

# The Stock Exchange Corner

## Market Performance 2005

by George Edwards

### Market Capitalization

Market capitalization is the sum total of the market values of the shares of the companies being traded on the stock exchange. One of the indicators that a market may be growing is the growth of market capitalization. This may occur by the addition of new shares to the market or growth in the value of the shares already being traded. The Guyana stock market experienced a bit of both in 2005.

A comparison with figures for 2004 showed that market capitalization increased by 46.1% in 2005. This was due to both the addition of new shares to the market and the increase in market values of shares in some companies.

Banks DIH Ltd was the only company to contribute to the increase in market capitalization by adding new shares to the market. Banks issued the remaining 118,281,250 shares of their authorized share capital to Banks Holdings Limited of Barbados. This batch of shares was sold at a price of G\$12.54 per share, thereby adding the sum of \$1.5 billion to market capitalization at the time of issue.

There were significant increases in the market values of some companies. The table below shows a comparison of end of year prices for 2004 and 2005 and the effect of the changes in share prices on market capitalization.

Company	Year-end Price 2004	Year-end Price 2005	Change	No. of shares issued	Addition to market capitalization
NBI	15.00	26.00	11.00	300,000,000	3,300,000,000
BTI	32.00	75.00	43.00	40,000,000	1,720,000,000
CBI	13.30	13.30	-	59,491,300	-
DIH	8.00	11.40	3.40	881,718,750*	2,997,843,750
JPS	-	-	-	19,004,400	-
CCI	-	2.00	2.00	152,000,000	304,000,000
DTC	178.00	170.00	(8.00)	23,400,000	(187,200,000)
GSI	13.00	15.00	2.00	70,685,557	141,371,114
SPL	49.00	50.00	1.00	15,271,320	15,271,320
DBL	-	3.00	3.00	450,000,000	1,350,000,000
DDL	7.30	8.40	1.10	770,000,000	847,000,000
PHI	6.00	6.00	-	100,000,000	-
GTI	-	-	-	26,226	-
<b>Total</b>					<b>10,488,286,184</b>

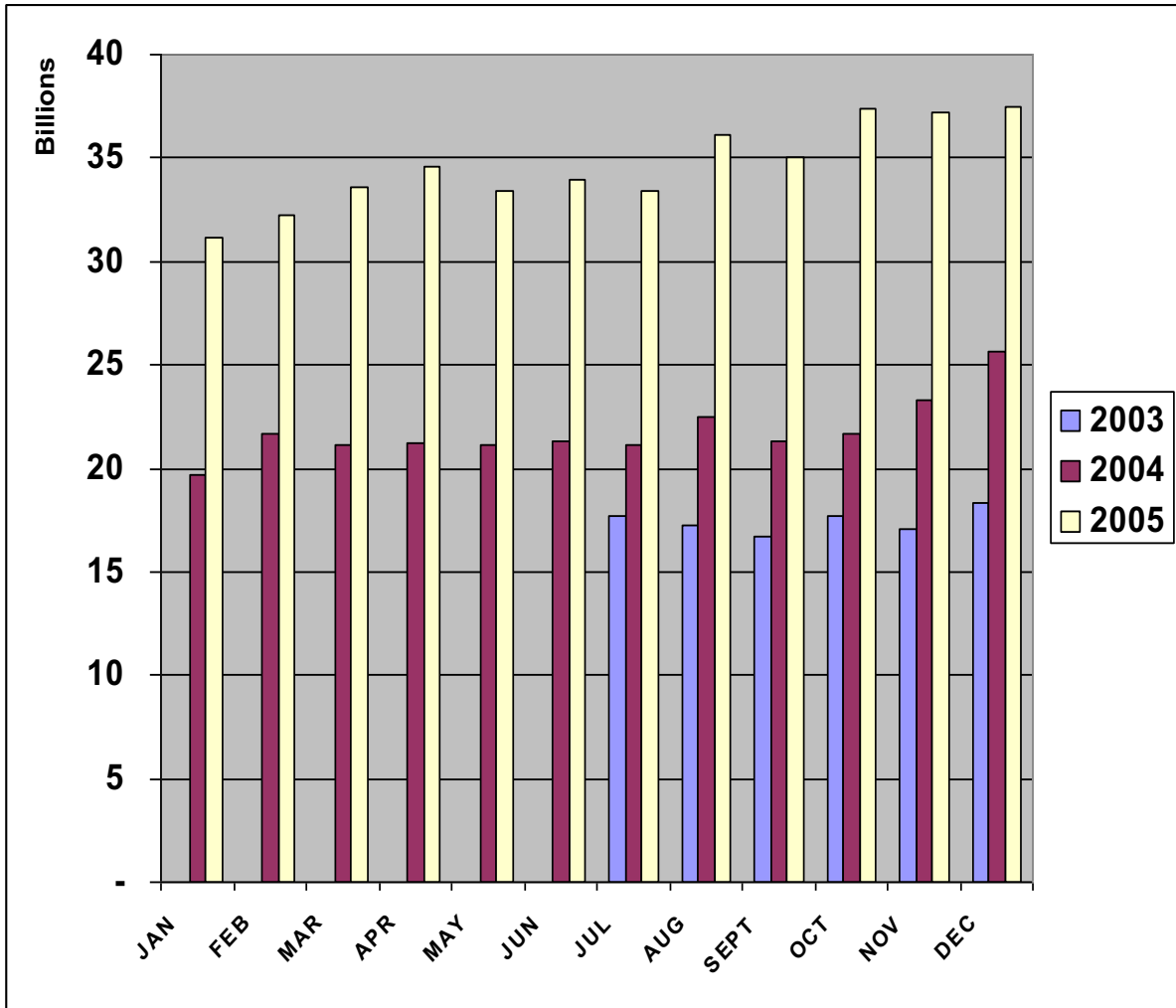
\* Banks DIH Ltd's shares were kept at the 2004 level to show the addition, by change in price, to market value before the new shares were issued.

The addition of the 118,281,250 shares as at the end of 2005 would have contributed  $118,281,250 \times 11.40 = \$1,348,406,250$ . This figure added to the 10,488,286,184 would give a total of 11,836,692,434.

A table and graph showing figures for the three years the Guyana Stock Exchange has been in existence, previously published on January 6, 2006 is reproduced for your perusal.

### Market Capitalization

	2003	2004	2005
JANUARY		19,662,614,163	31,195,812,325
FEBRUARY		21,679,270,363	32,271,198,365
MARCH		21,144,926,563	33,631,294,025
APRIL		21,194,926,563	34,554,634,025
MAY		21,115,249,841	33,414,294,025
JUNE		21,323,046,541	33,936,634,025
JULY	17,659,406,300	21,112,874,641	33,443,034,025
AUGUST	17,210,991,300	22,456,135,631	36,136,683,645
SEPTEMBER	16,687,199,400	21,333,976,367	35,003,743,645
OCTOBER	17,665,332,755	21,650,963,569	37,389,727,045
NOVEMBER	17,068,720,255	23,308,614,711	37,197,083,645
DECEMBER	18,296,920,255	25,678,393,211	37,515,083,645



**Next week: A sectoral analysis of market capitalization for 2005.**

**N.B. – More information may be accessed on our website: [www.gasci.com](http://www.gasci.com)**