

DAILY MARKET SUMMARY



LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	SJ	PJAM	SEP	CPJ	SALF
Current Price (\$)	33.43	34.19	34.00	3.85	7.85
Trailing EPS (\$)	2.88	4.16	2.11	0.07	0.86
P/E (times)	11.60	8.23	16.08	52.13	9.10
Projected P/E	9.84	9.07	13.00	12.10	6.87
Projected EPS (\$)*	3.40	3.77	2.61	0.32	1.14
Book Value per share (\$)	15.21	24.81	18.34	2.48	7.49
Price/Book Value (times)	2.20	1.38	1.85	1.55	1.05
Dividend Yield (2016 YTD %)	3.83%	6.61%	10.95%	1.82%	5.18%
Volumes	2,292,158	411,523	5,630	1,300,064	9,000
Recommendation	HOLD	BUY	HOLD	HOLD	HOLD

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	131.000	93.600	129.2580	141.020	123.500	130.2980
CAN	96.750	69.230	95.5971	101.530	91.000	96.2860
GBP	169.610	122.780	164.6050	180.070	158.000	169.3090
EURO	145.400	106.440	138.7078	147.560	138.700	147.0331

*Rates as at May 17, 2017

MONEY MARKET

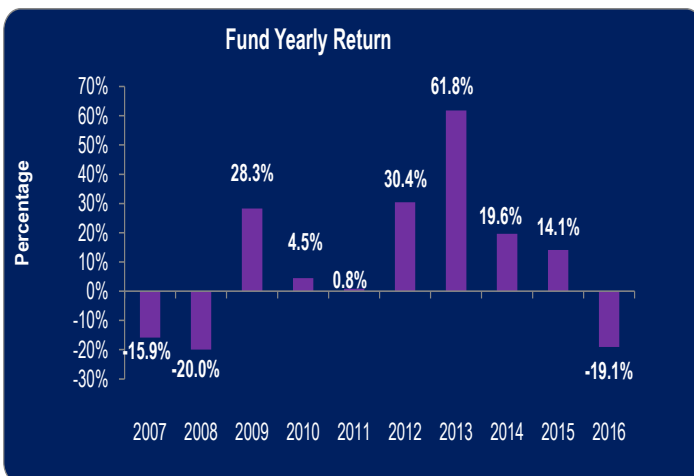
The Jamaican dollar fixed income market was illiquid in today's (May 18, 2017) trading session. The overnight rates were quoted around 4.00% to 4.50% while the 30-day rates were between 5.5% to 5.9%.

The US dollar fixed income market was also liquid during today's (May 18, 2017) trading session; The overnight market rates were quoted at 1% while the 30-day market rates stood around 1.30% to 1.35%.

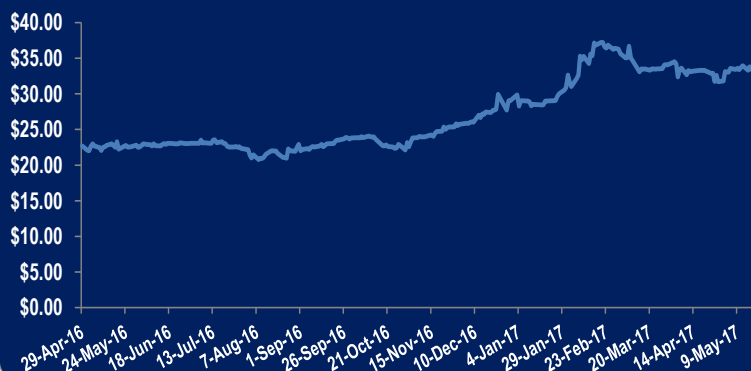
OVER THE COUNTER FUNDS (CI FUNDS)

CI Global Health Sciences Corporate Class

This fund's objective is to obtain maximum long-term capital growth. It invests primarily in equity and equity-related securities of companies around the world that specialize in the health care or medical industry. The fund has a 1 year return of 4.9% and a 5 year return of 18.1% as at April 30, 2017. The Fund also has a three months return of 13.1%.



SJ



STOCK OF THE DAY: Sagico Group Jamaica Limited (SJ)

For the three months ended March 31, 2017

Total revenues increased by 11% to \$15.26 billion from \$13.71 billion in 2016, and was broken down as follows:

Net investment income increased to \$4.72 billion from \$4.5 billion in 2016. Fees and other revenue increased 34% to \$2.01 billion (2016:\$1.51 billion). Net premium revenue increased by 11% to a total of \$8.53 billion from \$7.71 billion in 2016.

Benefits and expenses totaled \$12.49 billion for the period, increasing year over year by 10% from \$11.4 billion. This increase was mainly driven by:

An 8% increase in net insurance benefits incurred to \$5.45 billion (2016:\$5.02 billion). Administration expenses for the period amounted to \$4.76 billion compared to \$3.22 billion in the prior year, a 48% increase. According to the company "this large increase is mainly influenced by business expansion - in particular the Cards and Payments business; compensation cost for annual increases and bonuses to Team members some of which will not repeat later in the year; and higher provisions for loan losses."

Commission and related expenses grew by 29% to close at \$1.28 billion up from the \$998.73 million posted in 2016. Share of profit from joint venture amounted to \$8.78 million relative to loss of \$624,000 thousand a year prior. While share of profit from associate totaled \$158.13 million relative to nil the prior year. Profit before Taxation amounted to \$2.92 billion, a 17% gain when compared to the \$2.49 billion booked in 2016. After investment and corporation taxes of \$326.51 million (2016:\$589.36 million), net profit attributable to shareholders amounted to \$2.59 billion (2016:\$1.90 billion), an increase of 36%.

As a result, EPS for the quarter amounted to \$0.66 (2016:\$0.49) while the twelve month trailing EPS totaled \$ 3.06.

⁺Prices are as at May 18, 2017 *Projections are for the forward 12 months from the most recent quarter results

U.S.: Breaking Up Biggest Banks Would Be a 'Huge Mistake,' Mnuchin Says

“Treasury Secretary Steven Mnuchin said breaking up the biggest banks would be a “huge mistake,” easing concerns that the Trump administration plans a major revamp of Wall Street. “We do not support a separation of banks and investment banks,” Mnuchin said at a Senate Banking Committee hearing. “That would have a very significant” impact on financial markets and the economy, he added. The Treasury chief’s remarks appear to put to rest a question that has been roiling the industry for months. Some administration officials have suggested they were in favor of Congress passing an updated version of the Depression era Glass-Steagall law that split commercial and investment banking, though they have been vague about what that actually meant. The law was repealed in 1999.”

<https://www.bloomberg.com/news/articles/2017-05-18/breaking-up-biggest-banks-would-be-huge-mistake-mnuchin-says>

Europe: EU to announce capital markets union 2.0 on June 7

“The European Commission will announce new initiatives to reconfigure its capital markets union (CMU) project on June 7 to reflect Britain’s decision to leave the bloc, a senior commission official said on Thursday. Confirming a Reuters story published on Wednesday, Ugo Bassi, a director in the European Union executive’s financial services unit, said the CMU needed reassessing because of Brexit. “We are preparing now the action plan for CMU 2.0 which will be published on June 7 in the form of a mid-term review and which will announce a number of additional initiatives we would like to take in coming months,” Bassi told a conference organized by the Association for Financial Markets in Europe. “We can no longer count on liquidity pools in London.” Initiatives will include making it easier to sell funds across borders using a so-called EU passport. Stronger European Union supervisory powers, probably for the bloc’s European Securities and Markets Authority, were also needed to reinforce CMU, he said.”

<http://www.reuters.com/article/us-eu-markets-regulations-idUSKCN18E25A>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at May 15, 2017	
	Percentage (%)
Yield to Maturity	4.69
Weighted Average Coupon	5.30
Current Yield	5.35

The platinum portfolio has an effective maturity of 11.58 years and duration of 4.10 years.

STRUCTURED PRODUCT

Mayberry Platinum

Mayberry Platinum is a managed fixed income portfolio that is denominated in US dollars consisting of corporate and sovereign bonds. The objective of the product is to provide income and capital appreciation over the medium to long-term. Bonds in the portfolio will be directly owned by the customer and may be used as collateral for loans.

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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

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MAYBERRY INVESTMENTS LIMITED
 A Member of the Jamaica Stock Exchange

1 ½ Oxford Road, Kingston 5, Jamaica. ☎ (876) 929 1908 – 9
 research@mayberryinv.com • sales@mayberryinv.com • www.mayberryinv.com