

DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$)⁺

Stock Symbol	PJAM	JBG	CFF	LASM	LASD
Current Price (\$)	39.50	17.97	11.00	4.49	4.46
Trailing EPS (\$)	3.86	1.69	0.90	0.11	0.18
P/E (times)	10.22	10.61	12.26	40.15	24.31
Projected P/E	9.30	11.30	12.88	30.91	23.85
Projected EPS (\$)*	4.25	1.59	0.85	0.15	0.19
Book Value per share (\$)	26.91	12.39	3.58	1.14	1.24
Price/Book Value (times)	1.47	1.45	3.07	3.95	3.60
Dividend Yield (2018 %)	N/A	N/A	N/A	N/A	N/A
Volumes	6,142	15,579	NILL	346,468	26,449
Recommendation	HOLD	HOLD	HOLD	SELL	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	126.300	100.000	124.0432	134.360	100.170	125.3866
CAN	102.791	72.750	98.9192	113.040	94.000	100.7334
GBP	179.000	128.250	173.0123	197.250	164.500	176.5839
EURO	156.000	112.500	149.2226	173.030	143.000	155.3260

*Rates as at January 31, 2018

MONEY MARKET

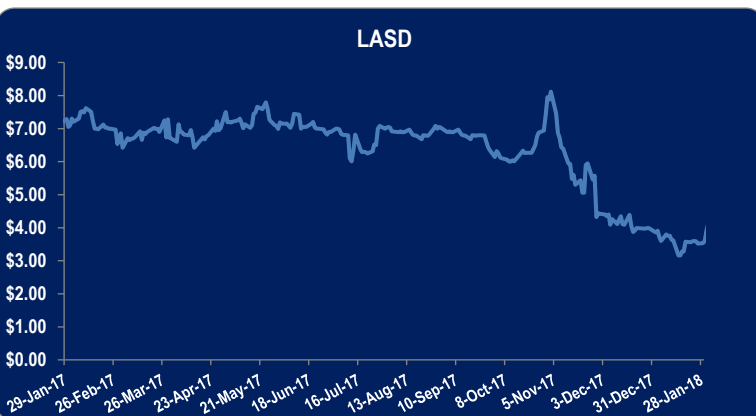
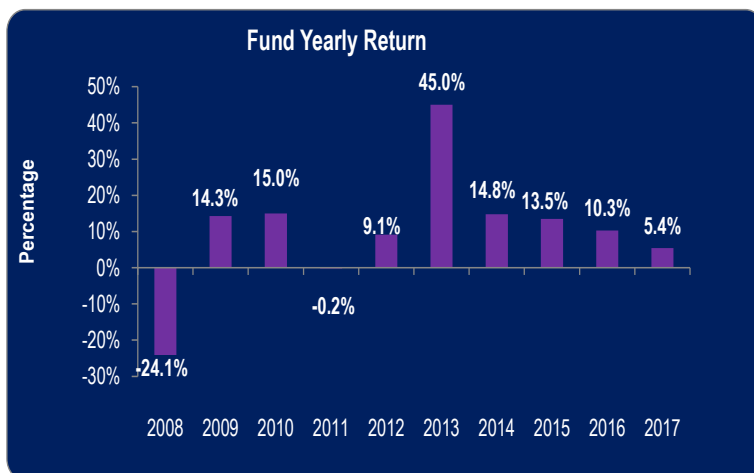
The Jamaican dollar fixed income market was liquid in today's (February 1, 2018) trading session. The overnight rates were quoted around 2% to 2.3% while the 30-day rates were between 3.3% to 3.5%.

The US dollar fixed income market was also liquid during today's (February 1, 2018) 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 Corporate Class

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 9.7% and a 5 year return of 17.1% as at December 31, 2017. The Fund also has a 3 month return of 6.4%.



STOCK OF THE DAY: Lasco Distributors Limited (LASD)

For the six months ended September 30, 2017:

Total revenue for the six months increased by \$210.98 million or 3% to total \$8.35 billion, relative to the \$8.14 billion recorded for the comparable period in 2016. For the quarter the company saw a 1% decline in revenue to total \$4.22 billion relative to the \$4.24 billion reported in 2016.

Cost of sales amounted to \$6.84 billion (2016: \$6.70 billion) for the period, an increase of 2% year on year. Gross Profit of \$1.51 billion was recorded for the period, 5% more than the \$1.44 billion booked for the first six months ended September 30, 2016.

Other Income declined by \$20.15 million to \$19.57 million (2016: \$39.72 million) for the period ended September 2016.

Operating Expenses increased by 3% to close the period at \$1.08 billion relative to \$1.05 million last year. As such, LASD recorded Operating Profits of \$449.20 million, 5% higher than the \$428.03 million booked in the corresponding period of 2016. Finance costs declined 75% to \$245,000 compared to \$974,000 in the prior year's corresponding period.

Profit Before Taxation amounted to \$448.96 million, an increase of 5% from the \$427.06 million recorded for the previous year. Taxes recorded for the period amounted to \$40.46 million 12% less than the \$46.15 million for the corresponding period in 2016. Consequently, Net Profit for the six months totaled \$408.50 million compared to \$380.91 million in 2016, a 7% (\$27.59 million) increase. For the quarter the company saw a 3% increase in Net Profit to total \$211.64 million (2016: \$205.47 million).

Consequently, earnings per share for the six months ended September 30, 2017 amounted to \$0.12, compared to \$0.11 in 2016. The earnings per share for the second quarter totaled \$0.06 (2016: \$0.06). The trailing twelve months EPS is \$0.19. The number of shares used in the calculations amounted to 3,375,431,150 units.

Total Comprehensive Income for the first six months ended September 30, 2017 totaled \$412.40 million relative to \$392.91 reported in 2016.

U.S.: Wells Fargo loses big client after dialing up risk in retirement funds

After Wells Fargo & Co (WFC.N) decided to ramp up risk in its flagship age-based retirement funds last year, one of its largest customers decided to call it quits, unhappy with the new investment strategy and how the bank handled the transition. Wells Fargo notified investors in April 2017 that its target-date funds would become more aggressive, outlining a plan for better returns that included buying junk bonds, stocks in emerging markets and derivatives. It was a stark difference from the conservative investment strategy for which the funds were known. TexaSaver, a supplemental retirement program for nearly 240,000 state employees and elected officials, was stunned by the changes, said Georgina Bouton, assistant director of benefit contracts at the Employees Retirement System of Texas. The retirement plan had fewer than 90 days to accept the revamped product or find another investment option. The retirement plan asked Wells Fargo for more time to find another manager, but the request was denied, she said. TexaSaver ended a decade-long relationship with Wells Fargo, pulling more than \$600 million from its target-date funds. A Colorado-based retirement plan for more than 4,000 plumbers and pipe-fitters also pulled its money from the Wells Fargo funds, citing the "unproven nature and significance" of Wells Fargo's changes, according to a notice sent to participants. The bank says it needed to dial up risk to generate more income for investors, and recognizes that some customers are unhappy, said Fredrik Axsater, head of strategic business segments at Wells Fargo Asset Management.

<https://www.reuters.com/article/us-wellsfargo-funds-texas/wells-fargo-loses-big-client-after-dialing-up-risk-in-retirement-funds-idUSKBN1FL5L5>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at January 29, 2018

	Percentage (%)
Yield to Maturity	5.11
Weighted Average Coupon	4.957
Current Yield	4.63

The platinum portfolio has an effective maturity of 11.34 years and duration of 4.89 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

China: The Breakneck Rise of China's Colossus of Electric-Car Batteries

The next global powerhouse in the auto industry comes from a small city in a tea-growing province of southeast China, where an unheralded maker of electric-vehicle batteries is planning a \$1.3 billion factory with enough capacity to surpass the output of Tesla and dwarf the suppliers for battery-powered cars by GM, Nissan and Audi. Contemporary Amperex Technology Ltd., or CATL, already sells the most batteries to the biggest electric-vehicle makers in the biggest EV market: China. Now it wants to use proceeds from a pending initial public offering backed by Goldman Sachs Group Inc. to get under the hoods of more European marques and secure customers in the U.S. The company plans to raise 13.1 billion yuan (\$2 billion) as soon as this year by selling a 10 percent stake, at a valuation of about \$20 billion. The share sale would finance construction of a battery-cell plant second in size only to Tesla Inc.'s Gigafactory in Nevada—big enough to cement China as the leader in the technology replacing gas-guzzling engines. The new assembly lines would quintuple CATL's production capability and make it the world's largest electric-vehicle battery cell manufacturer, ahead of Tesla, Warren Buffett-backed BYD Co. in China and South Korea's LG Chem Ltd., according to Bloomberg New Energy Finance. The factory could go fully online as soon as 2020, an opportune time as China targets a seven-fold increase in new-energy vehicle sales by 2025 and ponders a course for phasing out fossil-fuel vehicles altogether.

<https://www.bloomberg.com/news/features/2018-02-01/the-breakneck-rise-of-china-s-colossus-of-electric-car-batteries>

STRUCTURED PRODUCT

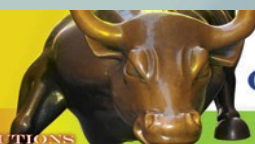
Mayberry Platinum

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.

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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