

DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	GENAC	SJ	JMMBGL	SEP	KREMI
Current Price (\$)	2.72	37.52	26.00	28.73	6.10
Trailing EPS (\$)	0.32	3.23	2.05	1.41	0.52
P/E (times)	8.58	11.63	12.70	20.32	11.73
Projected P/E	9.12	11.86	11.65	15.31	11.60
Projected EPS (\$)*	0.30	3.16	2.23	1.88	0.53
Book Value per share (\$)	1.99	15.32	16.44	18.69	1.56
Price/Book Value (times)	1.37	2.45	1.58	1.54	3.91
Dividend Yield (2017 YTD %)	7.13%	N/A	0.88%	N/A	N/A
Volumes	837,115	4,187,804	75,413	6,450	170,000
Recommendation	BUY	HOLD	BUY	HOLD	BUY

GENAC



STOCK OF THE DAY: General Accident Insurance Company Limited

For the six months ended June 30, 2017:

GENAC reported net premium written of \$673.34 million, 15% more than the \$585.29 million reported for 2016. This was as a result of a 4% increase in gross premium written to \$4.55 billion (2016: \$4.37 billion), while reinsurance ceded increased by 3% from \$3.73 billion last year to \$3.82 billion. Excess of loss reinsurance grew by 4% to \$53.57 million from \$51.51 million.

Net changes in unearned premiums totalled \$55.57 million, 26% more than the \$44.23 million recorded last year. Consequently, net premiums earned grew by 14% to a total of \$617.78 million compared to \$541.06 million for the same period last year. Commission income increased by 5%, year over year, from \$239.37 million in 2016 to \$250.97 million while commission expenses increased by 19% from \$142.57 million in 2016 to \$169.12 million.

Claims expenses saw an increase of 14%, closing the period at \$539.04 million (2016: \$474.49 million) while management expenses rose by 26% to total \$272.23 million compared to the 2016 total of \$216.19 million. Net change in commission totalled \$43.70 million, 347% higher than \$9.77 million reported last year.

Underwriting loss for the period totalled \$67.95 million, compared to a loss of \$43.05 million in 2016. Investment Income closed at \$90.45 million, a 1% decline when compared with last year's \$91.03 million, while other income totalled \$3.42 million, a significant decline when compared to the \$34.23 million reported for the same period last year. Other operating expenses grew by 2% to \$14.33 million relative to \$13.99 million in 2016. Profit before taxation amounted to \$11.58 million (2016: \$68.22 million). Net Profit totalled \$8.34 million for the period, a decrease of 88% compared to the \$68.19 million reported last year, following tax charges of \$3.2 million (2016: \$30,000). Net loss for the second quarter amounted to \$9.02 million relative to profit of \$47.07 million in 2016. As such, Earning per share for the six months amounted to \$0.008 (2016: \$0.066) while loss per share for the quarter amounted to \$0.009 compared to \$0.046 in 2016. The twelve-month trailing EPS amounted to \$0.317. The number of shares used in our calculations amounted to 1,031,250,000 units.

⁺Prices are as at 10 October 2017 ^{*}Projections are for the forward 12 months from the most recent quarter results

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	129.800	98.560	126.7176	147.840	100.470	129.0642
CAN	103.800	73.800	102.0104	118.080	97.500	103.7805
GBP	170.000	121.730	164.4485	195.960	137.960	169.5524
EURO	167.000	109.130	144.6992	174.600	145.500	151.1954

*Rates as at October 09, 2017

MONEY MARKET

The Jamaican dollar fixed income market was illiquid in today's (October 10, 2017) trading session. The overnight rates were quoted around 2.30% to 3.25% while the 30-day rates were between 5.00% to 5.15%.

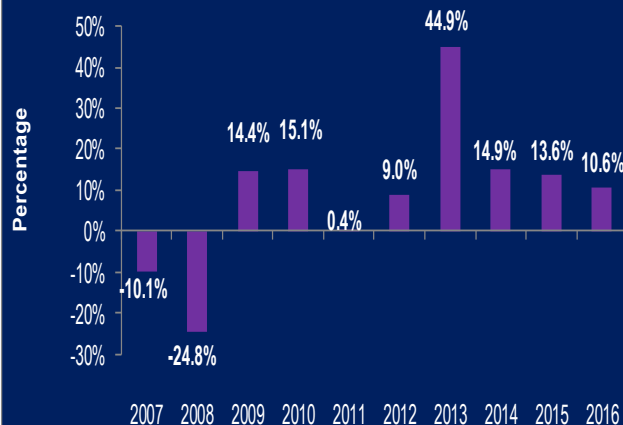
The US dollar fixed income market was also liquid during today's (October 10, 2017) trading session; The overnight market rates were quoted at 1% while the 30-day market rates stood around 1.2% to 1.4%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI American Small Companies Fund

This fund's objective is to seek above-average capital growth. It invests primarily in equity and equity-related securities of small to mid-capitalization North American companies. The fund has a 3 year return of 9.7% and a 5 year return of 16.2% as at August 31, 2017. The Fund also has a 1 year return of 4.0%.

Fund Yearly Return



US: Trump Says He'll Adjust His Tax Plan in the Next Few Weeks

“President Donald Trump said Tuesday he plans to make changes to his tax plan within the next few weeks, while dismissing concerns that his public spat with Senator Bob Corker would scuttle an overhaul. “We’ll be adjusting a little bit over the next few weeks to make it even stronger, but I will tell you it’s become very, very popular,” Trump told reporters in the Oval Office. Trump didn’t specify what kind of changes he expects to make to the plan. The framework that Trump and GOP congressional leaders released last month has been criticized for adding to the budget deficit, and independent analysts suggest that it would raise taxes for 30 percent of people making between \$50,000 and \$150,000 per year. The White House had no changes to announce Tuesday, Press Secretary Sarah Huckabee Sanders said later. After the Sept. 27 plan was released, White House advisers said it was up to the tax-writing committees in the House and Senate to fill in the details. “Our priorities remain the same, but the final piece of legislation hasn’t been finalized,” Sanders told reporters. She added: “The framework is still the same.” “We’re working with Congress as they put meat on the bones of the framework we jointly released,” Natalie Strom, a White House spokeswoman, said”.

<https://www.bloomberg.com/news/articles/2017-10-10/trump-says-he-will-adjust-his-tax-plan-in-next-couple-weeks>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at October 09, 2017	
	Percentage (%)
Yield to Maturity	4.63
Weighted Average Coupon	4.938
Current Yield	4.80

The platinum portfolio has an effective maturity of 15.50 years and duration of 4.96 years.

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MIL Ratings System:

BUY: We believe the stock is attractively valued. The company has sound or improving fundamentals that should allow it to outperform the broader market. We anticipate the stock will outperform the market over the next 12 months. The risk factors to achieving price targets are minimal.

HOLD: We believe the stock is fairly valued at the current price. The company may have issues affecting fundamentals that could take some time to resolve. Alternatively, company fundamentals may be sound, but this is fully reflected in the current stock price. The risk factors to achieving price targets are moderate. Some volatility is expected. In addition, technically it may be difficult to attain additional volume of the stock(s) at current price.

SELL: We believe the stock is overpriced relative to the soundness of the company’s fundamentals and long-term prospects.

SPECULATIVE BUY: We believe the prospects for capital appreciation exist, however there is some level of uncertainty in revenue growth.

Source: www.jamstockex.com, www.bloomberg.com, www.investopedia.com, www.tradewire.com

EUROPE: Catalans Retreat From Immediate Independence to Seek Dialogue

“Catalonia’s President Carles Puigdemont stepped back from an immediate declaration of independence from Spain, instead seeking talks with the government in Madrid over the constitutional future of his region. Puigdemont, addressing the regional parliament in Barcelona, said while the result of an Oct. 1 referendum had given him the mandate to pursue independence, he would hold off for a matter of weeks to pursue dialogue on the way forward with Prime Minister Mariano Rajoy’s administration. “Today I assume the mandate for Catalonia to become an independent state in the form of a republic,” Puigdemont told the packed assembly in a special session on Tuesday evening. “We propose the suspension of the effects of the declaration of independence for a few weeks, to open a period of dialogue.” Pressure has piled on Puigdemont as Spanish government and Catalan business leaders demand that he desist from pitching the region further down a path to independence that they warn would wreck the economy and tear Spain’s social fabric. Rajoy has pledged to take all steps needed to prevent independence by Catalonia, which he says is impossible under Spain’s Constitution”.

<https://www.bloomberg.com/news/articles/2017-10-10/catalan-president-steps-back-from-independence-to-seek-talks>

STRUCTURED PRODUCT

Mayberry Gold

This portfolio is ideal for investors, both retail and corporate, seeking a conservative, short-term investment. The securities in the Gold are directly owned by the client and provide them with a safe investment option. Our Gold portfolio can also provide investors with coupon payments that can generate a positive income stream.