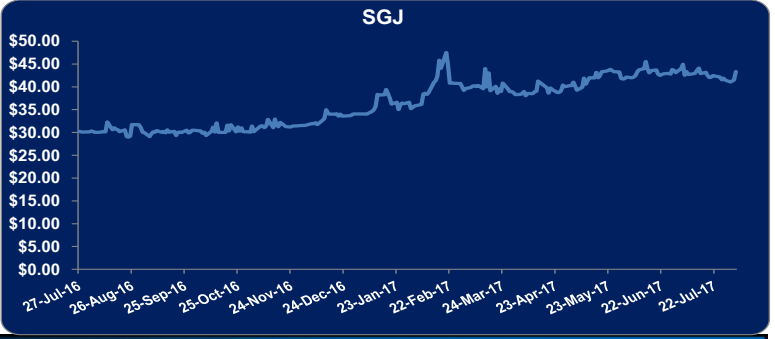


## DAILY MARKET SUMMARY



### LOCAL STOCK MARKET: (JS) +

Stock Symbol	SGJ	TTECH	NCBFG	PURITY	PULS
Current Price (\$)	44.05	8.01	85.25	2.62	2.01
Trailing EPS (\$)	3.96	0.35	7.80	0.06	0.25
P/E (times)	11.12	22.86	10.94	41.66	8.18
Projected P/E	10.37	19.03	8.64	29.06	10.69
Projected EPS (\$)*	4.25	0.42	9.87	0.09	0.19
Book Value per share (\$)	30.54	1.59	43.14	2.48	1.32
Price/Book Value (times)	1.44	5.04	1.98	1.05	1.52
Dividend Yield (2016 YTD %)	4.57%	N/A	4.80%	N/A	2.00%
Volumes	63,020	NIL	23,437	23,617	321,745
Recommendation	HOLD	HOLD	HOLD	SELL	BUY



### STOCK OF THE DAY: Scotia Group Jamaica Limited (SGJ)

For the six months ended April 30, 2017

Recorded an improvement in Net Interest Income to \$13.17 billion, moving from \$12.40 billion for the corresponding period in 2016, while Interest Expenses declined by 13% to total \$2.23 billion (2016: \$2.56 billion). Interest Income for the six months increase 3% to close at \$15.40 billion relative to \$14.96 billion. Within the second quarter, the bank posted a 6% improvement in Net Interest Income to \$6.54 billion (2016: \$6.17 billion), stemming from a 3% growth Interest Income to \$7.63 billion (2016: \$7.42 billion) and a 13% decline in Interest Expense to \$1.09 billion (2016: \$1.26 billion). Total Other Revenue increased by 16% to \$7.49 billion (2016: \$6.46 billion). Net Fees and Commission Income amounted to \$4.42 billion (2016: \$3.62 billion), an increase of 22% relative to the corresponding period in 2016. The performance according to SGJ this, "was driven by higher transaction volumes and the growth in our credit card, merchant services, and asset management business."

Net Foreign Exchange Trading Income declined by 24% and amounted to \$1.10 billion (2016: \$1.44 billion). Net Gains on Financial Assets improved to \$219.41 million relative to a \$90.04 million.

Other revenue grew from \$16.21 million in the first six months of 2016 to \$56.08 million, a surge of 246%. As such, Total Operating Income for the first six months increased 8% to total \$19.68 billion versus \$18.25 billion for the corresponding period in 2016. SGJ's Total Operating Income for the second quarter improved 6%, moving from \$9.45 billion in 2016 to \$10.05 billion for the quarter ended April 30, 2017. Total Operating Expenses quarter over quarter reflected a 1% reduction from \$5.24 billion in 2016 to \$5.16 billion. Total Operating Expenses for the six months amounted to \$11.12 billion, a 3% growth from the \$10.82 billion booked for the corresponding period in the prior financial year. Under operating expenses:

Salaries and Staff Benefits increased to close the period at \$5.32 billion (2016: \$5.12 billion). Property Expenses (Including Depreciation) rose by 7% amounting to \$1.03 billion (2016: \$960.27 million). Amortization of Intangible Assets increased 4% to closed the period at \$63.49 million versus \$61.21 million in 2016. SGJ reported \$1.07 billion for asset tax, 12% more than the \$956.45 million documented for comparable period of 2016. Other Operating Expenses decreased by 2% and closed the period at \$3.63 billion relative to \$3.72 billion.

Profit before Taxation totaled \$8.57 billion, this represents an increase of 15% from the \$7.43 billion recorded in 2016. Tax charges for the period totaled \$2.88 billion (2016: \$2.46 billion), as such Net Profit for the period totaled \$5.69 billion, 14% more than the \$4.98 billion posted for the same period in 2016. For the quarter, Net Profit outperformed last year's second quarter results by 16% to close at \$3.48 billion (2016: \$3.01 billion). Profit Attributable to Shareholders amounted to \$5.60 billion, 15% more than the total of \$4.88 billion a year earlier. Earnings per share (EPS) for six months totaled \$1.80 (2016: \$1.57), while the EPS for the quarter amounted to \$1.10 (2016: \$0.95). The trailing earnings per share now totals to \$3.96. The total number of shares employed in our calculations amounted to 3,111,572,984 units.

Prices are as at August 4, 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	128.800	98.400	127.2290	147.600	102.350	128.2665
CAN	103.100	73.650	102.1268	112.930	95.000	102.7851
GBP	169.650	122.000	164.8026	197.040	160.000	168.5065
EURO	150.150	110.250	145.7994	169.050	140.000	152.0516

\*Rates as at August 3, 2017

### MONEY MARKET

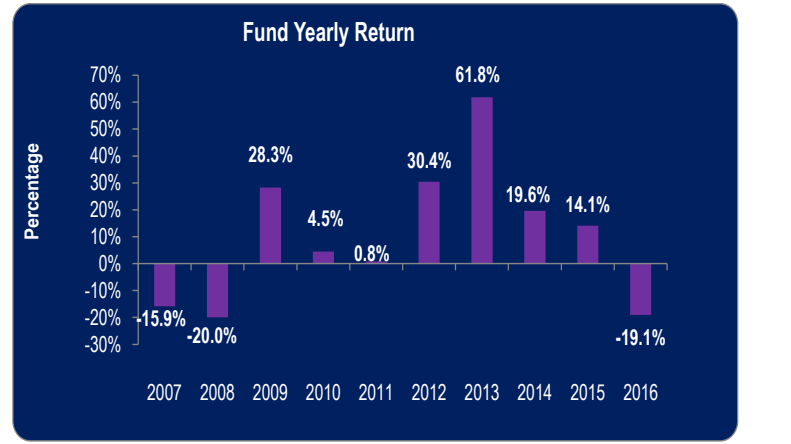
The Jamaican dollar fixed income market was illiquid in today's (August 4, 2017) trading session. The overnight rates were quoted around 4.00% to 4.50% while the 30-day rates were between 5.5% to 5.9%.

The US dollar fixed income market was also liquid during today's (August 4, 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 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 6 month return of 7.8% and a 5 year return of 16.2% as at June 30, 2017. The Fund also has a three year return of 2.2%.



**U.S.: Strong U.S. jobs report bolsters case for further Fed tightening**

“WASHINGTON (Reuters) - U.S. employers hired more workers than expected in July and raised their wages, signs of labor market tightness that likely clears the way for the Federal Reserve to announce a plan to start shrinking its massive bond portfolio. The Labor Department said that nonfarm payrolls increased by 209,000 jobs last month amid broad-based gains. June's employment gain was revised up to 231,000 from the previously reported 222,000. Average hourly earnings increased nine cents, or 0.3 percent, in July after rising 0.2 percent in June. That was the biggest increase in five months. On a year-on-year basis, wages increased 2.5 percent for the fourth straight month. "It was strong across the board. It puts (the Fed) still on track to start the program to wind down the book in September and it's a long ways off in December for the next rate hike," said Justin Lederer, an interest rate strategist at Cantor Fitzgerald in New York”.

<http://www.reuters.com/article/us-usa-economy-idUSKBNI1AK09W>

**Europe: Ireland floats special EU-UK customs union as way to break Brexit logjam**

“BELFAST (Reuters) - Irish Prime Minister Leo Varadkar called on Friday for the European Union and Britain to find "unique solutions" to their Brexit logjam, including a bespoke customs union. That would solve the problem of a hard border in Ireland once Britain has left the EU, something that is of great concern to Dublin. Varadkar, a new face at EU summits since taking office in June, also suggested Brussels may accede to Britain's insistence that a post-Brexit body other than the European Court of Justice oversee bilateral issues, such as citizens rights and aviation regulation. He said, however, that all these "practical solutions" would need to be asked for and would not be offered. Varadkar was speaking in the British province of Northern Ireland as part of a drive to find a compromise that would avoid a hugely damaging hard border being erected across the island of Ireland”.

<http://www.reuters.com/article/us-britain-eu-ireland-idUSKBNI1AK125>

**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 Platinum**

The Mayberry Platinum portfolio is ideal for investors seeking a medium term investment with returns denominated in hard currency. The portfolio comprises Investment Grade corporate and sovereign bonds, which provide strong yield and performance. The primary objective of this product is to provide our clients with income as well as capital appreciation. The Platinum portfolio enables the client to take full advantage of a diversified bond portfolio and is ideal for persons who do not have the time to actively manage their own portfolio.

**DISCLAIMER**

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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](http://www.jamstockex.com), [www.bloomberg.com](http://www.bloomberg.com), [www.investopedia.com](http://www.investopedia.com), [www.tradewire.com](http://www.tradewire.com)

OVER 20 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH  
 = POSITIVE TRANSFORMATION FOR OUR CLIENTS  
 MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS

...BULLISH ON JAMAICA



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