

## DAILY MARKET SUMMARY



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

Stock Symbol	JAMT	JETCON	PJAM	SGJ	SEP
Current Price (\$)	4.10	4.71	42.01	51.97	28.35
Trailing EPS (\$)	0.26	0.25	4.22	3.83	1.41
P/E (times)	15.75	18.70	9.94	13.58	20.05
Projected P/E	13.74	15.32	10.96	12.94	15.11
Projected EPS (\$)*	0.30	0.31	3.83	4.01	1.88
Book Value per share (\$)	1.54	0.62	25.52	30.54	18.69
Price/Book Value (times)	2.66	7.62	1.65	1.70	1.52
Dividend Yield (2017 YTD %)	0.73%	0.50%	1.90%	2.60%	N/A
Volumes	4,000	43,613	110,977	112,944	3,800
Recommendation	HOLD	BUY	HOLD	HOLD	HOLD

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	127.500	100.010	126.1442	139.500	99.840	127.2140
CAN	105.840	70.880	98.7699	111.550	95.000	101.8138
GBP	166.740	121.090	163.8471	185.670	137.230	165.8866
EURO	146.000	106.880	140.4316	164.450	143.500	147.6392

\*Rates as at October 30, 2017

### MONEY MARKET

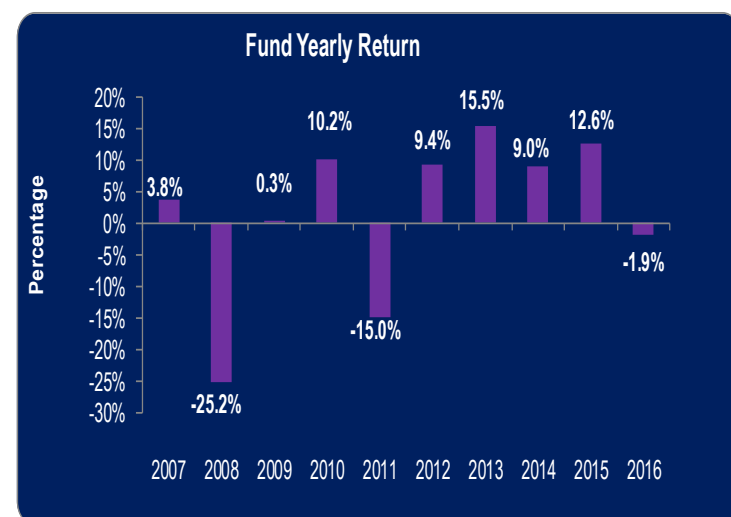
The Jamaican dollar fixed income market was illiquid in today's (October 31, 2017) trading session. The overnight rates were quoted around 2.70% to 3.00% while the 30-day rates were between 4.75% to 5.00%.

The US dollar fixed income market was also liquid during today's (October 31, 2017) trading session; The overnight market rates were quoted at 1% while the 30-day market rates stood around 1.0% to 1.2%.

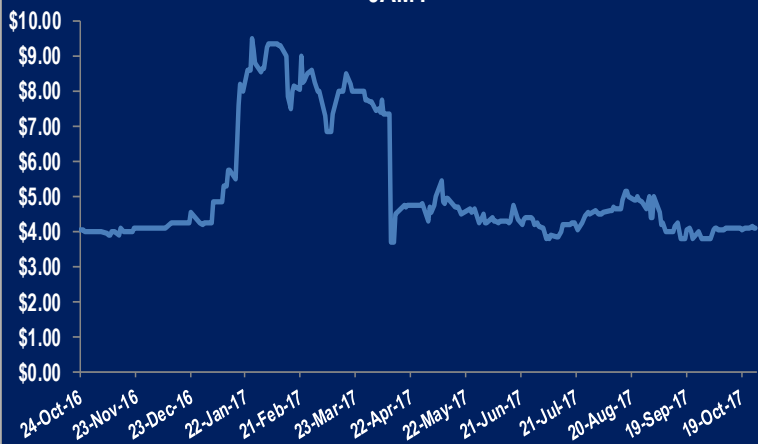
### OVER THE COUNTER FUNDS (CI FUNDS)

#### CI 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 7.7% and a 5 year return of 10.4% as at September 30, 2017. The Fund also has a 6 month return of 2.2%.



### JAMT



### STOCK OF THE DAY: Jamaica Teas (JAMT)

For the 9 months ended June 2017:

For the nine months Jamaica Teas reported a 26% increase in Revenue to total \$1.18 billion (2016: \$938.63 million). Revenue for the quarter saw a 35% increase to total 421.01 million relative to 312.72 million 2016. According to the company, "Revenues at our supermarket division amounted to \$106 million for the June Quarter and \$308 million year to date and now exclusively reflects the results of our unit in Kingston following the sale of our Savanna La Mar store in 2016; sales at Chancery street increased from last year by 5% year to date and 10% for the quarter."

Cost of sales increased 29% to \$928.70 million (2016: \$719.60 million). As a result, Gross Profit grew 15% to \$252.31 million, while for the quarter JAMT posted a 22% improvement to \$82.20 million (2016: \$67.32 million).

Notably, Other income reported a 3% growth year over year to \$47.97 million relative to \$46.72 million a year earlier. Administrative Expenses increased by 20% to \$100.03 million for the nine months ended June 2017 relative to \$83.53 million for the same period of 2016. Sales and Marketing cost declined by 1% for the period relative to 2016 closing at \$28.42 million (2016: \$28.78 million). There was a 26% reduction in finance cost moving from \$30.65 million for the same period last year to \$22.63 million in 2017.

The company also reported a gain from recognition as a subsidiary of \$30.63 million. Loss from share of associated company of \$9.48 million was booked in 2016, none was recorded YTD. As a result, Pre-tax profits climbed by 59% for the 9 month period from the prior year, increasing from \$112.95 million in 2016 to \$179.84 million. JAMT incurred tax expenses of \$20.37 million compared to \$9.84 million during the 2016 comparable period.

Despite the increase in taxes, For the nine months Net Profit after discontinued operation increased by 66% to close the period at \$148.96 million (2016: \$89.96 million). This follows Non-operating Expenses for the period of \$8.60 million (2016: Nil) and Loss from Discontinued Operations of \$1.9 million (2016: \$7.21 million). For the quarter the company saw a 139% increase in Net Profit from Discontinued Operations to \$63.62 million.

The company reported unrealized gain of \$33.46 million a 34% increase over the \$24.98 million in 2016. This resulted in a 59% increase in total comprehensive income reported of \$182.43 million relative to \$114.93 million. Consequently earnings per share increased to \$0.22 compared to \$0.13 in the six months ended June 30, 2017, while for the third quarter JAMT book an EPS of \$0.09 (2016: \$0.04). The trailing twelve-month eps was \$0.26.

**US: Trump Says 'Hopefully Not' on Phasing In Corporate Tax-Rate Cut**

"President Donald Trump said Tuesday that "some people have mentioned" phasing in a proposed corporate tax-rate cut as part of broad tax-overhaul legislation that'll be released Wednesday, but "we're not looking at that." "Hopefully not," Trump said. "It's something, some people have mentioned that. But hopefully not." Trump's comments came at the beginning of a meeting with various business interest groups that included the Chamber of Commerce, the Business Roundtable and the National Association of Manufacturers, according to a list made available by the White House. No new details of the tax legislation -- scheduled for a public unveiling Wednesday -- emerged during the session, according to one person who attended and asked not to be named because the meeting was private. Trump also said he wants to sign a bill by Christmas, but "hopefully before" -- a goal that depends on unusually rapid action by Congress on complex legislation. Trump and Republican congressional leaders want to cut the corporate tax rate to 20 percent from 35 percent. On Monday, a member of the House Ways and Means Committee told Bloomberg News that the panel was discussing phasing in that cut over five years, a schedule that would see the rate reach 20 percent in 2022. But that plan wasn't final, said the member, who asked not to be named because the discussions are private. Asked about the matter on Monday, Representative Kevin Brady, the committee's chairman said leaders prefer not to phase in the cut -- though he didn't rule it out. "We want to get the growth up front," he said. "

<https://www.bloomberg.com/news/articles/2017-10-31/trump-says-hopefully-not-on-phasing-in-corporate-tax-rate-cut>

**EUROPE: Catalan Chief Makes Pitch as Exiled Leader in Fear of Spain**

"Ousted Catalan leader Carles Puigdemont painted himself as a leader in exile fleeing a vengeful and violent Spanish government, as he vowed to press Catalonia's case for independence to European leaders. Puigdemont, who fled to Brussels after Spain responded to Catalonia's declaration of independence by seizing its government, said his team had acted to prevent violence. Spain was preparing a "highly aggressive and unprecedented offensive against the Catalan people." His government didn't ask civil servants to take sides, in the interests of safety. "The republic cannot be built on violence," he told reporters on Tuesday in Brussels. "If the price of this attitude is slowing down the creation of the republic, we have to consider that this is a reasonable price in 21st century Europe." Puigdemont's rhetoric was aimed at supporters who were left baffled and leaderless by his sudden exit, and disappointed at his failure to resist Madrid's seizure of the semi-autonomous government. Three days after Catalonia was declared an independent republic, Madrid faced no protests as it took control of key institutions, including the police. Puigdemont had long said he would go to jail for the cause. "Markets surged on the return to business as usual after weeks of uncertainty that saw companies moving their headquarters amid fears of a Catalan bank run. The EU continued to back the status quo, saying the matter was an internal one for Spain "

<https://www.bloomberg.com/news/articles/2017-10-31/puigdemont-makes-catalan-case-to-eu-as-he-fears-unfair-trial>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at October 30, 2017	
	Percentage (%)
Yield to Maturity	4.65
Weighted Average Coupon	5.32
Current Yield	5.01

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](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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 = POSITIVE TRANSFORMATION FOR OUR CLIENTS  
 MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS

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