



# WEALTH CREATION THROUGH THE JAMAICA STOCK EXCHANGE

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## What is Wealth?

- Learning is the beginning of wealth and ‘an investment in knowledge pays the best interest’ –Benjamin Franklin
- Accumulation of Resources
- Measured over time and by purchasing power
- Maintained by ability of net-worth to keep ahead of inflation



## How is Wealth Created?

- Acknowledge the place of saving in accumulation of fund
- Investment and the returns on investment
- Forms of investments ranging from real estate, directly or indirectly in businesses
- Investing in shares/equities – powerful medium for good returns



## Role of the Stock Exchange

- Provides a safe and efficient medium for investors to invest
  - (a) Efficient trading & Settlement platform (ease of buying & selling)
  - (b) Robust regulatory machinery (market confidence)
- Products available – shares in companies (equities and preference)
- Debt market - Bonds



## Role of the Stock Exchange

- Provides investors with a market where shares are traded & other financial securities are bought & sold
- Gather the savings of the nation by bringing potential buyers & sellers together
- Pass capital on efficiently & fairly
- Attract primary capital & re-channel resources to productive economic activities
- Provide option for financing





## Role of the Stock Exchange

- JSE's website [www.jamstockex.com](http://www.jamstockex.com)
- Market reports
- Market Watch – Remote Observer capabilities
- Market Education – workshops seminars



## Role of the Stock Exchange - Companies

- Raise capital – expansion, refinance, product development
- Enhance corporate profile
- Efficiency of transferring ownership
- Broaden ownership base – develop and expand ideas
- Benefit to the economy
- Market valuation



## Role of the Stock Exchange - Investors

- Ownership in companies
- Wealth creation potential
- Liquidity
- Efficiency in transferring ownership
- Diversification – invest in different industries





## Wealth Creation -Advantages

- Equities out-perform other forms of investments
- Over the long-run the stock market offers best opportunity & possibilities for wealth creation
- Provides multiple forms of income:
  - (a) share price appreciation
  - (b) dividend /Bonus Shares
  - (c) Tax Benefits
- Diversification of investment portfolio



## Financial Market Data

Economic performance over 5 years (2008-2012) JM over 4yrs.

- Monthly average interest on deposit 3.88%
- Moving average annual inflation rate 11.72%
- JSE Index 3.65% (tax free and excluding dividend payments)
- Junior Market Index average annual growth rate 78.96%



## Success of Financial Literacy

Positive indicators as follows:

- Deposit Accounts: Decline in 2009- 2011 with growth in 2012-2013
- Client Accounts- JCSD: 2008-2013 growth 92,723 -110,704 (20%)





# 'Chains of habit are too light to be felt until they are too heavy to be broken' Warren Buffett

- Thank you!
- Call your Broker Today!

