

## DAILY MARKET SUMMARY

## LOCAL STOCK MARKET: (J\$) +

Stock Symbol	NCBFG	JETCON	MDS	SJ	JMMBGL
Current Price (\$)	90.26	5.22	5.25	32.00	20.18
Trailing EPS (\$)	7.80	0.25	0.38	3.23	2.03
P/E (times)	11.58	20.73	13.78	9.92	9.93
Projected P/E	9.15	16.98	14.59	10.12	10.05
Projected EPS (\$) *	9.87	0.31	0.36	3.16	2.01
Book Value per share (\$)	43.14	0.62	2.20	15.32	15.89
Price/Book Value (times)	2.09	8.45	2.39	2.09	1.27
Dividend Yield (2016 YTD %)	4.80%	N/A	2.21%	3.83%	2.76%
Volumes	156,542	124,479	NIL	5,012,508	13,100
Recommendation	HOLD	BUY	HOLD	BUY	HOLD

## NCBFG



## STOCK OF THE DAY:

For The Six Months Ended March 31, 2017:

Net Interest Income increased by 4.02%, relative to the corresponding period in 2016, to total \$14.64 billion (2016: \$14.07 billion). For the quarter Net Interest Income for improved 9.04% to close at \$7.08 billion (2016: \$7.08). Interest income rose 7.15% year over year to \$20.78 billion compared to \$19.40 billion in 2016, while interest expense amounted to \$6.15 billion relative to \$5.32 billion for the corresponding period in 2016.

Net Fees and Commission Income amounted to \$6.97 billion, an increase of 33.23% versus 2016's \$5.23 billion. The bank also reported a gain on foreign currency and investment activities of \$3.64 billion, a growth of 100.65% relative to \$1.81 billion in 2016. Premium income for the period declined 9.74% to \$3.72 billion (2016: \$4.12 billion), while dividend income increased 83.46% to a total of \$105.85 million (2016: \$57.70 million). Other Operating Income climbed by 84.86% to \$97.66 million (2016: \$52.83 million). Consequently, total operating income increased 15.07% to a total of \$29.17 billion (2016: \$25.35 billion). Total operating income for the second quarter recorded a 16.88% growth to \$14.95 billion (2016: \$12.79 billion). Total Operating Expenses for the period amounted to \$19.12 billion, an increase of 5.43% compared to the \$18.14 billion reported for the first six months of 2016. Expenses for the quarter rose 5.13% to close at \$9.01 billion compared to \$8.57 billion in 2016. Of these expenses: Staff costs increased 16.59% to \$8.06 billion relative to \$6.91 billion in 2016 and Other operating expenses which grew by 15.01% to \$8.02 billion (2016: \$6.97 billion).

Provision for credit losses fell 53.48% to \$347.35 million (2016: \$746.74 million) while depreciation and amortization grew by 24.77% to \$1.10 billion (2016: \$884.13 billion). Policyholders' and annuitants' benefits and reserves decreased by 39.25% to \$1.59 billion relative to \$2.62 billion for the prior year's corresponding period. Consequently, operating profit increased 39.33% to total \$10.05 billion (2016: \$7.21 billion). 'Share of profit of associates' surged by 535.93% to total \$1.64 billion compared to \$258.40 million in 2016. Consequently, profit before taxation increased 56.52% to \$11.69 billion relative to \$7.47 billion in 2016. After accounting for taxation of \$2.23 billion (2016: \$1.52 billion), net profit for the six months ended March 31, 2017 totaled \$9.46 billion, an increase of 58.96% compared to \$5.92 billion for the corresponding period of 2016. Net profit for the second quarter improved by 63.03% to close at \$5.87 billion (2016: \$3.60 billion).

Earnings per share (EPS) for the six months ended March 31, 2017 totaled \$3.84 relative to \$2.43 booked for the comparable period of 2016. The EPS for the second quarter amounted to \$2.38 (2016: \$1.46). The trailing twelve month EPS amounted to \$7.26. The number of shares used in our calculations amounted to 2,466,762,828 units.

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	128.750	98.400	127.3641	147.600	123.000	128.4353
CAN	103.000	73.130	101.0832	112.130	95.000	101.2956
GBP	168.950	121.500	164.2744	194.400	160.000	167.6838
EURO	149.150	108.750	144.7329	174.000	145.000	151.6707

\*Rates as at August 10, 2017

## MONEY MARKET

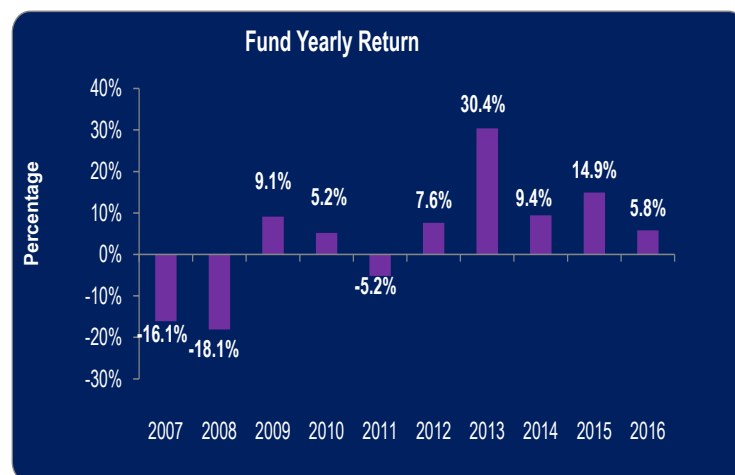
The Jamaican dollar fixed income market was illiquid in today's (August 11, 2017) trading session. The overnight rates were quoted around 4.00% to 4.50% while the 30-day rates were between 5.5% to 5.9%.

The US dollar fixed income market was also liquid during today's (August 11, 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 Value Corporate Class

This fund's objective is to obtain maximum long-term capital growth by identifying securities that the portfolio advisor believes are undervalued and have the potential for future growth. It invests primarily in equity and equity-related securities of companies around the world. The fund has a 6 month return of 6.1% and a 5 year return of 13.7% as at June 30, 2017. The Fund also has a three year return of 10.3%.



“White House tax negotiators and congressional leaders are still planning to release a document in September outlining agreed-upon principles that will serve as a framework for a tax bill, according to a White House official. The document is expected to expand on a two-page press release last month from the so-called Big Six involved in tax discussions, said the official who asked not to be named because negotiations are private. It was unclear after that press release was issued if there would be additional details forthcoming before tax writers started drafting legislative text. National Economic Council Director Gary Cohn, a member of the Big Six, had previously said a tax framework would be released after Labor Day. Kevin Brady, chairman of the tax-writing House Ways and Means Committee, said during an interview Friday on Bloomberg TV that House and Senate tax writers were continuing to work on the details of a revamp over the August recess”.

<https://www.bloomberg.com/news/articles/2017-08-11/white-house-is-said-to-release-some-tax-plan-details-next-month>

“A pushback against the populist movements that have threatened to destabilize the European Union will help bolster the euro for years, according to Andrew Sheets, chief cross-asset strategist at Morgan Stanley. The U.S. investment bank raised its forecasts for the shared currency on Thursday, projecting it would reach \$1.25 early next year, and trade one-for-one against the pound for the first time. This is a “multi-year call” for a stronger euro, Sheets said in an interview with Bloomberg TV’s Guy Johnson on Friday. “What markets will focus on is this idea that the core of Europe, France and Germany, are working toward a stronger European Union, making a push toward reform that we haven’t seen in a number of years,” Sheets said. “That’s structurally bullish for the euro.” The common currency has soared 12 percent against the dollar this year amid improving economic growth and as fears of a populist revolt against the European Union diminished when pro-establishment politicians won elections in France and the Netherlands. A vote in Germany next month is giving more cause for optimism as polls suggest German Chancellor Angela Merkel will comfortably win a fourth term”.

<https://www.bloomberg.com/news/articles/2017-08-11/morgan-stanley-makes-multi-year-call-for-strong-euro-on-reform-j67pyxcg>

## 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 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.

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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)