

DAILY MARKET SUMMARY



LOCAL STOCK MARKET: (JS) +

Stock Symbol	MEEG	SGJ	JSE	GK	DTL
Current Price (\$)	5.17	50.21	6.50	43.10	7.00
Trailing EPS (\$)	0.29	3.83	0.24	3.46	0.42
P/E (times)	17.74	13.12	27.19	12.47	16.48
Projected P/E	13.68	12.51	18.60	10.91	7.68
Projected EPS (\$)*	0.38	4.01	0.35	3.95	0.91
Book Value per share (\$)	1.49	30.54	1.27	44.43	3.79
Price/Book Value (times)	3.47	1.64	5.11	0.97	1.85
Dividend Yield (2017 YTD %)	N/A	2.69%	0.55%	0.70%	N/A
Volumes	NIL	281,355	4,072	100,966	30,000
Recommendation	BUY	HOLD	HOLD	HOLD	BUY

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	128.800	100.000	126.6258	139.720	102.240	127.5322
CAN	115.600	71.780	100.4204	110.750	95.700	102.3675
GBP	171.000	121.130	165.0963	185.720	162.000	167.7966
EURO	153.593	108.000	145.1590	165.600	144.500	150.6751

*Rates as at October 25, 2017

MONEY MARKET

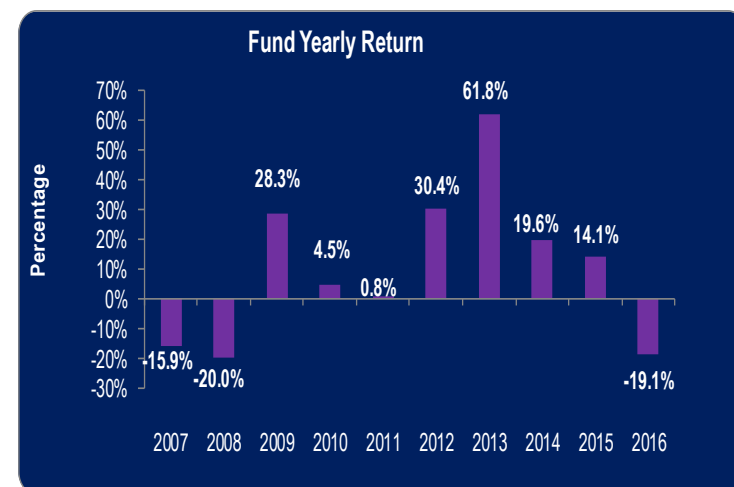
The Jamaican dollar fixed income market was illiquid in today's (October 26, 2017) trading session. The overnight rates were quoted around 2.70% to 3.00% while the 30-day rates were between 2.70% to 3.00%.

The US dollar fixed income market was also liquid during today's (October 26, 2017) trading session; The overnight market rates were quoted at 1% while the 30-day market rates stood around 1.0% to 1.2%.

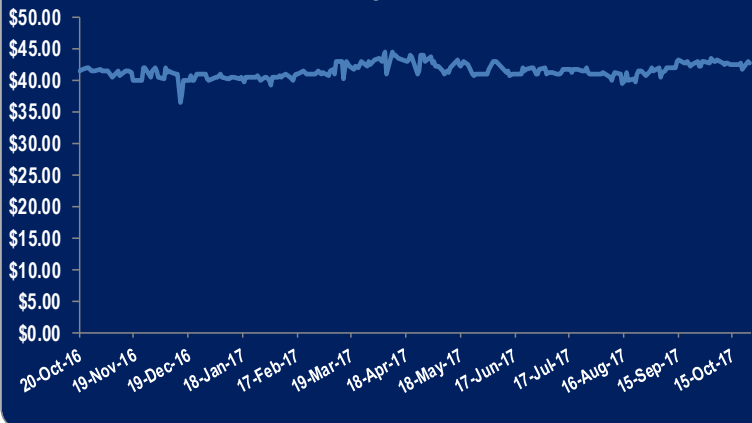
OVER THE COUNTER FUNDS (CI FUNDS)

CI Global Health Sciences 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 around the world that specialize in the health care or medical industry. The fund has a 3 year return of 3.1% and a 5 year return of 14.7% as at September 30, 2017. The Fund also has a 6 month return of 5.0%.



GK



STOCK OF THE DAY: GraceKennedy Limited (GK)

For the Six Months ended June 30, 2017:

Revenue totalled \$46.37 billion for period (2016: \$44.12 billion), a year over year increase of 5%. The biggest contributor to the group's overall revenue for the six months was income from the 'Food Trading' segment which contributed a total of \$36.29 billion (2016: \$34.62 billion), an increase of 5% relative to the prior year's corresponding period. Management noted, "revenue was primarily driven by higher sales from our Jamaican foods business. Among the other segments contributing to revenue, 'Banking & Investments' increased 8% to total \$2.98 billion.

Revenue from 'Insurance' amounted to \$3.05 billion, a marginal decrease of 0.28%, while 'Money Services' brought in \$4.05 billion, 10% more than the \$3.68 billion reported in June 2016. Total Expenses amounted to \$44.50 billion relative to \$42.14 billion booked for the comparable period in 2016, a 6% growth. Other Income declined 41% to total \$903.88 million (2016: \$1.54 billion). As such, 'Profit from Operations' amounted to \$2.78 billion, a 21% decline year over year from \$3.52 billion booked in June 2016.

Interest income from non-financial services rose 3% to total \$187.37 million compared to \$182.21 million reported a year earlier. Interest expenses from non-financial services amounted to \$334.45 million versus \$350.60 million booked for the corresponding period in 2016, a 5% reduction.

Share of results of associated companies increased by 6% amounting to \$320.22 million, compared to \$300.86 million reported for June 2016. Pre-tax profits decreased 19% to approximately \$2.95 billion, compared to pre-tax profit of \$3.65 billion documented for the first six months of 2016. GK incurred taxation expenses amounting to approximately \$767.64 million compared to \$949.09 million in June 2016. Consequently, net profit decreased by 19% to \$2.18 billion from \$2.70 billion booked for the first six months of 2016. Net Profits attributable to shareholders amounted to \$1.90 billion compared to \$2.46 billion a year earlier, reflecting a 23% decline. Without this, net profit for the current period would have been lower than the corresponding period of 2016 by 5.5%. Earnings per share (EPS) for first six months amounted to \$1.90 (2016: \$2.47), while for the EPS for quarter was \$0.89 (2016: \$0.97). The twelve months trailing earnings per share amounted to \$3.59. The number of shares used in our calculations is 994,886,892 units.

US: Trump Declares Opioid Addiction Epidemic Public Health Emergency

“President Donald Trump on Thursday declared widespread opioid abuse a public health emergency, even as he resisted a controversial move that might have tapped federal funds sought by hurricane-stricken Texas, Florida and Puerto Rico. Trump also said he would use the federal government’s legal powers to pursue companies that helped fuel the epidemic. “We will be bringing some very major lawsuits against people and against companies that are hurting our people,” Trump said in a speech at the White House on Thursday. Shortly before Trump spoke, federal authorities announced racketeering conspiracy and other felony charges against Insys Therapeutics Inc. founder John Kapoor and other company executives, accusing them of helping fuel the epidemic by bribing doctors to prescribe a powerful form of fentanyl to patients who didn’t need the potent drug. Trump’s declaration follows months of debate inside and outside government over whether to use emergency funds typically reserved for hurricanes or flu epidemics to deal with a more intractable crisis; leave it for Congress to act; or pursue a combination of executive orders, emergency spending and legislation. “Families, communities and citizens across our country are currently dealing with the worst drug crisis in our nation’s history,” Trump said. “Addressing will require all of our effort.” The declaration allows for temporary appointments of specialists to crisis areas under federal grants, but it doesn’t create additional funding, three senior White House officials said on a call with reporters. Trump wants to include money for the effort in an end-of-year budget deal. To do that, the administration will need to have an “ongoing discussion” with Congress about funding, one official said. The opioid epidemic has emerged as one of the nation’s most pressing public health matters, claiming a life every 19 minutes, according to the U.S. Surgeon General. Cost estimates range, but a study last year in the Medical Care Journal estimated the annual economic cost of opioid overdose, abuse and dependence at \$78.5 billion.”

<https://www.bloomberg.com/news/articles/2017-10-26/trump-to-declare-opioid-epidemic-as-a-public-health-emergency>

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.

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

EUROPE: Draghi Goes Lower for Longer in Overhauling Bond Buying Plan

“European Central Bank President Mario Draghi will be buying bonds at a lower rate, but for a longer time. That was the upshot of the ECB’s much-anticipated decision on its monetary policy plans for 2018, made in Frankfurt on Thursday. Monthly purchases will be halved to 30 billion euros (\$35 billion) in January, and run until September. Even then, Draghi said there won’t be a “sudden end to the buying” and the shift shouldn’t even be called tapering. Most of the Governing Council favored keeping the program open-ended in case the burgeoning economic expansion stumbles or inflation stays sluggish. That message helped weaken the euro and lift stocks, while avoiding the tantrum in the bond market which marked out previous pivots from central banks. Bloomberg economists foresee monthly purchases of 15 billion euros for a further six months after September, assuming wage growth remains muted.”

<https://www.bloomberg.com/news/articles/2017-10-26/what-we-learned-from-mario-draghi-s-bond-buying-plan-for-2018>

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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= POSITIVE TRANSFORMATION FOR OUR CLIENTS
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