

DAILY MARKET SUMMARY



LOCAL STOCK MARKET: (JS) +

Stock Symbol	SJ	JAMT	SALF	DTL	MDS
Current Price (\$)	31.56	4.54	8.61	7.54	5.50
Trailing EPS (\$)	3.23	0.20	0.86	0.42	0.38
P/E (times)	9.78	23.09	9.98	17.75	14.39
Projected P/E	9.98	13.59	7.54	13.64	10.68
Projected EPS (\$)*	3.16	0.33	1.14	0.55	0.52
Book Value per share (\$)	15.32	1.37	7.49	3.24	2.14
Price/Book Value (times)	2.06	3.31	1.15	2.32	2.57
Dividend Yield (2016 YTD %)	3.83%	N/A	5.18%	N/A	2.21%
Volumes	18,656	23,819	60,000	27,119	1,023,000
Recommendation	HOLD	BUY	BUY	BUY	BUY

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	128.700	98.400	126.9922	147.600	99.630	128.2195
CAN	103.750	74.630	101.5537	119.400	91.000	103.0852
GBP	168.500	122.630	164.4967	196.200	151.000	167.5411
EURO	149.000	108.750	141.9027	174.000	126.500	151.3754

*Rates as at July 31, 2017

MONEY MARKET

The Jamaican dollar fixed income market was illiquid in today's (August 2, 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 (August 2, 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 Pacific Corporate Class

This fund's objective is to obtain maximum long-term capital growth. It invests primarily in equity and equity-related securities of established companies that the portfolio advisor believes have good growth potential. The fund has a 6 month return of 12.4% and a 5 year return of 10.7% as at June 30, 2017. The Fund also has a three year return of 8.9%.



SJ



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

For the six months ended June 30, 2017:-

Total Revenues increased by 5% to \$30.36 billion from \$29 billion in 2016, while for the second quarter Total Revenues were down 1% to total 15.09 billion compared to 15.29 billion in 2016. Total revenue was broken down as follows;

Net premium revenue increased by 12% to a total of \$17.41 billion compared to \$15.61 billion last year.

Net Investment Income declined to \$8.96 billion from \$10.05 billion in 2016, an 11% decline.

Fees and other revenue increased 19% to \$3.99 billion from \$3.34 billion in 2016.

Benefits and Expenses totaled \$23.60 billion for the period, a slight decline of 0.3% from \$23.67 billion, while for the second quarter Benefits and Expenses were down 10% to close at \$11.11 billion relative to \$12.28 billion in 2016. This was mainly driven by increases in commission and related expense and administration expenses and a decline in Changes in insurance and annuity liabilities. Commission and related expenses grew by 15% to \$2.38 billion from \$2.07 billion while administration expenses increased by 31% to \$9.27 billion (2016:\$7.1 billion). The company highlighted that "the increases were influenced by business expansion - in particular the Cards and Payments business." Changes in insurance and annuity liabilities decline by 86% to total \$465.34 million relative to \$3.26 billion in 2016.

Share of profit from joint venture amounted to \$16.53 million relative to \$10.96 million a year prior. Share of profit from associate for the period totaled \$233.13 million compared to \$329.43 million last year. As such, Profit before Taxation amounted to \$7.01 billion, a 24% gain when compared to the \$5.67 billion booked in 2016.

Investment and corporation taxes of \$1.35 billion was reported for the period (2016: \$1.37 billion), as such net profit for the six months totaled \$5.65 billion (2016:\$4.31 billion), an increase of 31%. Profit for the quarter amounted to \$3.06 billion relative to \$2.40 billion in 2016.

Earnings per share for the quarter amounted to \$0.783 (2016:\$0.615), while EPS for the period totaled \$1.45 relative \$1.10 in 2016. The twelve month trailing EPS amounted to \$3.22.

U.S.: Trump Endorses Bill to Cut Legal Immigration, Award Visas Based on Merit

“President Donald Trump on Wednesday endorsed new legislation that would reduce legal immigration to the U.S. and evaluate visa applications based on merit, with a preference for people with higher education or job skills. The legislation would represent a dramatic overhaul of the current U.S. immigration system, leading to a significant decrease in the number of green cards issued to immigrants and eliminating some benefits enjoyed by prospective immigrants with family members already here. Instead, applicants with advanced degrees, particular skills, or job offers would be given preference. The changes would represent the fulfillment of a campaign-trail pledge for the president, and are favored by top White House aides Steve Bannon and Stephen Miller, who have often pushed Trump to embrace a more nationalist agenda.”

<https://www.bloomberg.com/news/articles/2017-08-02/trump-endorses-bill-to-award-immigrant-visas-based-on-merit>

Europe: Brexit Risk Premiums Are Evaporating as Global Markets Move On

“As the Brexit process lurches from one drama to the next, dominating U.K. politics, media and business decisions, macro traders have grown immune to noise surrounding the country’s departure from the European Union. The British pound is trading near the highest in a year versus the dollar as attention turns instead to headwinds for the greenback. Sterling has even held its own against the advancing euro in recent days. Moody’s weighed in on Wednesday, raising the outlook for U.K. banks to stable, having cut it to negative last June in a reaction to the Brexit vote. Is there any Brexit premium left in global markets? Call it last year’s trade -- or next year’s -- but for now signs abound of the disappearance, or at least acceptance, of risks around Britain’s departure: The three-month implied volatility of the pound against the U.S. dollar, which measures expectations for swings in the currency, has been falling.”

<https://www.bloomberg.com/news/articles/2017-08-02/brexit-risk-premiums-are-evaporating-as-global-markets-move-on>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at August 2, 2017	
	Percentage (%)
Yield to Maturity	4.64
Weighted Average Coupon	5.018
Current Yield	4.96

The platinum portfolio has an effective maturity of 13.66 years and duration of 4.36 years.

STRUCTURED PRODUCT

Mayberry Managed Equity Portfolio (MMEP)

We offer a managed equity portfolio for both institutions and individuals. The MMEP is a full discretionary managed portfolio of a diversified group of stocks. The stocks included in the portfolio represent Mayberry’s top recommended stocks. Persons who find it difficult to manage their equity portfolios on a day to day basis should consider the MMEP. Further, the MMEP is for individuals and institutions who would like to pursue a medium to long term equity strategy.

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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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