

DAILY MARKET SUMMARY



LOCAL STOCK MARKET: (JS) +

Stock Symbol	CAR	BRG	DTL	JMMBGL	MEEG
Current Price (\$)	11.45	16.20	6.14	27.65	5.50
Trailing EPS (\$)	0.78	1.53	0.52	1.82	0.29
P/E (times)	14.66	10.60	11.78	15.21	18.87
Projected P/E	14.03	10.79	8.90	14.92	14.56
Projected EPS (\$)*	0.82	1.50	0.69	1.85	0.38
Book Value per share (\$)	0.42	4.42	4.09	17.37	1.49
Price/Book Value (times)	27.08	3.67	1.50	1.59	3.70
Dividend Yield (2017 YTD %)	5.07%	1.85%	N/A	0.83%	N/A
Volumes	124,283	4,757	3,394	333,294	6,891
Recommendation	BUY	HOLD	BUY	HOLD	HOLD

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	127.200	99.850	126.1471	140.070	107.680	126.6406
CAN	100.700	71.480	99.9750	108.170	95.500	100.2007
GBP	167.000	98.000	163.0965	184.340	160.300	165.0854
EURO	147.078	106.880	145.1807	163.870	143.000	147.3877

*Rates as at November 14, 2017

MONEY MARKET

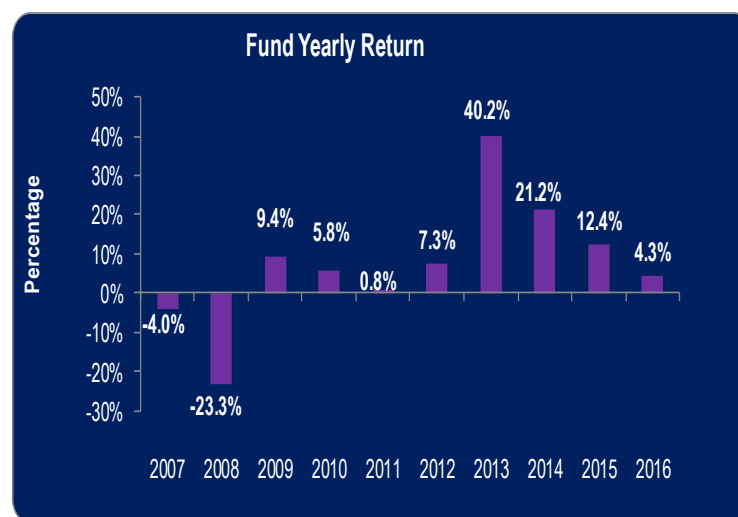
The Jamaican dollar fixed income market was illiquid in today's (November 15, 2017) trading session. The overnight rates were quoted around 2.50% to 2.85% while the 30-day rates were between 4.50% to 4.75%.

The US dollar fixed income market was also liquid during today's (November 15, 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 American Value Corporate Class

This fund's objective is to provide superior returns with a limited level of risk by investing in a diversified portfolio of high quality undervalued companies. It invests primarily in equity and equity-related securities of companies in the United States. The fund has a 3 year return of 10.8% and a 5 year return of 16.9% as at October 30, 2017. The Fund also has a 6 month return of 1.0%.



CAR



STOCK OF THE DAY: Carreras Limited (CAR)

For the six months ended September 31, 2017:-

Carreras Limited reported Operating Revenue of \$6.06 billion, 5% less than the \$6.37 billion booked in 2016. Revenue for the quarter increased by 7% compared to the corresponding Quarter in 2016 moving from \$3.03 billion in 2016 to \$3.25 billion in 2017. Although second quarter performances increased, according to the company "there was a lower trade demand for cigarettes for both the first and second quarter of the 2017/2018 financial year. We reiterate the point that there is a direct relationship between high taxes and its adverse impact on legal volumes, Governments revenues and the rise of the illicit trade."

Cost of Operating Revenue also declined year over year by 8%, amounting to \$3.00 billion from \$3.27 billion. As such, Gross Operating Profit declined by 1% to total \$3.06 billion relative to the \$3.10 billion in 2016. Other Operating Income increased 15% moving from \$141.32 million in 2016 to \$162.04 million.

Administrative, distribution and marketing expenses increased 2% to total \$989.68 million (2016: \$970.07 million). The company stated that this was attributable to "one-off expenses associated with the recent stock split and the modernisation of the Articles of Incorporation. Overheads continue to be rigorously monitored and controlled by management.

Profit before Income Tax was recorded at \$2.23 billion relative to \$2.27 billion in 2016. Taxation of \$558.22 million was incurred for the period (2016: \$585.71 million).

Net Profit for the six months declined 1% to \$1.67 billion relative to \$1.69 billion booked in 2016. Net Profit for the second quarter saw a 11% increase amounting to \$914.39 million compared to the \$826.12 million reported in the second quarter 2016 period. Total Comprehensive Income attributable to shareholders for the period closed at \$914.01 million compared to \$825.61 million reported for the corresponding quarter in 2016.

The Earnings per share (EPS) for the period was \$0.34 as compared to \$0.35 for the corresponding period of last year, while EPS for the quarter amounted to \$0.50 (2016: \$0.49). The twelve month trailing EPS amounted to \$0.78. The number of shares used in the computations amounted to 4,854,400,000 units.

US: Senate Republicans Toss Potential Obamacare Bomb Into Tax Bill

“Senate Republicans have tossed a potential bomb in the middle of their tax overhaul bill. The plan released Tuesday night mixes two red-hot debates by adding a repeal of the Obamacare law’s individual mandate to their tax legislation. While the move will help them meet their fiscal target, it complicates the vote calculations in both chambers and hands Democrats a bumper sticker-ready issue they can use to charge up their base. The revised proposal “will effectively repeal Obamacare’s individual mandate tax so that we can provide even more tax relief to low- and middle-income families,” Senate Majority Leader Mitch McConnell, a Kentucky Republican, said Wednesday. Getting rid of the requirement that most people have insurance or pay a penalty would knock out a pillar of the Obamacare law. House leaders considered adding the repeal to their bill before ultimately keeping it out of the legislation, which is headed for a final vote on Thursday. It was included in the Senate bill after John Cornyn, the Republicans’ chief vote counter, expressed confidence to colleagues he can secure 50 votes to pass a tax bill with that provision. But it’s a narrow margin of error. Republicans have a two-vote majority in the Senate, and they tried and failed twice to pass an Obamacare repeal earlier this year.”

<https://www.bloomberg.com/news/articles/2017-11-14/obamacare-noses-into-the-tax-debate-bringing-along-its-baggage>

EUROPE: Private Equity Giant Cerberus Emerges as New Deutsche Bank Shareholder

“Deutsche Bank AG and Commerzbank AG surged after it emerged that private-equity firm Cerberus Capital Management is a top shareholder at Germany’s two biggest banks. Cerberus, controlled by U.S. billionaire Stephen A. Feinberg, declined to say if it has any specific plans for its 3 percent in Deutsche Bank and the 5 percent Commerzbank stake it disclosed in July. Commerzbank has been in discussions with potential buyers, prompting some analysts and investors to speculate that Cerberus could push for a combination of the two banks. “It’s unlikely that Cerberus’s rationale for its investments in Deutsche Bank and Commerzbank is purely based on the expectation that two banks can be turned around,” said Michael Huenseler at asset manager Assenagon, which owns Deutsche Bank stock. “This is likely to fuel speculation around a merger between the two banks.” Deutsche Bank reversed declines after Bloomberg broke the news, rising 1.9 percent in Frankfurt, after losing as much as 3.2 percent earlier in the day. Commerzbank gained 1.8 percent after earlier declining as much as 4.9 percent. Deutsche Bank, in a statement, said it welcomes “every investor who believes in the value potential of the Deutsche Bank share.”

<https://www.bloomberg.com/news/articles/2017-11-15/deutsche-bank-is-said-to-attract-new-top-investor-amid-overhaul>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at November 13, 2017	
	Percentage (%)
Yield to Maturity	4.68
Weighted Average Coupon	4.95
Current Yield	4.89

The platinum portfolio has an effective maturity of 15.30 years and duration of 4.86years.

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

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