

### DAILY MARKET SUMMARY

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

Stock Symbol	SJ	TTECH	BPOW	SALF	JAMT
Current Price (\$)	38.07	7.40	45.00	7.58	3.87
Trailing EPS (\$)	3.23	0.33	2.18	0.86	0.26
P/E (times)	11.80	22.54	20.69	8.80	14.86
Projected P/E	12.04	30.76	18.75	7.49	12.97
Projected EPS (\$)*	3.16	0.24	2.40	1.01	0.30
Book Value per share (\$)	15.32	1.65	12.56	7.58	1.54
Price/Book Value (times)	2.49	4.47	3.58	1.00	2.51
Dividend Yield (2017 YTD %)	1.52%	N/A	0.42%	N/A	0.78%
Volumes	45,779	8,261	NIL	NIL	6,968
Recommendation	HOLD	SELL	HOLD	HOLD	BUY

SJ



#### STOCK OF THE DAY: Scotia Group Jamaica Limited (SGJ)

For the nine months ended September 30, 2017:-

Total Revenues increased by 18% to \$53.53 billion from \$45.33 billion in 2016, while for the third quarter Total Revenues were up 42% to total \$23.18 billion compared to \$16.32 billion in 2016. Total The company stated, "with respect to the Individual lines of business, earned premiums were higher by 12%, while Group Insurance and Annuities premiums were up significantly, especially with new business closed in Q3. Investment income before interest expense and capital gains of \$15.44 billion was 5% higher than in 2016. We experienced lower yields on invested assets in the period. Realized capital gains from securities trading were substantially below prior year, affected by impairment charges and realized losses on certain securities sold. Fees and Other Revenues of \$6.24 billion increased over the prior year by 30% with the expansion of our Cards and Payments business. Overall revenue growth stemmed primarily from business expansion."

Benefits and Expenses totaled \$43.12 billion for the period, an increase of 18% from \$36.48 billion, while for the third quarter Benefits and Expenses were up 52% to close at \$19.52 billion relative to \$12.80 billion in 2016. The growth was mainly driven by increases in commission and related expense, administration expenses and changes in insurance and annuity liabilities. Commission and related expenses grew by 12% to \$3.54 billion from \$3.16 billion while administration expenses increased by 23% to \$13.32 billion (2016: \$10.82 billion). The company highlighted that "This increase is mainly influenced by business expansion - in particular the Cards and Payments business; compensation cost for annual increases and bonuses to Team members some of which will not repeat later in the year; and higher credit losses in the Retail Banking Division." Changes in insurance and annuity liabilities moved from \$5.84 billion in 2016 to \$8.74 billion for the nine months ended September 30, 2017.

Share of profit from joint venture amounted to \$24.01 million relative to \$16.30 million a year earlier. Share of profit

Investment and corporation taxes of \$2.10 billion was reported for the period (2016: \$1.97 billion), as such net profit for the nine months totaled \$9.08 billion (2016: \$7.39 billion), an increase of 23%. Profit for the quarter amounted to \$3.43 billion relative to \$3.09 billion in 2016. Earnings per share for the quarter amounted to \$0.878 (2016: \$0.791), while EPS for the period totaled \$2.33 relative \$1.89 in 2016. The twelve month trailing EPS amounted to \$3.31.

#### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	129.000	100.450	126.0233	139.930	100.010	127.0316
CAN	99.950	75.000	99.3141	110.100	95.000	99.6487
GBP	171.330	131.080	163.0644	184.180	160.000	165.0359
EURO	145.150	116.630	140.8317	163.880	142.000	146.9820

\*Rates as at November 6, 2017

#### MONEY MARKET

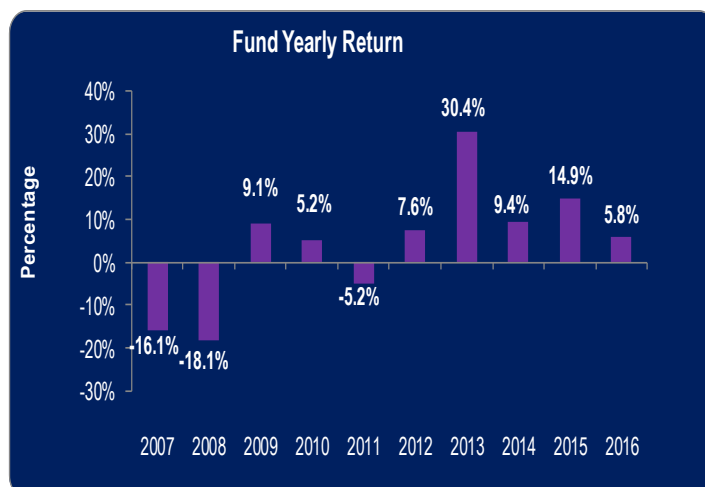
The Jamaican dollar fixed income market was illiquid in today's (November 7, 2017) trading session. The overnight rates were quoted around 2.50% to 2.85% while the 30-day rates were between 4.50% to 4.75%.

The US dollar fixed income market was also liquid during today's (November 7, 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 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 13.0% as at September 30, 2017. The Fund also has a 6 month return of 0.6%.



## US: OPEC Fights Back and This Time, It's Driving Oil Prices Up

"OPEC's finally getting some credibility back behind its swagger, ahead of the oil group's meeting later this month in Vienna. The cartel's members complied to the tune of 104 percent in October on orders to pull back 1.2 million barrels a day, according to Bloomberg data. Stockpiles are drawn and Brent closed at at two-year high of \$64.27/b on Monday. Some say a rise in geopolitical risk has pushed up prices, but other analysts think there's a more permanent shift underway. "We do not see the latest rise in prices as speculative," said Paul Horsnell, global head of commodity strategy at Standard Chartered, in a recent note. "We think the move reflects the start of a widespread re-evaluation." Traders, he said, are rethinking how much oil will be produced and drawn down from stockpiles, especially in the U.S. Looking at the U.S. gives several encouraging signs. Stockpiles compared to the five-year average have continually fallen in 2017. U.S. crude and product inventories, including the SPR, have fallen by 93.8 million barrels since January. Latest weekly data from the EIA show that U.S. crude stockpiles have drawn by a further 2.4 million barrels to 454.9 million barrels. That's the seventh consecutive weekly draw."

<https://www.bloomberg.com/news/articles/2017-11-07/opec-fightback-sees-u-s-stocks-crumble>

## EUROPE: 50 Banks Have Discussed Brexit Moves With Supervisors

"Daniele Nouy, head of supervision at the European Central Bank, said about 50 banks have discussed their Brexit business-relocation plans with authorities in the European Union. Nouy said in Frankfurt on Tuesday that license applications from about 20 banks are in some stage of assessment by supervisors on the continent. "Maybe they have not signed the formal requirement," she said, but they have made a "pretty comprehensive application that can be turned into a formal one very, very fast." International banks are working on plans to shift workers from the U.K. to the continent after Brexit to maintain access to the single market. Chief Executive Officer Sergio Ermotti has said UBS Group AG will start the process of moving London-based employees to expanded offices inside the EU early next year. Frankfurt, home of the ECB, has emerged as a destination of choice. JPMorgan Chase & Co. is nearing a deal to lease additional office space while Citigroup Inc. and Deutsche Bank AG are scouting the market for options, according to people with knowledge of the matter. Goldman Sachs Group Inc. has already signed leases for offices that they won't move into until 2019. "There is an enormous interest in the international banking sector to have Frankfurt as an operation basis in addition to what they have in Europe and other countries for the time being," Peter Altmaier, Germany's acting finance minister, said in Brussels. "And they will find open doors. They will find qualified people. They will find conditions to work and to relax that are above average."

<https://www.bloomberg.com/news/articles/2017-11-07/ecb-says-50-banks-have-discussed-brexit-moves-with-supervisors>

## PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at November 6, 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 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](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  
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