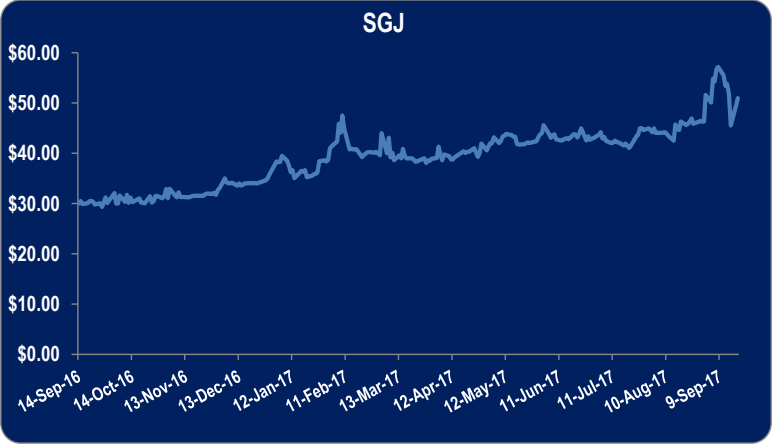


## DAILY MARKET SUMMARY



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

Stock Symbol	SGJ	SALF	LASD	HONBUN	GENAC
Current Price (\$)	50.95	8.00	6.80	4.06	2.97
Trailing EPS (\$)	3.83	0.86	0.18	0.19	0.32
P/E (times)	13.31	9.29	37.13	20.92	9.37
Projected P/E	12.69	7.90	34.68	18.16	9.96
Projected EPS (\$)*	4.01	1.01	0.20	0.22	0.30
Book Value per share (\$)	30.54	7.58	1.23	1.14	1.99
Price/Book Value (times)	1.67	1.06	5.52	3.56	1.49
Dividend Yield (2017 YTD %)	1.77%	0.00%	0.00%	0.99%	6.53%
Volumes	147,026	9,000	1,700,000	3,005	13,995
Recommendation	HOLD	HOLD	SELL	HOLD	BUY



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

**For the nine months ended July 31, 2017**

Reported an improvement in net interest income to \$19.93 billion, moving from \$18.78 billion for the corresponding period in 2016, while Interest Expenses declined by 11% to total \$3.33 billion (2016: \$3.76 billion). Interest income for nine months amounted to \$23.26 billion, a 3% increase relative to \$22.54 billion booked for the comparable period in 2016. Interest income for the quarter increased 4% from \$7.57 billion in 2016 to \$7.86 billion. Interest expense for the quarter fell 8% to close at \$1.10 billion (2016: \$1.19 billion), resulting in net interest income climbing 6% to \$6.76 billion (2016: \$6.38 billion).

Impairment Losses of Loans rose 30% to \$1.48 billion compared to \$1.14 billion for the comparable period in 2016. As such, Net Interest Income after Impairment losses on loans grew 5% to \$18.44 billion relative to the \$17.63 billion recorded for the corresponding period in 2016.

Total Other Revenue increased by 10% to \$11.04 billion (2016: \$10.03 billion). See below for total revenue breakdown:

Gross operating income for the nine months amounted to 34.30 billion compared to \$32.27 billion reported in 2016. Total Operating Income for the nine months increased 7% to total \$29.48 billion versus \$27.67 billion for the corresponding period in 2016.

Total Operating Expenses for the nine months ended July 31, 2017 amounted to \$16.12 billion, a 3% growth from the \$15.59 billion booked for the corresponding period in the prior financial year. Expenses for the quarter moved from \$4.77 billion in 2016 to close at \$5 billion, a 5% growth year over year. Under operating expenses:

Salaries and Staff Benefits increased to close the period at \$8 billion (2016: \$7.81 billion). Property Expenses (including Depreciation) grew by 5% amounting to \$1.57 billion (2016: \$1.49 billion). Amortization of Intangible Assets increased 2% to close the period at \$95.25 million versus \$93.32 million in 2016. SGJ reported \$1.07 billion for asset tax, 12% more than the \$956.45 million documented for nine month ended July 2016. Other Operating Expenses increased by 3% and closed the period at \$5.38 billion relative to \$5.23 billion.

Profit before Taxation totalled \$13.36 billion; this represents an increase of 11% from the \$12.08 billion recorded in 2016. Tax charges for the nine months totalled \$4.37 billion (2016: \$3.71 billion), as such Net Profit for the period totalled \$8.99 billion, 7% more than the \$8.37 billion posted for the same period in 2016. Net profit for the third quarter slid 3% to \$3.30 billion relative to \$3.40 billion reported in 2016.

Profit Attributable to Shareholders amounted to \$8.81 billion, 7% more than the total of \$8.20 billion a year earlier. For the quarter, profit attributable to shareholders totalled \$3.21 billion compared to \$3.21 billion booked for the comparable quarter last year.

Earnings per share (EPS) for nine months totalled \$2.83 (2016: \$2.64), while the EPS for the quarter amounted to \$1.03 (2016: \$1.07). The trailing earnings per share amounted to \$3.93. The total number of shares employed in our calculations amounted to 3,111,572,984 units.

\*Prices are as at September 19, 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	131.500	98.800	129.8217	148.800	120.000	131.0954
CAN	106.200	75.000	103.2390	124.800	40.000	106.1691
GBP	178.500	129.000	171.3985	206.400	160.000	173.4824
EURO	153.450	113.250	147.2143	181.200	145.000	159.3199

\*Rates as at September 18, 2017

### MONEY MARKET

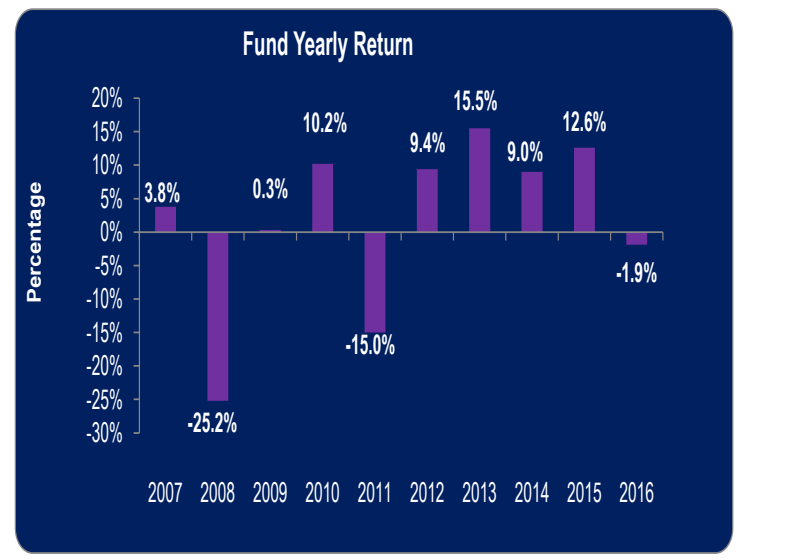
The Jamaican dollar fixed income market was illiquid in today's (September 19, 2017) trading session. The overnight rates were quoted around 2.30% to 3.25% while the 30-day rates were between 5.00% to 5.15%.

The US dollar fixed income market was also liquid during today's (September 19, 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 3 year return of 7.2% and a 5 year return of 11.3% as at August 31, 2017. The Fund also has a 1 year return of 11.3%.



**US: Trump Threatens to 'Totally Destroy' North Korea in the Event of War**

“President Donald Trump told world leaders in his first address to the United Nations that North Korea’s pursuit of nuclear weapons is a suicide mission that will lead to its destruction if not stopped by collective action by the rest of the world. Trump delivered unusually stark denunciations of both North Korea and Iran, telling his audience -- including officials from those two countries -- that no nation can remain on the sidelines when rogue governments threaten war. “No nation on Earth has an interest in seeing this band of criminals arm itself with nuclear weapons and missiles,” Trump said of North Korea, calling it a “depraved regime.” If the dispute over its weapons programs leads to war, Trump said, “we will have no choice but to totally destroy North Korea.” “Rocket Man is on a suicide mission for himself and for his regime,” Trump said, in a disparaging reference to North Korean leader Kim Jong-Un.”

<https://www.bloomberg.com/news/articles/2017-09-19/trump-at-un-to-urge-action-on-north-korea-iran-shared-menace>

**EUROPE: May Declines to Rule Out Firing Johnson Over Brexit Dispute**

“U.K. Prime Minister Theresa May declined to rule out firing outspoken Foreign Secretary Boris Johnson as she said her Cabinet is "absolutely clear" in backing her strategy for Brexit. Asked directly by Sky News whether Johnson should be ousted for freelancing on how Britain should leave the European Union, May ducked the question and gave the tepid endorsement that he is "doing good work" as her top diplomat. “Boris and others” are “all very clear about the destination we have as a country and that is getting that deep and special relationship with the EU when we leave,” May said in New York, where she and Johnson are attending meetings of the United Nations. May spoke as media reports gave conflicting reports over Johnson’s future days after he released a 4,200-word opus on Brexit that took a harder line than others in the government. As the prime minister prepares to deliver her own vision for the divorce on Friday, the Daily Telegraph reported that Johnson, the figurehead of last year’s Leave campaign, may resign before the end of the week if he doesn’t like the contents of her speech. The pound strengthened on the report.”

<https://www.bloomberg.com/news/articles/2017-09-19/may-declines-to-rule-out-firing-johnson-over-brexit-dispute>

**PLATINUM PORTFOLIO**

**Platinum Portfolio Yield Measures as at September 18, 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.

**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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