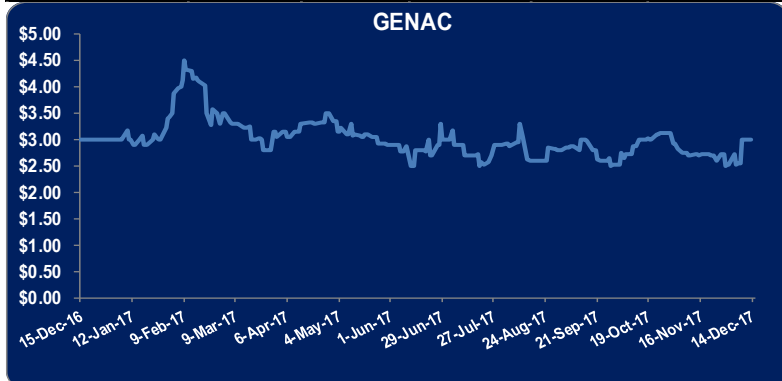


### DAILY MARKET SUMMARY

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

Stock Symbol	GENAC	SGJ	KW	JMMBGL	CPJ
Current Price (\$)	2.90	50.24	31.31	24.01	3.80
Trailing EPS (\$)	0.15	3.91	1.12	1.82	0.38
P/E (times)	19.67	12.84	27.83	13.21	9.93
Projected P/E	14.83	11.84	26.05	12.96	9.52
Projected EPS (\$)*	0.20	4.24	1.20	1.85	0.40
Book Value per share (\$)	1.84	32.92	13.61	17.37	2.64
Price/Book Value (times)	1.58	1.53	2.30	1.38	1.44
Dividend Yield (2017 YTD %)	6.69%	3.64%	N/A	1.79%	1.58%
Volumes	1,114	76,666	5,927	19,804	115,917,142
Recommendation	HOLD	HOLD	SELL	HOLD	BUY

GENAC



#### STOCK OF THE DAY: General Accident Insurance Company Limited (GENAC)

#### For the year ended September 2017:

GENAC reported Gross premium written of \$6.18 billion, 18% higher than the \$5.23 billion reported for 2016. As a result, net premium written increased by 18% from \$886.26 billion last year to \$1.04 billion. Excess of loss reinsurance trended down by 1% to \$70.38 million (2016: \$70.94 million). Net premium written for the third quarter amounted to \$369.96 million relative to \$300.97 million booked for the corresponding period in 2016.

Reinsurance ceded amounted to \$5.07 billion relative to \$4.27 billion in 2016, a 19% increase year over year. Net changes in unearned premiums totaled \$78.18 million, 142% higher than the \$32.28 million recorded last year. Consequently, net premiums earned grew by 13% to a total of \$965.12 billion compared to \$853.98 billion for the same period last year. For the quarter, net premium earned totaled \$347.35 million compared to \$312.92 million booked for the similar quarter of 2016.

Commission income grew by 16%, year over year, from \$282.31 million in 2016 to \$328.66 million in 2017, while commission expenses increased by 15% from \$205.79 million to \$236.04 million.

Claims expenses saw an increase of 30%, closing the period at \$788.15 million (2016: \$607.22 million), while management expenses climbed by 22% to total \$409.56 million compared to the 2016 total of \$335.58 million. Net change in commission totaled \$105.15 million for the nine months compared to \$5.72 million booked in 2016.

Underwriting loss for the period totaled of \$34.83 million, this compares to a loss of \$6.58 million in 2016. The company however made an underwriting profit of \$33.15 million (2016: \$36.48 million).

Investment income closed at \$146.33 million, a 56% decline when compared with last year's \$335.40 million, while other income totaled \$1.95 million, (2016: \$3.53 million). Other operating expenses grew by 8% to \$22.41 million relative to \$20.69 million in 2016.

Profit before taxation amounted to \$91.04 million (2016: \$311.66 million). Net Profit totaled \$76.78 million for the period, a decline of 75% compared to the \$311.60 million reported last year, following tax charges of \$14.26 million. Net profit for the quarter was \$68.44 million a 72% less than the same period of 2016 which had net profits of \$243.41 million. Total comprehensive income amounted to \$130.42 million (2016: \$311.60 million), following a gain on available investments for sale of \$3.64 million. As such, Earning per share for the period amounted to \$0.07 (2016: \$0.30) while EPS for the quarter amounted to \$0.07 compared to \$0.24 in 2016. The twelve months trailing EPS is \$0.15. The stock traded at \$2.70 as at November 14, 2017. The number of shares used in our calculations amounted to 1,031,250,000 units.

\*Prices are as at December 18, 2017 \*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	126.500	96.100	124.2204	135.250	120.500	125.4927
CAN	98.980	73.130	95.0356	108.430	93.750	97.0237
GBP	169.700	122.100	163.6884	187.220	162.000	167.0117
EURO	145.900	107.360	143.6206	164.660	142.750	148.3440

\*Rates as at December 15, 2017

#### MONEY MARKET

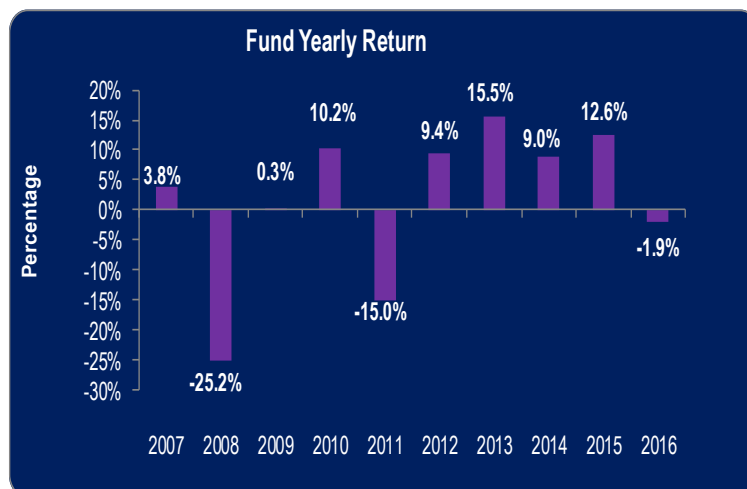
The Jamaican dollar fixed income market was liquid in today's (December 18, 2017) trading session. The overnight rates were quoted around 2.50% to 2.85% while the 30-day rates were between 3.75% to 4.00%.

The US dollar fixed income market was also liquid during today's (December 18, 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: How Republicans' Tax Promises Stack Up to Their Actual Plan

"The Republican tax bill that's on the brink of passage would vault America's corporate tax rate into a much more competitive position globally and deliver temporary tax cuts to a broad range of people. But it won't do all that President Donald Trump and GOP leaders said it would. Its tax cuts, including a new 21 percent corporate rate that's down from 35 percent, aren't projected to pay for themselves. Increased standard deductions for individual filers will bring some much-promised simplicity, but a new tax break for partnerships, limited liability companies and other "pass-through" businesses adds a dose of complexity. Then there's the claim -- advanced most famously by Trump and Treasury Secretary Steven Mnuchin -- that the bill won't cut taxes on people at the top of the income scale. It will. Barring unforeseen surprises, the legislation is headed for Trump's desk by midweek. Immediately upon signing it, the president will make the bill a major flashpoint in the 2018 congressional elections. GOP incumbents will run on having cut taxes -- and on other provisions in the legislation, including repealing the Obamacare individual mandate and opening up part of Alaska's Arctic National Wildlife Refuge to oil drilling."

<https://www.bloomberg.com/news/articles/2017-12-18/gop-tax-plan-s-uneven-benefits-don-t-align-with-trump-s-promises>

## Europe: Germany Joins French-led Moves to Regulate Bitcoin at G-20 Level

"Germany joined European governments pushing for global bitcoin regulation amid mounting alarm that the world's most popular digital currency is being used by money-launderers, drug traffickers and terrorists. Germany's Finance Ministry said it welcomed a proposal by French Finance Minister Bruno Le Maire to ask his counterparts in the Group of 20 to consider joint regulation of bitcoin. The concerns are shared by the Italian government, which is also open to discussing regulation, while the European Union is bringing in rules backed by the U.K. that would apply to bitcoin. "It makes sense to discuss the speculative risks of virtual currencies and their impact on the financial system at international level," the Finance Ministry in Berlin said in an emailed response to questions. The next meeting of G-20 finance ministers and central bank governors would be "a good opportunity to do so." Signs of growing European concern came as bitcoin took another step toward acceptability with the launch of futures trading Sunday night at CME Group Inc.'s venue. That's a week after Chicago rival Cboe Global Markets Inc. introduced similar derivatives on the volatile cryptocurrency that was created in the wake of the 2008 financial crisis as an alternative to banks and government-issued currencies. Bitcoin was closing in on a fresh record of \$20,000 on Monday."

<https://www.bloomberg.com/news/articles/2017-12-18/europe-wants-to-regulate-bitcoin-to-clamp-down-on-illegal-risks>

## PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at December 18, 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.

## 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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### 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)