

DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$) +

Stock Symbol	DTL	JAMT	NCBFG	JMMBGL	MEEG
Current Price (\$)	8.00	4.20	98.70	28.02	5.81
Trailing EPS (\$)	0.52	0.28	7.75	1.82	0.29
P/E (times)	15.34	14.99	12.74	15.42	19.93
Projected P/E	11.59	14.08	10.62	15.12	15.38
Projected EPS (\$)*	0.69	0.30	9.30	1.85	0.38
Book Value per share (\$)	4.09	1.55	47.02	17.37	1.49
Price/Book Value (times)	1.95	2.71	2.10	1.61	3.90
Dividend Yield (2017 YTD %)	N/A	1.43%	2.43%	1.53%	N/A
Volumes	NIL	867	94,324	335,902	54,026
Recommendation	BUY	HOLD	HOLD	HOLD	HOLD

JMMBGL



STOCK OF THE DAY: JMMB Group Limited - (JMMBGL)

For the six months ended September 30, 2017

Booked Net interest income of \$3.76 billion compared to \$3.26 billion in 2016, an increase of 15%. This as interest income grew by 8% to close at \$7.83 billion, from the \$7.26 billion booked in 2016, while interest expenses increased by 2% to total \$4.07 billion relative to \$4 billion in the prior year. JMMBGL highlighted that, "there was strong growth in the loan and investment portfolios. Additionally, the spread on the portfolios were higher on account of an effective spread management strategy." Net interest income for the quarter amounted to \$1.85 billion versus \$1.71 billion book for the corresponding quarter of 2016.

Fees and commission income amounted to \$797.10 million, an improvement of 44% on the \$554.29 million last year. According to the company, "there was significant growth in managed funds and collective investment schemes across the Group." Foreign exchange margins from cambio trading recorded a decrease of 21% year over year to close at \$544.70 million (2016: \$689.34 million) while net gains from securities trading showed a decrease of 6% totaling \$3.01 billion (2016: \$3.19 billion). Other income for the period totaled \$56.63 million a 588% growth relative to \$8.23 million. Dividend income for the six months declined 27% to close at \$12.81 million relative to \$17.58 million.

Operating expenses amounted to \$5.83 billion, a growth of 15% (2016: \$5.08 billion) which led to an operating profit of \$2.35 billion, a decrease when compared to the \$2.64 billion booked the year prior. Following taxes of \$680.94 million (2016: \$610.69 million), JMMBGL booked an 18% contraction in net profit to \$1.67 billion compared to \$2.03 billion reported for the similar period of 2016. Net profit attributable to the shareholders of the company totaled \$1.67 billion relative to \$2.02 billion in 2016, an 17% decline year over year. For the second quarter, JMMBGL booked net profit attributable to shareholders of \$1.06 billion relative to \$1.43 billion reported for the corresponding quarter of 2016. As a result, earnings per share (EPS) for the six months amounted to \$1.03 (2016: \$1.24) while EPS for the quarter amounted to \$0.658 (2016: \$0.88). The twelve month trailing EPS amounted to \$1.82 where the number of shares used in the calculations amounted to 1,630,552,530 units. Notably, JMMBGL's stock price closed trading on November 14, 2017 at \$29.26.

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	127.000	100.020	125.5842	139.840	100.020	126.5192
CAN	100.520	71.250	99.3677	106.400	96.000	99.6322
GBP	170.240	121.650	164.8914	186.530	162.700	167.1857
EURO	147.000	107.400	143.6803	152.000	143.650	149.4952

*Rates as at November 22, 2017

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (November 23, 2017) trading session. The overnight rates were quoted around 2.50% to 2.85% while the 30-day rates were between 4.00% to 4.30%.

The US dollar fixed income market was also liquid during today's (November 23, 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 9.8% and a 5 year return of 11.4% as at October 31, 2017. The Fund also has a 3 month return of 6.0%.

Fund Yearly Return



US: Trump Takes Credit for Security Wins, Warns Allies Can Turn

“President Donald Trump, in a Thanksgiving address to troops, credited his policies for allowing progress in Afghanistan and against Islamic State, and warned about sending sophisticated weapons to American allies that one day could become the enemy. “Everybody is talking about the progress you’ve made in the last few months since I opened it up,” Trump told the Army’s 82nd Airborne Division in Afghanistan, during a morning video call from his Mar-a-Lago resort in Palm Beach, Florida. “We’re not fighting anymore to just walk around. We’re fighting to win. You’ve turned it around over the last three to four months like nobody has seen, and they are talking about it.” Where candidate Trump had suggested U.S. engagement in Afghanistan and Iraq was a waste of time, one year later the Commander-In-Chief embraced tackling the conflicts and the notion of lasting U.S. military wins with continued engagement. He also promised the military officials that once they came home they would return to a good economy, job opportunities and hopefully “big, fat, beautiful tax cuts.” Trump, speaking later Thursday morning during a visit to the coast guard station in Lake Worth Inlet in Florida, thanked a group of officers for rescuing people trapped by deadly storms that pummeled the southeastern U.S. coast this year, including Hurricanes Harvey in Texas and Irma in Florida. Trump touted planned new investments for the military, citing a \$700 billion defense policy bill that Congress has sent for his signature.

<https://www.bloomberg.com/news/articles/2017-11-23/trump-credits-his-focus-on-afghanistan-isis-for-making-gains>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at November 20, 2017	
	Percentage (%)
Yield to Maturity	4.70
Weighted Average Coupon	4.966
Current Yield	4.91

The platinum portfolio has an effective maturity of 15.39 years and duration of 4.88 years.

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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: Merkel Offered Path to Fourth Term as Resistance Dwindles

“Germany’s biggest opposition party is ready to begin talks with Angela Merkel on a minority government, offering her a way to restore political leadership in Europe’s biggest economy. It’s the first sign the Social Democratic Party is ready to help the chancellor stay in office after her talks on forming a coalition with three other parties fell apart. SPD head Martin Schulz, who faces party pressure to go further and disavow his refusal to join a Merkel government, consulted with German President Frank-Walter Steinmeier on Thursday before gathering with other SPD leaders in Berlin to discuss how to move forward.Two months after an inconclusive election that brought a far-right party into parliament, the impasse has left Merkel stranded even though she won a mandate for a fourth term. With Germany’s political map in flux, her aversion to governing without a parliamentary majority and the SPD’s refusal to be her junior partner for a third time may both be negotiable. “Of course we want to help Germany and we haven’t ruled out anything,” SPD lawmaker Karl Lauterbach said in a ZDF television interview. That includes the option of a “grand coalition” with Merkel’s Christian Democrat-led bloc as a last resort, he said.

<https://www.bloomberg.com/news/articles/2017-11-23/germany-s-spd-said-to-be-open-to-talks-on-new-merkel-government>

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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