

Market News:

International: The Bank of Italy warned yesterday that the government's revamped austerity plan must not cut back on its original €45.5 billion (US\$65.9 billion) proposal to raise taxes and cut spending, and said even with the plan, Italy risked economic stagnation. Premier Silvio Berlusconi and his allies late Monday issued a revision of the proposed austerity measures after widespread public anger, deciding to scrap special tax on high earners and spare small town governments. The new measures tinker with retirement age and call for a reduction in the number of lawmakers.

ECSE: An International Monetary Fund (IMF) mission led by Ms. Nita Thacker visited St. Vincent and the Grenadines during August 10–19 for the annual Article IV discussions on economic developments and macroeconomic policies. At the end of the mission, Ms. Thacker issued the following statement: "St. Vincent and the Grenadines has been facing a challenging year. In addition to the continued impact of the global slowdown, the country was severely affected by two recent natural disasters: Hurricane Tomas in October 2010, and torrential rains and floods in April 2011. Economic activity contracted by 1.8 percent last year, and is expected to remain subdued this year despite some pickup in reconstruction activity. Growth is expected to recover in 2012 and reach its potential level of 3.5 percent over the medium-term, provided recovery in advanced economies does not stall. High world commodity prices are expected to put temporary pressure on inflation and the balance of payments in 2011, but these will subside over the medium-term.

Jamaica: Jamaica has approved Digicel's acquisition of Claro Jamaica, but Prime Minister Bruce Golding said Tuesday that it is on the proviso that Digicel continues operating two separate networks, in what is meant to be a check on the market leader's dominance. Digicel wanted to integrate the operations into a single network but Golding rejected that plan. "Digicel will therefore be required to maintain a separate network and complete a separate build-out of 90 per cent penetration of the island as required under the original Claro licences. Fulfillment of these obligations will be vigorously monitored and enforced," said Golding in a prepared speech delivered in Parliament.

Trinidad: CL Financial has completed the sale of all the issued and outstanding shares of the Primera Group to Canadian junior energy firm, Touchstone Exploration Inc. The documents for the transfer of ownership, which were held in escrow, were effective from August 19 pending payment of the purchase price from funds released from escrow by Computershare Trust Company of Canada, according to a Touchstone statement. The total purchase price, net of liabilities assumed, is US\$50.7 million. A previously paid deposit of (US)\$5.07 million was applied to partial payment of the purchase price at closing.

Barbados: Domestic exports from Barbados were up by about 20 per cent between January and March this year when compared to the same period a year earlier. Trade figures published by the Barbados Investment and Development Corporation (BIDC) in its Business Catalyst magazine, show that domestic exports totaled \$114.5 million in the three months ended March 2011. The BIDC information is sourced from the Barbados Statistical Service, and the increases suggest some recovery in the local manufacturing sector which was hit hard in recent times by falling market share in the Caribbean and Canada.

Market Performance

Eastern Caribbean	Closing Position	Index Movement	% Change
ECSE Index	138.50	-	-
Jamaica	Closing Position	Index Movement	% Change
JSE Main	93,531.84	▼24.98	▼0.03
JA. Select	2,771.64	▼14.95	▼0.54
Trinidad & Tobago	Closing Position	Index Movement	% Change
TTSE Composite Index	976.49	-	-
Barbados	Closing Position	Index Movement	% Change
BSE Composite Index	731.33	-	-
North America	Closing Position	Index Movement	% Change
DOW Jones Indus AVG	11,613.50	▼53.58	▼0.46
S&P 500	1,218.89	▼5.97	▼0.49
NASDAQ	2,579.46	▼3.35	▼0.13
Europe / Asia	Closing Position	Index Movement	% Change
NIKKEI 225	9,060.80	▲105.60	▲1.18
STOXX 600	236.01	▼1.42	▼0.60
FTSE 100	5,368.30	▲26.24	▲0.49
Major Currencies			
EUR-USD 1.428000	▼0.00890	▼0.622000%	
JPY-USD 0.012980	▲0.38200	▲0.498300%	
GBP-USD 1.620300	▼0.00480	▼0.292300%	

Upcoming Bond Issues

Issuer	Government of St Vincent & the Grenadines
Date	Sept 29, 2011
Tenor	91 Days
Issue Amount in EC\$	25M
Maximum Rate (%)	5.82%

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