

## DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$) <sup>+</sup>

Stock Symbol	JMMBGL	SGJ	LASD	CCC	BPOW
Current Price (\$)	26.01	50.06	6.26	27.41	44.00
Trailing EPS (\$)	2.05	3.83	0.18	1.54	2.18
P/E (times)	12.70	13.08	34.42	17.76	20.23
Projected P/E	11.66	12.47	32.15	11.04	18.33
Projected EPS (\$)*	2.23	4.01	0.19	2.48	2.40
Book Value per share (\$)	16.44	30.54	1.22	10.37	12.56
Price/Book Value (times)	1.58	1.64	5.11	2.64	3.50
Dividend Yield (2017 YTD %)	0.88%	1.80%	N/A	N/A	0.43%
Volumes	21,667	414,399	282,987	3,000	NIL
Recommendation	HOLD	HOLD	SELL	HOLD	SELL



## STOCK OF THE DAY: JMMB Group Limited (JMMBGL)

For the three months ended June 30, 2017

booked net interest income of \$1.91 billion compared to \$1.55 billion in 2016, an increase of 24%. This as interest income grew by 9% to close at \$3.96 billion, from the \$3.62 billion booked in 2016, while interest expenses fell 1% to total \$2.04 billion relative to \$2.07 billion in the prior year. JMMBGL noted, "there was strong growth in the earning portfolios especially the loan portfolios across the Group. As such, yields were higher than the prior period and cost of funding was lower given the spread management strategy in place."

Fees and commission income amounted to \$363.83 million, an improvement of 22% on the \$297.72 million last year's comparable period. The improvement was due to, "significant growth in managed funds and collective investment schemes across the Group which contributed to the growth in fees and commission income," according to the company. Foreign exchange margins from cambio trading posted a decrease of 46% year over year to close at \$237.54 million (2016: \$442.84 million), while net gains from securities trading showed an increase of 36% totaling \$1.54 billion (2016: \$1.13 billion). Management highlighted, "the portfolio trading strategies were very profitable and were supported by the maturities of GOJ debts, redemption of BOJ CDs as well as higher external demands for GOJ global bonds due to lower treasury yields in the US." As such, net operating revenue amounted to \$4.05 billion compared to \$3.42 billion book for the first three month ended June 30, 2016. Management indicated, "this was on account of increases in all business lines with the exception of net foreign exchange trading."

Dividend income for the quarter totaled \$11.36 million, a decrease of 28% compared to a total of \$15.69 million a year ago. Other income for the three months amounted to \$36.42 million (2016: \$1.21 million). Operating expenses amounted to \$3.11 billion, increasing by 21% (2016: \$2.58 billion) which led to profit before taxation of \$994.47 million, a significant increase when compared to the \$857.04 million booked the year prior. Following taxation of \$381.08 million, 45% higher compared to the corresponding period in 2016, net profit amounted to \$613.39 million compared to \$593.38 billion in 2016. Net profit attributable to the shareholders of the company totaled \$616.54 million relative to \$590.49 million recorded for the comparable period in 2016. Earnings per share (EPS) for the first quarter amounted to \$0.38 (2016: \$0.36), the trailing twelve months earnings per share is \$2.04 the number of units used in this calculation was 1,630,552,530.

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	129.800	99.840	127.5792	147.000	120.960	128.4072
CAN	103.650	73.880	103.0409	112.290	98.000	103.3587
GBP	171.000	122.250	165.4631	187.450	163.000	169.3323
EURO	149.800	109.880	146.4524	176.400	146.500	151.6627

\*Rates as at October 12, 2017

## MONEY MARKET

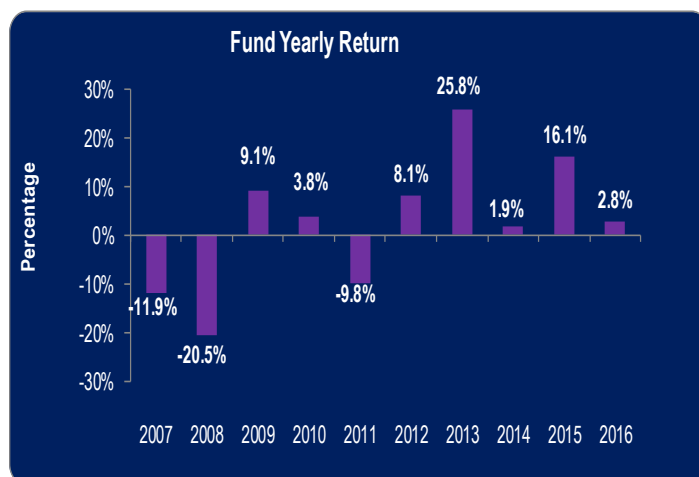
The Jamaican dollar fixed income market was illiquid in today's (October 13, 2017) trading session. The overnight rates were quoted around 2.30% to 3.25% while the 30-day rates were between 5.00% to 5.15%.

The US dollar fixed income market was also liquid during today's (October 13, 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 International Value 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 whose primary operations are outside of North America. The fund has a 3 year return of 9.2% and a 5 year return of 11.8% as at September 30, 2017. The Fund also has a 1 year return of 9.9%.



## US: Trump's Latest Obamacare Killer Will Cost Uncle Sam \$194 Billion

"President Donald Trump is halting some Obamacare subsidies. The move could mean that the government will end up spending almost \$200 billion more on health insurance. Here's why: The subsidies clamped by Trump, known as cost-sharing reductions, are paid to insurers, reimbursing them for lowering deductibles and other out-of-pocket costs for low-income people. If the funds vanish, insurers will make up for them by boosting the cost of health coverage for everyone. Many had already said they will charge more for plans next year, on the expectation that the administration would follow through on months of threats to end the payments. But there are other subsidies in play. More than eight in ten individuals who buy Obamacare plans also get help paying their premiums directly from the federal government. When their premiums climb, so does the cost to the Treasury".

<https://www.bloomberg.com/news/articles/2017-10-13/trump-s-latest-obamacare-killer-will-cost-uncle-sam-194-billion>

## EUROPE: U.K.'s Hammond Tells Brexit Critics He's Staying in the Job

"U.K. Chancellor of the Exchequer Philip Hammond hit back at critics who say he should be fired for being too gloomy about Brexit, saying he was committed to delivering Britain's exit from the European Union. "No," he bluntly told journalists in Washington when asked if he'd resign. The latest attack on Hammond came from former Tory Chancellor Nigel Lawson, a member of the upper House of Lords and a strong advocate of leaving the EU. Speaking to the BBC Thursday, he said Hammond's position on Brexit is "close to sabotage." Hammond responded Friday by saying that Lawson is "entitled to his own opinion on this." Asked if he'd vote for Brexit if a referendum was to be held again, he declined to answer. "I've said it enough times: I am absolutely committed to delivering Brexit and I hope there's no doubt about that among any of my colleagues," he said. "But I do want to do it in a way that protects jobs, businesses, and our future prosperity."

<https://www.bloomberg.com/news/articles/2017-10-13/u-k-s-hammond-tells-brexit-critics-he-s-staying-in-the-job>

## PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at October 09, 2017	
	Percentage (%)
Yield to Maturity	4.63
Weighted Average Coupon	4.938
Current Yield	4.80

The platinum portfolio has an effective maturity of 15.50 years and duration of 4.96 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](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)

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OF EXPERIENCE

CUTTING EDGE  
MARKET RESEARCH

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