

## DAILY MARKET SUMMARY



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

Stock Symbol	MDS	KREMI	TTECH	DTL	JMMBGL
Current Price (\$)	5.30	6.71	7.04	7.10	21.17
Trailing EPS (\$)	0.38	0.52	0.33	0.42	2.05
P/E (times)	13.92	12.90	21.44	16.71	10.34
Projected P/E	14.73	12.76	29.26	10.17	9.49
Projected EPS (\$)*	0.36	0.53	0.24	0.70	2.23
Book Value per share (\$)	2.20	1.56	1.65	3.79	16.44
Price/Book Value (times)	2.41	4.30	4.26	1.88	1.29
Dividend Yield (2016 YTD %)	2.21%	0.67%	0.71%	N/A	2.76%
Volumes	335	120,416	5,200	NIL	782,429
Recommendation	HOLD	BUY	SELL	BUY	BUY

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	129.300	98.400	127.1215	147.600	102.350	128.5422
CAN	101.100	73.880	99.3040	118.200	95.000	102.2267
GBP	167.740	119.400	164.1578	192.600	160.000	165.7868
EURO	149.700	109.280	144.3316	174.840	145.700	152.5408

\*Rates as at August 22, 2017

### MONEY MARKET

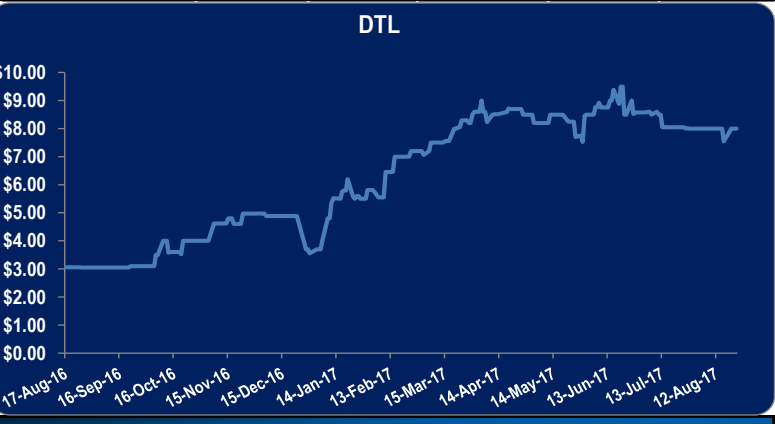
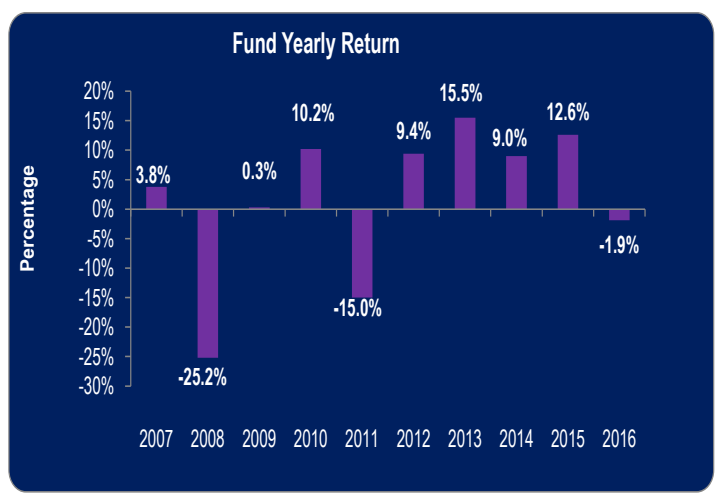
The Jamaican dollar fixed income market was illiquid in today's (August 23, 2017) trading session. The overnight rates were quoted around 3.50% to 4.25% while the 30-day rates were between 5.5% to 5.85%.

The US dollar fixed income market was also liquid during today's (August 23, 2017) trading session; The overnight market rates were quoted at 1% while the 30-day market rates stood around 1.3% to 1.6%.

### 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. These companies operate in or are listed on stock exchanges in the Asia and Pacific Rim region. The fund has a 6 month return of 9.3% and a 5 year return of 10.6% as at July 31, 2017. The Fund also has a three year return of 6.8%.



### STOCK OF THE DAY: Derrimon Trading Limited (DTL)

For the six months ended June 30, 2017:

Derrimon Trading Limited (DTL) Trading Income declined by 5%, to end the six months at \$3.05 billion compared to the \$3.21 billion for the prior period. For the quarter the company reported a 14% decline in Trading Income totalling \$1.41 billion relative to \$1.64 billion.

Cost of Sales declined by 11% to \$2.46 billion for the period (2016: \$2.76 billion). As a result, Gross Profit amounted to \$580.72 million relative to \$458.24 million the year prior, an increase of 27% year over year. DTL noted that, "this improvement is a combination of improvement in margins arising from strategies employed within both the distribution & retail segments of the business." Other Income increased by 49% to close the period at \$11.36 million relative to \$7.62 million reported in 2016.

Other Income for the period improved 49% to close the six months at \$11.36 million relative to \$7.62 million in 2016.

Total operating expenses was \$453.06 million for the period, representing a growth of 27% on the \$357.56 million recorded in the prior year. Administrative expense totalled \$396.89 million, 40% higher when compared to the \$283.44 million in 2016. While selling and distribution expenses recorded a 24% decline for the period, totalling \$56.17 million (2016: \$74.12 million). The management of DTL has indicated that, "the major factors for this increase were the increase in cost for utilities, marketing expenses, and staff cost because of the new retail operations."

Finance Cost increased by 75% to total \$52.70 million for the period relative to \$30.19 million in 2016. The company indicated that "the impact from the sale of the 10% shares in Caribbean Flavours and Fragrances and the replacement of higher costing US dollar loans will positively impact this expense line in ensuing months."

Consequently, profit before taxation grew by 11% ending the period at \$86.33 million for the six months compared to \$78.12 million in 2016. No taxes were reported for the period as such Net Profit amounted to \$86.33 million an 11% increase. For the quarter the company reported a 5% increase in Net Profits to \$33.90 million (2016: \$32.32 million). Earnings per share (EPS) closed the period at \$0.32 (2016: \$0.29), while for the quarter, the EPS was \$0.12 (2016: \$0.12). The twelve month trailing EPS amounted to \$0.49. The total number of shares used in the computation amounted to 273,336,067 units.

\*Prices are as at August 23, 2017 \*Projections are for the forward 12 months from the most recent quarter results

**U.S.: U.S. new home sales hit seven-month low as prices soar**

“WASHINGTON (Reuters) - New U.S. single-family home sales unexpectedly fell in July, dropping to their lowest in seven months amid a surge in prices, raising concerns of a slowdown in the housing market recovery. Coming on the heels of data this month showing a tumble in home building and permits in July, the weak sales pace suggests that housing could remain a drag on economic growth in the third quarter. "The third-quarter sales data are starting out significantly below the second-quarter average, and many other housing reports have also shown some recent weakening in their respective trends," said Daniel Silver, an economist at JPMorgan in New York. "Today's report strengthens our conviction that real residential investment will decline in the third quarter." The Commerce Department said on Wednesday new home sales declined 9.4 percent to a seasonally adjusted annual rate of 571,000 units last month, the lowest level since December 2016. The percentage drop was the largest since August 2016 and confounded economists' expectations for a 0.3 percent gain.”

<http://www.reuters.com/article/us-usa-economy-housing-idUSKCN1B310D>

**Europe: Euro zone August business growth keeps up solid pace**

“(Reuters) - Euro zone business growth maintained a solid clip in August, driven by the best manufacturing performance in 6-1/2 years despite a strong euro, easily offsetting a mild slowdown in services growth, a key private sector survey showed on Wednesday. Taken together with a mild pickup in price pressures, the data is likely to support expectations that the European Central Bank will proceed later this year with making plans to scale back its multi-billion euro monthly asset purchases. The Flash Eurozone Composite Purchasing Managers' Index (PMI), generally considered a good indicator of overall economic growth, edged up slightly to 55.8 in August from 55.7, beating the median Reuters Poll estimate of 55.5. The momentum was underpinned by strong manufacturing growth in both of the euro zone's biggest economies, Germany and France, where manufacturing PMIs surged above even the most optimistic forecasts.”

<http://www.reuters.com/article/us-eurozone-economy-pmi-idUSKCN1B30QC>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at August 21, 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 short to 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.

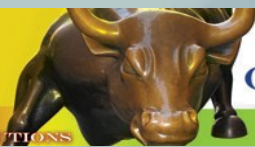
**SELL:** We believe the stock is overpriced relative to the soundness of the company’s fundamentals and long-term prospects.

**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

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