

DAILY MARKET SUMMARY



LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	DTL	LASD	SALF	JSE	CPJ
Current Price (\$)	7.00	6.27	9.80	7.00	3.65
Trailing EPS (\$)	0.42	0.18	0.86	0.24	0.30
P/E (times)	16.48	34.47	11.38	29.28	12.22
Projected P/E	7.68	32.20	9.68	20.03	8.99
Projected EPS (\$)*	0.91	0.19	1.01	0.35	0.41
Book Value per share (\$)	3.79	1.22	7.58	1.27	2.56
Price/Book Value (times)	1.85	5.12	1.29	5.51	1.43
Dividend Yield (2017 YTD %)	N/A	N/A	N/A	0.51%	N/A
Volumes	1,000	1,214,790	1,000	1,000	27,114
Recommendation	BUY	SELL	HOLD	SELL	BUY

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	129.200	100.000	126.9597	140.870	119.000	127.8982
CAN	102.850	75.000	102.0961	114.200	95.000	102.5879
GBP	169.000	122.330	165.0223	187.560	163.100	168.2352
EURO	149.600	109.050	145.3012	167.210	145.000	150.9395

*Rates as at October 18, 2017

MONEY MARKET

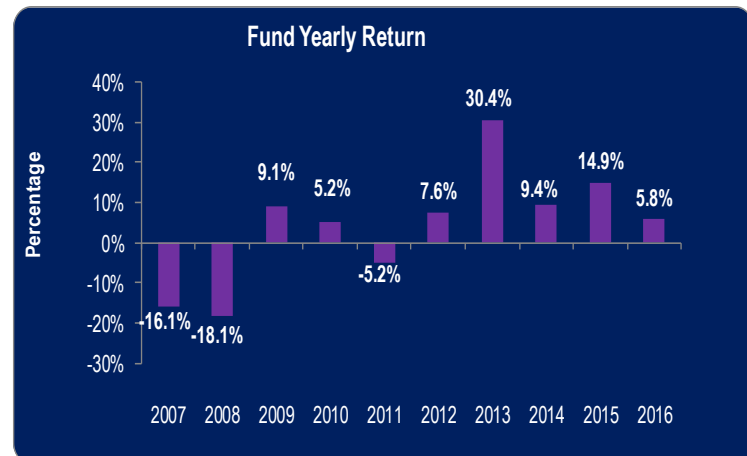
The Jamaican dollar fixed income market was illiquid in today's (October 19, 2017) trading session. The overnight rates were quoted around 2.30% to 3.25% while the 30-day rates were between 5.00% to 5.15%.

The US dollar fixed income market was also liquid during today's (October 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%.

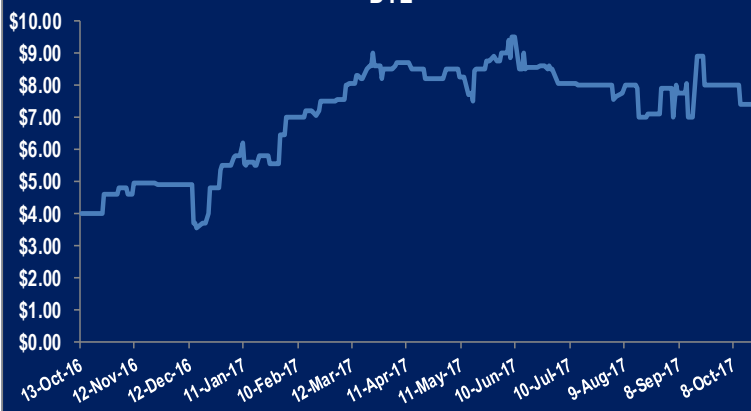
OVER THE COUNTER FUNDS (CI FUNDS)

CI 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 3 year return of 9.3% and a 5 year return of 13% as at September 30, 2017. The Fund also has a 1 year return of 6.4%.



DTL



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. 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.

US: GOP Considers State Tax Break Bargain on Property Levies

“Republican tax writers are considering a compromise measure that would allow individuals to keep deducting the cost of the property taxes they pay while eliminating a larger tax break for their other state and local taxes, according to a GOP member of Congress. The measure is aimed at appeasing roughly two dozen Republican House members from high-tax areas who have raised concern that eliminating the state and local tax break entirely would hurt taxpayers in their districts. The Congress member who described the proposal asked not to be named because the discussions are private. Current law allows individuals to deduct their state and local tax payments, and eliminating that break in full would raise an estimated \$1.3 trillion over 10 years -- an amount Republicans need to offset the deep tax-rate cuts they’ve proposed. Retaining the ability to deduct property taxes would cost about \$300 billion of that revenue. Individuals would lose the deduction on state and local income taxes. President Donald Trump’s administration, which proposed eliminating the so-called SALT deduction in April, has indicated willingness to compromise on the issue.

<https://www.bloomberg.com/news/articles/2017-10-19/gop-is-said-to-mull-state-tax-break-bargain-on-property-levies>

EUROPE: EU Leaders Offer May Encouraging Brexit Words, Ask for More

“European leaders pushed Theresa May to offer more in Brexit talks while also encouraging the British prime minister to aim for a December deadline to move negotiations on to trade. German Chancellor Angela Merkel said some progress had been made and work should continue so that trade talks could start in December. Irish Prime Minister Leo Varadkar also said it should be possible to start talking trade by year-end if conditions are met. “At this point, it’s not yet sufficient to begin the second phase, but it’s encouraging enough to continue working in order to reach the beginning of the second phase in December,” Merkel said as she arrived at the summit. EU leaders offered friendly words, in line with the draft summit conclusions that say the EU side should work to be ready to talk trade in December if leaders give the green light. The European side is trying to convey an encouraging message, as it understands May’s fragile political situation at home, according to an EU official speaking on condition of anonymity. Still, it’s clear she hasn’t brought anything new to the summit that would represent a breakthrough, he said.

<https://www.bloomberg.com/news/articles/2017-10-19/eu-leaders-offer-may-encouraging-brexit-words-and-ask-for-more>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at October 17, 2017	
	Percentage (%)
Yield to Maturity	4.65
Weighted Average Coupon	5.02
Current Yield	4.99

The platinum portfolio has an effective maturity of 13.56 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.

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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, www.bloomberg.com, www.investopedia.com, 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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