

## DAILY MARKET SUMMARY



### LOCAL STOCK MARKET: (JS) +

Stock Symbol	SGJ	NCBFG	GENAC	CAR	DCOVE
Current Price (\$)	50.63	99.64	3.00	11.00	17.00
Trailing EPS (\$)	3.91	7.75	0.15	0.78	1.13
P/E (times)	12.94	12.86	20.35	14.08	15.01
Projected P/E	11.93	10.72	15.34	13.48	11.08
Projected EPS (\$)*	4.24	9.30	0.20	0.82	1.53
Book Value per share (\$)	32.92	47.02	1.84	0.42	9.19
Price/Book Value (times)	1.54	2.12	1.63	26.01	1.85
Dividend Yield (2017 YTD %)	3.61%	2.41%	6.46%	6.91%	4.71%
Volumes	117,552	42,547	NIL	64,737	0
Recommendation	HOLD	HOLD	HOLD	BUY	SELL

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	125.930	100.010	124.8504	135.250	118.000	125.7741
CAN	98.000	73.160	96.5388	107.870	89.100	97.8571
GBP	169.050	121.650	166.0864	184.100	160.990	166.6688
EURO	145.300	106.880	143.1823	163.870	141.500	147.8936

\*Rates as at December 13, 2017

### MONEY MARKET

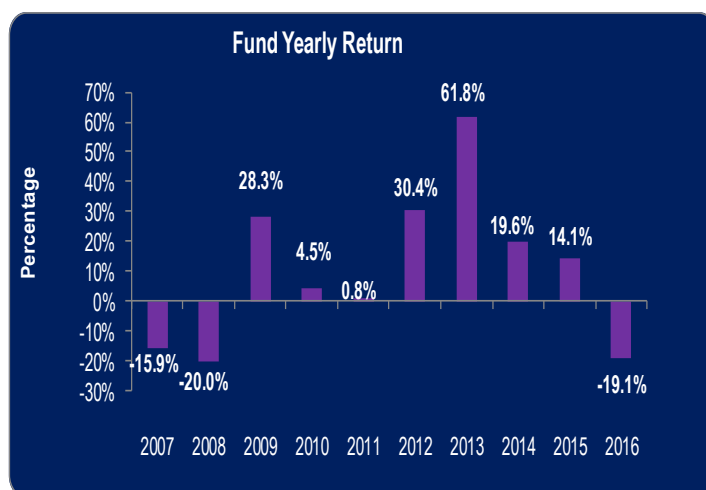
The Jamaican dollar fixed income market was liquid in today's (December 14, 2017) trading session. The overnight rates were quoted around 2.50% to 2.85% while the 30-day rates were between 3.75% to 4.00%.

The US dollar fixed income market was also liquid during today's (December 14, 2017) trading session; The overnight market rates were quoted at 1% while the 30-day market rates stood around 1.0% to 1.2%.

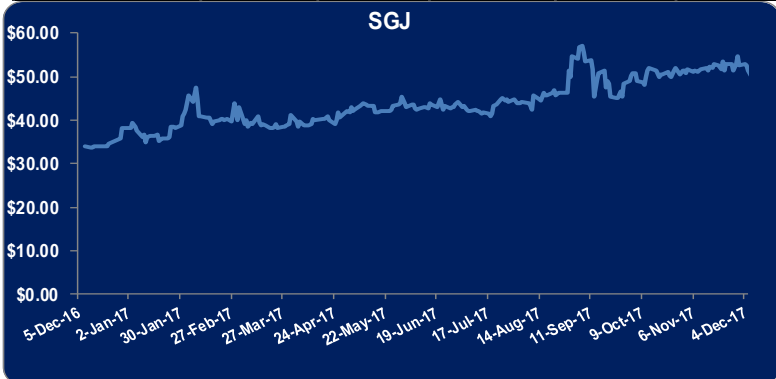
### OVER THE COUNTER FUNDS (CI FUNDS)

#### CI Global Health Sciences Corporate Class

This fund's objective is to obtain maximum long-term capital growth. It invests primarily in equity and equity-related securities of companies around the world that specialize in the health care or medical industry. The fund has a 3 year return of 1.1% and a 5 year return of 14.5% as at November 30, 2017. The Fund also has a 3 month return of 1.7%.



SGJ



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

For the year ended October 31, 2017:-

Net Interest Income improved to \$26.64 billion, moving from \$25.38 billion in the corresponding period in 2016, while interest expenses declined by 12% to total \$4.32 billion (2016: \$4.90 billion). Interest income for the period increased marginally from \$30.27 billion in 2016 to \$30.97 billion. Net interest income for the quarter amounted to \$6.72 billion, up 2% relative to \$6.60 billion booked for the prior year's corresponding quarter.

Impairment losses of loans increased 52% to \$2.18 billion compared to \$1.43 billion for the comparable period in 2016. As such, Net Interest Income after Impairment losses on loans grew to \$24.47 billion relative to the \$23.94 billion recorded for the corresponding period in 2016. Total Other Revenue increased by 12% to \$15.03 billion relative to \$13.39 billion in 2016. See breakdown below:

Net Fees and Commission Income amounted to \$8.64 billion (2016: \$7.02 billion), an increase of 23% relative to the corresponding period in 2016.

Insurance Revenue rose 18% and closed the period at \$2.79 billion relative to \$2.37 billion last year. Net foreign exchange trading income decreased by 31% and amounted to \$2.49 billion (2016: \$3.63 billion). Net gains on financial assets rose to \$1.03 billion relative to \$344.82 million in 2016, a 200% surge year over year. Other revenue improved by 144% to total \$75.02 million compared to \$30.76 million in 2016.

Total revenues excluding impairment losses on loans for the year ended October 31, 2017 was \$41.7 billion, representing an increase of \$2.9 billion or 7% above prior year. There was increased retail loan and transaction volumes across our business lines, as well as improved non-interest revenue

Total Operating Income increased by 6% to total \$39.49 billion versus \$37.34 billion for the corresponding period in 2016. Total Operating Expenses for the year end amounted to \$21.29 billion, a 3% growth from the \$20.70 billion booked for the prior year. Profit before Taxation totaled \$18.20 billion, this represents an increase of 9% from the \$16.64 billion recorded in 2016. Tax charges for the year totaled \$5.79 billion (2016: \$5.05 billion), as such Profit for the year totaled \$12.41 billion, 7% more than the \$11.59 million posted last year. Profit attributable to shareholders amounted to \$12.17 billion, 8% more than the total of \$11.30 billion a year earlier.

Earnings per share (EPS) for year-end totaled \$3.91 (2015: \$3.63), while EPS for quarter totaled \$1.08 (2016: \$1.00). The total number of shares employed in our calculations amounted to 3,111,572,984 units. Notably, the stock price closed the trading period on December 07, 2017 at \$52.57.

**US: FCC Votes to End Net Neutrality Rules**

“The U.S. Federal Communications Commission swept aside rules barring broadband providers from favoring the internet traffic of websites willing to pay for speedier service, sending the future of net neutrality on to a likely court challenge. The Republican-led commission voted 3-to-2 on Thursday to remove Obama-era prohibitions on blocking web traffic, slowing it or demanding payment for faster passage via their networks. Over objections from its Democrats, the FCC gave up most authority over broadband providers such as AT&T Inc. and Comcast Corp. and handed enforcement to other agencies. “It is time for us to restore internet freedom,” said FCC Chairman Ajit Pai, who was chosen by President Donald Trump to lead the agency, and who dissented when the FCC adopted the rules under Democratic leadership in 2015. “We are restoring the light-touch framework that has governed the internet for most of its existence.” The new rules, which will take effect 60 days after being published in the Federal Register that chronicles regulatory activity, drew immediate threats of lawsuits seeking to overturn Thursday’s action. Free Press, an activist group that helped organize opposition to Pai’s order, announced it planned “to sue the FCC on the basis of its broke process, deeply flawed legal reasoning, willful rejection of evidence that contradicts its preordained conclusions, and absolute disregard for public input.”

<https://www.bloomberg.com/news/articles/2017-12-14/net-neutrality-rules-swept-aside-by-republican-led-u-s-fcc>

**Europe: EU Draws Brexit Battle Lines for Banks**

“The U.K.’s breakthrough deal to get Brexit talks moving on to the future trading relationship may be short-lived. That’s because the European Union negotiators preparing for the next stage of talks are drawing battle lines that will see them offer London’s financial services industry inferior access, if any at all, to the continent’s markets, once the post-Brexit transition period ends, according to EU and national government officials involved in the preparatory work. The EU is set to reject calls for a “Canada Plus, Plus, Plus” arrangement that would include free movement of both goods and services, the officials said. And while some in the U.K. still hope to have a relationship that’s virtually identical to the one now, most in the bloc aren’t prepared to grant any rights to the U.K.’s financial giants other than allowing them establish a presence on EU soil -- under EU supervision. The end of business as usual for the City of London could deal a blow to the U.K.’s services-dependent economy, and to the continent, potentially increasing the cost of capital and fragmenting capital markets. The U.K.’s best hope might lie in EU discord over the future relationship. Even as the consensus view is that a non-member should no longer enjoy the same benefits, differences are likely to emerge during the talks as countries like the Netherlands want to stick as close as possible to the status quo, while others, including France, insist on a clear separation.”

<https://www.bloomberg.com/news/articles/2017-12-13/eu-draws-battle-lines-for-banks-as-brexit-moves-to-next-stage>

**PLATINUM PORTFOLIO**

**Platinum Portfolio Yield Measures as at December 11, 2017**

	Percentage (%)
<b>Yield to Maturity</b>	4.70
<b>Weighted Average Coupon</b>	4.966
<b>Current Yield</b>	4.91

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

**DISCLAIMER**

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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)

OVER 20 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH  
 = POSITIVE TRANSFORMATION FOR OUR CLIENTS  
 MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS

**...BULLISH ON JAMAICA**

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