

DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$) +

Stock Symbol	GENAC	SJ	GK	AMG	CAR
Current Price (\$)	2.75	35.99	42.99	3.00	11.31
Trailing EPS (\$)	0.15	3.31	4.03	0.07	0.78
P/E (times)	18.65	10.86	10.66	41.94	14.48
Projected P/E	14.06	9.90	9.16	36.02	13.85
Projected EPS (\$)*	0.20	3.64	4.69	0.08	0.82
Book Value per share (\$)	1.84	15.32	44.68	0.95	0.42
Price/Book Value (times)	1.50	2.35	0.96	3.17	26.75
Dividend Yield (2017 YTD %)	7.05%	3.56%	1.74%	2.80%	6.72%
Volumes	272,416	129,580	14,659	67,800	86,297
Recommendation	HOLD	BUY	HOLD	SELL	BUY

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	125.650	99.760	123.9506	134.910	116.000	125.2224
CAN	100.000	73.550	97.5178	108.260	93.000	98.9499
GBP	169.130	121.500	164.9893	172.824	162.000	167.5661
EURO	146.800	107.400	141.7056	165.760	143.200	148.1892

*Rates as at December 22, 2017

MONEY MARKET

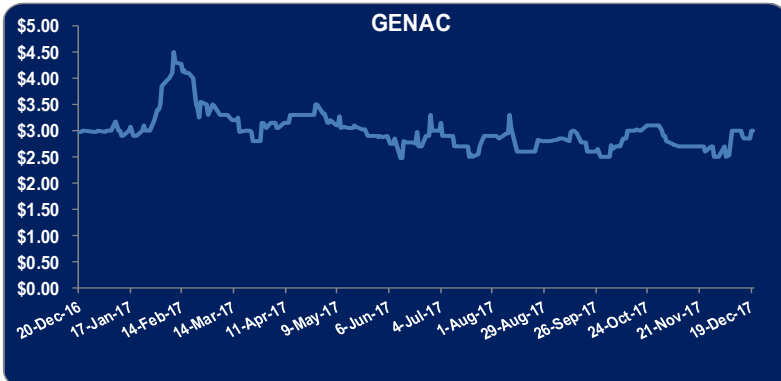
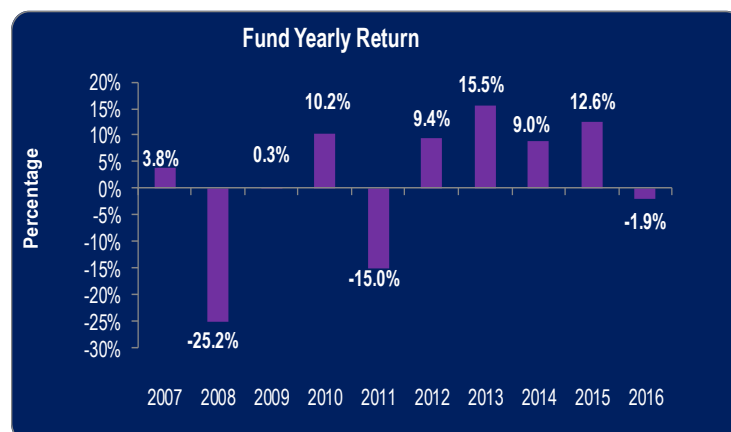
The Jamaican dollar fixed income market was liquid in today's (December 27, 2017) trading session. The overnight rates were quoted around 2.50% to 2.85% while the 30-day rates were between 3.75% to 4.00%.

The US dollar fixed income market was also liquid during today's (December 27, 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%.



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.

US: The Tax Plan Could Change How Wall Street Works

“Leon Black recently posed a question whose answer will determine how profitable the new U.S. tax regime could make Wall Street firms like his Apollo Global Management LLC. Publicly traded partnerships, such as Apollo, are taxed differently than corporations. So should Apollo take advantage of the overhauled tax rules to pay less in taxes? Or should it use this chance to change to an Inc. from an LLC, which would increase its tax bill but allow it to attract investments from mutual funds that have previously been out of reach? “We’re still analyzing,” Black told the Goldman Sachs U.S. Financial Services Conference Dec. 6. “It’s an uncertain outcome.” Either way, it’s most likely a money-making outcome. The tax changes are a boon for private equity firms such as Apollo, where Black is chief executive officer. The new lower corporate rate has made it possible for bigger publicly traded partnerships to consider the change. As it is, management fees, which typically account for 30 percent or more of their earnings, are already taxed at the corporate rate. That will drop. The legislation scarcely touched the 23.8 percent rate paid on incentive fees, also called carried interest, which incur no additional levy when paid out to shareholders.

<https://www.bloomberg.com/news/articles/2017-12-27/leon-black-s-tax-overhaul-dilemma-could-alter-wall-street-model>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at December 27, 2017	
	Percentage (%)
Yield to Maturity	4.80
Weighted Average Coupon	4.985
Current Yield	4.90

The platinum portfolio has an effective maturity of 3.36 years and duration of 4.90 years.

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, www.bloomberg.com, www.investopedia.com, www.tradewire.com

Europe: Full Term for Merkel Opposed by Growing Share of Germans in Poll

“German Chancellor Angela Merkel’s public support for another full term dwindled in a poll, with opposition running high in the party she wants as partner for her next government. A YouGov survey published Wednesday said 47 percent of Germans want Merkel to step down before the end of the four-year mandate her party won in September, up from 36 percent in October. It’s a sign that the political stalemate since the election may be working against the acting chancellor before preliminary coalition talks with the Social Democrats begin on Jan. 7. Among SPD voters, 64 percent want Merkel to serve only part of her term, according to the poll for German newswire Deutsche Presse-Agentur. The resistance underscores how difficult it will be for SPD head Martin Schulz to persuade party members to back another coalition with Merkel, who has said she intends to serve a full term. Even so, more than half of supporters of both Merkel’s Christian Democrat-led bloc and the SPD expect them to agree on another “grand coalition” of the two biggest parties, according to the Dec. 19-21 poll of 2,036 people. While that alliance has been Merkel’s power base for eight of her 12 years in office, the SPD is wary of another tie-up after emerging from the latest four years in government with its worst electoral defeat since World War II.”

<https://www.bloomberg.com/news/articles/2017-12-27/full-term-for-merkel-opposed-by-growing-share-of-germans-in-poll>

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.