

### DAILY MARKET SUMMARY

#### LOCAL STOCK MARKET: (J\$) <sup>+</sup>

Stock Symbol	JP	SJ	GENAC	XFUND	SGJ
Current Price (\$)	15.10	34.83	2.53	13.44	50.12
Trailing EPS (\$)	0.47	3.31	0.15	1.21	3.91
P/E (times)	32.12	10.51	17.16	11.08	12.81
Projected P/E	23.28	9.58	12.94	11.35	11.81
Projected EPS (\$)*	0.65	3.64	0.20	1.18	4.24
Book Value per share (\$)	9.89	15.32	1.84	9.81	32.92
Price/Book Value (times)	1.53	2.27	1.38	1.37	1.52
Dividend Yield (2017 YTD %)	0.66%	3.67%	7.67%	1.04%	3.65%
Volumes	3,746	1,594,318	NIL	18,710	147,734
Recommendation	SELL	BUY	HOLD	HOLD	HOLD

JP



#### STOCK OF THE DAY: Jamaica Producers Group Limited (JP)

For the six months ended June 30, 2017:

For six months ended June 30, 2017, Jamaica Producers Group Limited (JP) experienced a 62% increase in revenue to total \$7.40 billion compared to the \$4.57 billion reported in 2016. The company posted second quarter revenue of \$4 billion a 66% increase (2016: \$2.41 billion). According to the company "Revenues were roughly evenly split between the Group's two divisions Logistics & Infrastructure ("L&I") and Food & Drink ("F&D"). In line with the strong performance of Kingston Wharves, the largest of the Group's subsidiaries (in terms of assets)." The Food & Drink Division had a \$14.82 million reduction in revenue to total \$4.04 billion relative to the \$4.06 billion reported in 2016. The Food and Drink Division "comprises businesses that are engaged in agriculture, processing, distribution and/or retail of food and drink."

Logistics and Infrastructure increased \$2.88 billion or 598% year over year to total \$3.36 billion (2016: \$481.47 million). This increase was associated with the addition of Kingston Wharves to the Profit and Loss as a subsidiary. "During the first half of 2016, Kingston Wharves was classified as an associate for accounting purposes and consequently only JP's 42% share of earnings was brought into the divisional Profit and Loss Account. With effect from June 23, 2016, this company has been treated as a subsidiary for accounting purposes."

The Corporate Services division earned \$40.51 million relative to \$32.87 million in 2016, a 23% increase. The company indicated, "This comprises interest and investment income, net of the cost of corporate functions not directly charged to business units." The cost of sales for the six months increased by 38% to total \$5.08 billion compared to \$3.68 billion reported for the comparable period in 2016. As a result, Gross Profits increased to total \$2.32 billion, a 160% growth on the \$894.09 million documented in 2016. Other income year over year increased from \$69.43 million to \$92.47 million, a 33% increase. JP's administration, selling and other operating expenses rose 47% to close at \$1.43 billion, this compares to \$975.31 million booked a year earlier. JP also recorded a share of loss in joint venture and associated company of \$2.23 million, relative to a profit of \$362.35 million in the previous year. Finance cost was reported at \$142.04 million for the period relative to the \$94.36 reported in 2016. This resulted in a profit before taxation of \$836.71 million for the period (2016: \$2.81 billion). Of note, the company had recorded a one-off gain on recognition of subsidiary of \$2.46 billion in 2016. The company incurred tax charges of \$166.48 million (2016: \$74.24 million), resulting in Net Profit for the period declining 75% to \$670.23 million (2016: \$2.64 billion). Notably, net profit attributable to stockholders totaled \$251.04 million; this compared to \$2.71 billion a 349% decline. Net Profit attributable to shareholders for the quarter declined 94% to total \$157.93 million relative to the \$2.60 billion 2016.

<sup>+</sup>Prices are as at December 11, 2017 <sup>\*</sup>Projections are for the forward 12 months from the most recent quarter results

#### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	126.100	100.010	124.8269	135.250	118.500	125.8218
CAN	101.500	70.240	97.7596	107.810	93.000	98.3111
GBP	174.743	121.880	166.3007	185.010	162.000	168.9140
EURO	145.800	106.880	143.2408	163.870	142.000	146.9555

\*Rates as at December 8, 2017

#### MONEY MARKET

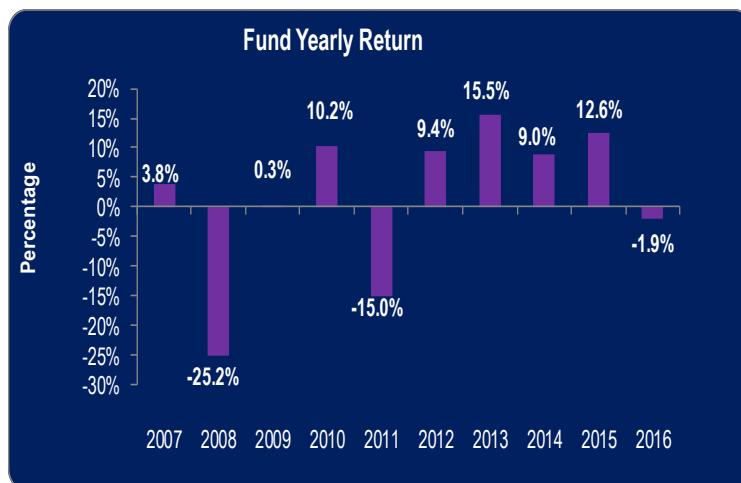
The Jamaican dollar fixed income market was liquid in today's (December 11, 2017) trading session. The overnight rates were quoted around 2.50% to 2.85% while the 30-day rates were between 3.85% to 4.00%.

The US dollar fixed income market was also liquid during today's (December 11, 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 9.3% and a 5 year return of 11.0% as at November 30, 2017. The Fund also has a 3 month return of 5.4%.



## US: Treasury's One-Page Report: Trump's Plans Pay for Senate Tax Cut

"The tax cuts proposed in the Republican Senate tax bill would pay for themselves over 10 years in combination with President Donald Trump's other economic policies, according to a one-page analysis released by the U.S. Treasury Department Monday. Critics said Treasury's 470-word report -- which didn't include specific calculations for the effects offered by elements of Trump's economic agenda such as a regulatory rollback -- lacked rigorous analytical backing. Treasury Secretary Steven Mnuchin has said the tax provisions alone would pay for themselves. Treasury's long-awaited tax report says only that the combined impact of Trump's economic agenda will drive enough growth to pay for the tax cuts. Treasury's Office of Tax Policy based its growth estimates on the 2018 White House budget -- which contained some different tax provisions from those in the legislation Congress is considering. For example, the administration based its estimates on tax legislation that would cut the corporate rate to 15 percent and set a top individual rate of 35 percent. The current version of the Senate tax plan would set a 20 percent corporate rate starting on Jan. 1, 2019, and a set a top rate for individuals of 38.5 percent. A Treasury Department spokesman couldn't immediately provide a comment about that apparent discrepancy. Regardless, the new analysis found that gross domestic product would increase to an average of 2.9 percent over 10 years, which would lead to \$1.8 trillion in new revenue, more than offsetting the tax plan's almost \$1.5 trillion cost. Roughly half of the boost in growth would come from corporate tax cuts, while the other half would come from changes to pass-throughs, individual tax cuts and "a combination of regulatory reform, infrastructure development, and welfare reform as proposed" in the administration's 2018 budget."

<https://www.bloomberg.com/news/articles/2017-12-11/treasury-says-trump-agenda-would-pay-for-senate-gop-tax-cuts>

## PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at December 11, 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](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)

## Europe: Merkel Gives Strongest Support Yet for Macron's EU Overhaul Drive

"German Chancellor Angela Merkel said the European Union must push ahead with deepening integration next year if the bloc is to have meaningful influence on the global stage, her clearest backing yet for a reform drive championed by French President Emmanuel Macron. Merkel said she wanted talks to form another coalition government with the Social Democrats to be concluded quickly so that Germany can help France to propel EU reforms forward before the process is interrupted by European elections in 2019. Europe is the best vehicle "if the EU member states want to have any influence at all over geopolitical developments," Merkel told a news conference in Berlin on Monday after a meeting of her party leadership. "I believe that is a historical necessity and I don't think I am exaggerating when I say the world is waiting for us to be able to act."The drive to seize the narrow window for EU reform is likely to be a key point of contention in the coalition talks due to begin on Wednesday between Merkel and Social Democrat leader Martin Schulz. Schulz has aligned the SPD fully behind Macron's initiatives to strengthen the EU, including calls for a euro-area budget and an EU finance minister, while many in Merkel's Christian Democratic Union-led bloc are wary of further integration, seeing it as code for German financial support for what they regard as fiscally spendthrift governments. "

<https://www.bloomberg.com/news/articles/2017-12-11/merkel-gives-strongest-support-yet-for-macron-s-eu-reform-drive>

## STRUCTURED PRODUCT

### Mayberry Managed Equity Portfolio (MMEP)

We offer a managed equity portfolio for both institutions and individuals. The MMEP is a full discretionary managed portfolio of a diversified group of stocks. The stocks included in the portfolio represent Mayberry's top recommended stocks. Persons who find it difficult to manage their equity portfolios on a day to day basis should consider the MMEP. Further, the MMEP is for individuals and institutions who would like to pursue a medium to long term equity strategy.