11.46 | -5.94 | 25.11 |
| Nikkei 225 | 16,970.29 | -2.01 | 2.47 | 5.33 | 53.25 |

International Market Review

Concerns about near-record oil prices were tempered as U.S. stocks moved into positive territory rising on strong corporate earnings and outlook. Google reported better first quarter results after missing projected earnings in its 2005 year end results. Good earnings were reported for approximately 70% of the 120 companies reporting first quarter results. The Dow Jones climbed to its all time high since January 2000. The Index closed at 11,283.25 on 25 April, 2006, an increase of 4% year to date while the Nasdaq and S&P rose by 3.7% and 2.6% year to date but retreated at the end of the review period.

Business confidence in Europe's largest economy accelerated; Germany's economic growth was attributed to a rise in exports which consequently pushed industrial production and company investments. The German Dax advanced its highest in 6 years to close at 6,078.80 points. The Euro Stoxx an Index for the 12 countries sharing the Euro advanced .3 % as 13 of the 18 industries gained; FTSE was the only index retreating for the period losing -12.1% to close at 6,086.60 points.

In Japan, companies have been benefiting from increasing domestic growth and more investors are shifting funds into companies less prone to currency fluctuations. The drop in the dollar against the Yen caused exporter stocks to fall by the most in over four months. The Nikkei fell 2.0% to close at 16,970.29 points and the Hang Seng retreated by 2.2%, however the year to date returns for these indices remain in positive territory recording returns of 5.3% and 10.9%, respectively.

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