

DAILY MARKET SUMMARY



LOCAL STOCK MARKET: (JS) +

Stock Symbol	HONBUN	SALF	SGJ	JAMT	XFUND
Current Price (\$)	5.01	9.80	50.61	4.03	14.15
Trailing EPS (\$)	0.19	0.86	3.83	0.26	0.76
P/E (times)	25.82	11.38	13.22	15.48	18.63
Projected P/E	22.41	9.68	12.61	13.51	25.41
Projected EPS (\$)*	0.22	1.01	4.01	0.30	0.56
Book Value per share (\$)	1.14	7.58	30.54	1.54	7.45
Price/Book Value (times)	4.40	1.29	1.66	2.61	1.90
Dividend Yield (2017 YTD %)	0.80%	N/A	2.67%	0.74%	0.99%
Volumes	16,575	NIL	2,453,400	55,840	580,923
Recommendation	SELL	HOLD	HOLD	HOLD	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	129.680	99.510	126.9538	140.760	100.000	127.6131
CAN	104.000	72.380	100.5691	111.430	96.500	101.4410
GBP	169.600	121.580	166.5382	186.530	162.200	166.9072
EURO	152.520	108.150	142.4869	166.750	144.200	150.3729

*Rates as at October 23, 2017

MONEY MARKET

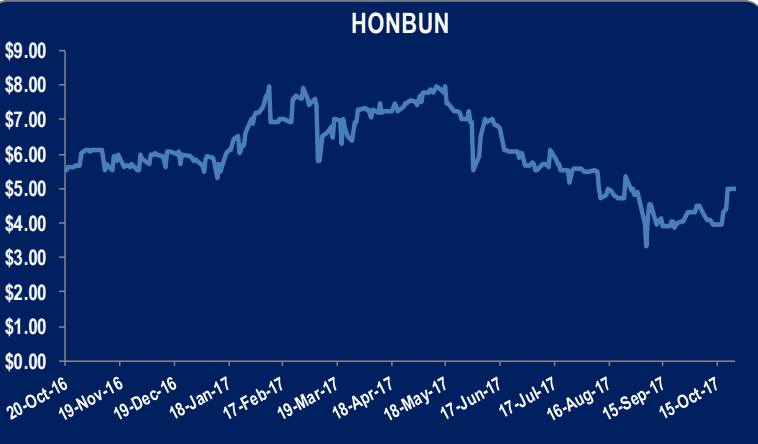
The Jamaican dollar fixed income market was illiquid in today's (October 23, 2017) trading session. The overnight rates were quoted around 2.30% to 3.25% while the 30-day rates were between 5.00% to 5.15%.

The US dollar fixed income market was also liquid during today's (October 23, 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 American Small Companies Fund

This fund's objective is to seek above-average capital growth. It invests primarily in equity and equity-related securities of small to mid-capitalization North American companies. The fund has a 3 year return of 11.4% and a 5 year return of 16.6% as at September 30, 2017. The Fund also has a 1 year return of 7.5%.



STOCK OF THE DAY: Honey Bun (1982) Limited (HONBUN)

For the Nine Months Ended June 30, 2017:

Revenue grew by 7% amounting to \$969.42 million, up from \$903.45 million reported a year ago. The Company had an 13% increase in Cost of Sales to \$550.16 million and consequently, Gross Profit increased by 1% or \$3.08 million year-to-date to \$419.26 million. For the quarter, Revenue declined by 2% for the quarter to total \$289.08 million relative to the \$296.19 reported the prior quarter.

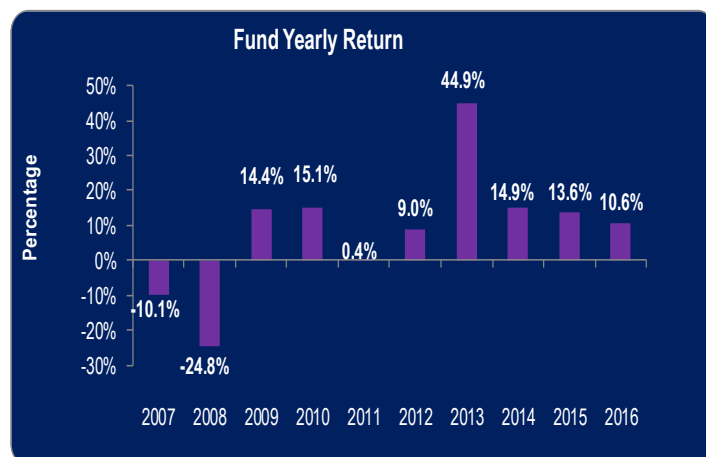
The Company had Other gains totaling \$283,563 relative to Gains of \$5.88 million in 2016. Finance Income totalled \$1.11 million a 47% increase to \$757,993 reported in 2016.

Administrative Expenses has increased by 14% to \$199.97 million (2015/16: \$175.69 million) while Selling, Distribution & Promotion Expenses increased by 15% to \$120.04 million (2015/16: \$104.11 million). As a result, Total Expenses increased by 14% or \$42.45 million to \$320.01 million. For the quarter, Total Expenses increased by 20% to \$113.30 million.

The increased expenses resulted in Profit from Operations declining by 30% from \$143.10 million for the period in review prior year to \$100.65 million year-to-date. Finance Costs declined by 15% to \$3.90 million and once considered, Profit before Taxation has declined by 30% or \$41.78 million to \$96.75 million for the period in review.

Taxation has increased significantly by \$6.32 million or 110% to \$12.10 million. Once considered, Net Profit after Taxation amounted to \$84.66 million, a 36% decrease relative to the \$132.76 million reported in the similar period the prior financial year. For the quarter, Net Profit after Taxation has declined by 80% to \$7.55 million compared to \$36.97 million in 2016.

Consequently, earnings per share (EPS) amounted to \$0.18 (2015/16: \$0.28) year to date, while the twelve months trailing EPS is \$0.20. The number of shares used in this calculation was 471,266,950 shares.



US: U.S. Stocks Slip at Start of Big Earnings Week: Markets Wrap

“The Dow Jones Industrial Average hit a new high Tuesday after Caterpillar Inc. and 3M Co. delivered results that topped estimates, while General Motors Co. and Fiat Chrysler NV also rallied on earnings. Benchmark Treasury yields broke through the key 2.4 percent level, while Bloomberg’s dollar index reached the highest point since July. “For the most part, I think, you’ll see earnings continue to come in good -- and not just earnings, but increases in revenue that look stronger than expected,” said Gary Bradshaw, a portfolio manager at Hodges Capital Management in Dallas. “The economy is doing great here domestically, the whole world economy is certainly improving, and we’re optimistic that the market is going to continue to go higher because it is earnings-driven.” Elsewhere, investors were eyeing catalysts stretching from an impending European Central Bank meeting and the crisis in Catalonia, to upheaval in the U.S. Senate and the choice of the next Federal Reserve chair”.

<https://www.bloomberg.com/news/articles/2017-10-23/asian-stocks-to-track-u-s-declines-vix-jumps-markets-wrap>

EUROPE: Businesses have been calling for urgent deal by year-end

“The U.K. has shifted its approach to the transition agreement it wants to put in place for after Brexit, falling into line with the European Union’s long-held stance. Businesses have been demanding an urgent deal with the EU that would allow trade to continue as usual for two years after Brexit day in March 2019. Chancellor of the Exchequer Philip Hammond had championed their calls, saying the longer it took to secure such an accord, the less it was worth. He backed away from those comments on Tuesday, a day after Prime Minister Theresa May surprised lawmakers by saying that transition would only be part of the final Brexit deal, which isn’t expected for another year.

<https://www.bloomberg.com/news/articles/2017-10-23/may-signals-brexit-transition-won-t-be-agreed-until-final-deal>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at October 23, 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 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, www.bloomberg.com, www.investopedia.com, www.tradewire.com

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