

## DAILY MARKET SUMMARY



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

Stock Symbol	CAR	JSE	CPJ	NCBFG	JMMBGL
Current Price (\$)	11.30	7.30	4.02	99.34	23.09
Trailing EPS (\$)	0.78	0.24	0.38	7.75	1.82
P/E (times)	14.47	29.95	10.50	12.82	12.70
Projected P/E	13.84	20.86	10.07	10.69	12.46
Projected EPS (\$)*	0.82	0.35	0.40	9.30	1.85
Book Value per share (\$)	0.42	1.34	2.64	47.02	17.37
Price/Book Value (times)	26.72	5.45	1.53	2.11	1.33
Dividend Yield (2017 YTD %)	6.73%	1.99%	1.49%	2.42%	1.86%
Volumes	29,391	77,425	322,112	224,896	1,905,342
Recommendation	BUY	SELL	HOLD	HOLD	HOLD

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	125.700	100.010	124.3458	135.250	116.500	125.5462
CAN	96.300	72.770	94.2370	108.200	93.300	96.7761
GBP	169.000	121.500	165.0356	186.870	161.800	168.0027
EURO	146.700	107.250	142.0241	165.760	143.000	149.2822

\*Rates as at December 20, 2017

### MONEY MARKET

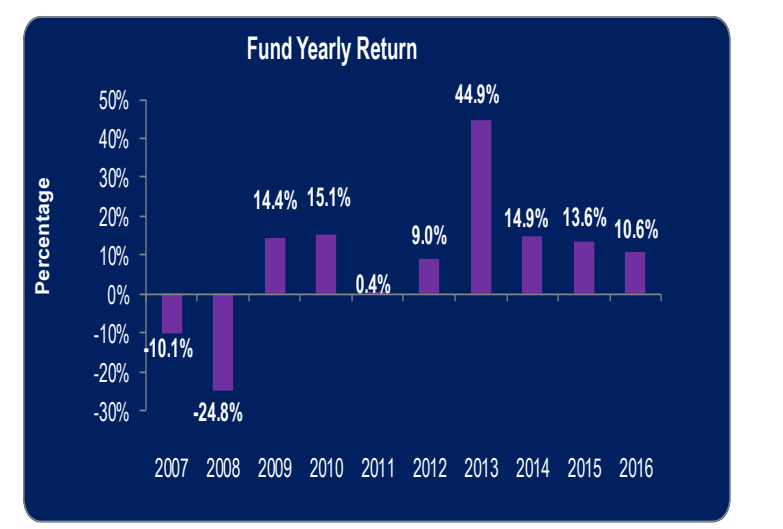
The Jamaican dollar fixed income market was liquid in today's (December 21, 2017) trading session. The overnight rates were quoted around 2.50% to 2.85% while the 30-day rates were between 3.75% to 4.00%.

The US dollar fixed income market was also liquid during today's (December 21, 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 Small Companies Fund

This fund's objective is to seek above-average capital growth. It invests primarily in equity and equity-related securities of small to mid-capitalization North American companies. The fund has a 3 year return of 12.2% and a 5 year return of 18.5% as at November 30, 2017. The Fund also has a 3 month return of 14.0%.



### 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. According to JMMBGL, "this was attributed primarily to costs associated with the transition of JMMB Merchant Bank to a commercial bank. Additionally, costs associated with the enhancement of our integrated Group sales and support framework was added during the course of the prior financial year, and the current reporting period reflect the full impact of these incremental cost."

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.

\*Prices are as at December 21, 2017 \*Projections are for the forward 12 months from the most recent quarter results

**US: McCarthy Says House Will Have to Vote Again: Tax Debate Update**

“House Majority Leader Kevin McCarthy said the House will have to take another vote on the tax bill Wednesday morning, after the Senate removes or changes relatively minor provisions that don’t comply with the chamber’s budget rules. The issue is seen as a procedural hiccup, rather than anything that could jeopardize the legislation’s passage. The House passed the bill earlier Tuesday on a vote of 227-203. The Senate parliamentarian has determined that several provisions in the Republican tax bill would run afoul of Senate rules, according to a statement Tuesday from Senator Bernie Sanders, a Vermont independent. One of the provisions in question would have allowed parents to use tax-advantaged 529 accounts to cover expenses of home-schooling their children, the statement said. Another is related to the schools that would be excluded from a new excise tax on private universities’ endowments above a certain threshold. “In the mad dash to provide tax breaks for their billionaire campaign contributors, our Republican colleagues forgot to comply with the rules of the Senate,” Sanders said. “It is our intention to raise a point of order to remove these provisions from the conference report and require the House to vote on this bill again.” -- Allyson Versprille and Laura Litvan”

<https://www.bloomberg.com/news/articles/2017-12-19/house-plans-early-vote-democrats-plan-drama-tax-debate-update>

**Europe: Switzerland Says the EU Is Trying to Weaken Its Financial Center**

“Switzerland says it fears the European Union is out to undermine its financial industry by granting Swiss stock exchanges only a temporary regulatory green light. Using strong language, President Doris Leuthard said the EU’s decision to allow cross-border stock trading for just a year -- rather than on the indefinite basis accorded to other countries -- was a “clear case of discrimination” that risked “harming bilateral relations on other important dossiers.” “Switzerland fulfills the conditions for recognition of stock market equivalence every bit as much as the other third countries that have been granted indefinite recognition,” Leuthard said at a press conference in Bern on Thursday. “The government has the impression that this decision by the European Union is intended to weaken Switzerland’s financial sector.” The European Commission, the EU’s executive arm, on Thursday formally adopted the decision finding Switzerland’s regulations sufficient to allow EU market participants to continue trading on Swiss exchanges for a year, after markets trading directive MiFID II comes into force on Jan. 3. The Commission said that given the amount of cross border stock trading with Switzerland, the ramifications of the decision were greater than in the case of the U.S., Hong Kong and Australia.”

<https://www.bloomberg.com/news/articles/2017-12-21/switzerland-says-the-eu-is-trying-to-weaken-its-financial-center>

**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 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](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

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