

DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	BRG	SJ	CFF	LASF	CAR
Current Price (\$)	17.39	35.68	11.00	5.22	11.15
Trailing EPS (\$)	1.53	3.31	0.90	0.20	0.78
P/E (times)	11.38	10.76	12.26	26.63	14.27
Projected P/E	11.58	9.81	12.88	22.24	13.66
Projected EPS (\$)*	1.50	3.64	0.85	0.23	0.82
Book Value per share (\$)	4.42	15.32	3.58	1.06	0.42
Price/Book Value (times)	3.94	2.33	3.07	4.94	26.37
Dividend Yield (2018 %)	N/A	N/A	N/A	N/A	N/A
Volumes	2,943	32,440	881	11,272	214,066
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	126.600	100.000	124.1611	134.360	120.000	125.7539
CAN	103.500	72.750	97.9052	111.890	97.000	99.3764
GBP	181.940	128.550	173.9501	197.710	164.800	176.8623
EURO	153.000	112.500	149.7802	173.030	146.500	154.4445

*Rates as at February 2, 2018

MONEY MARKET

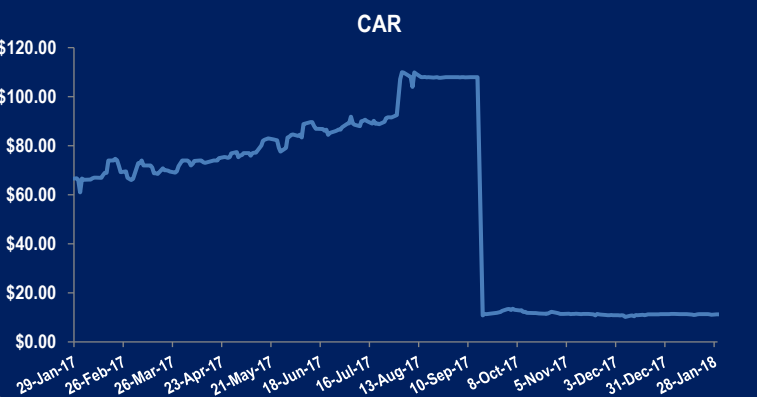
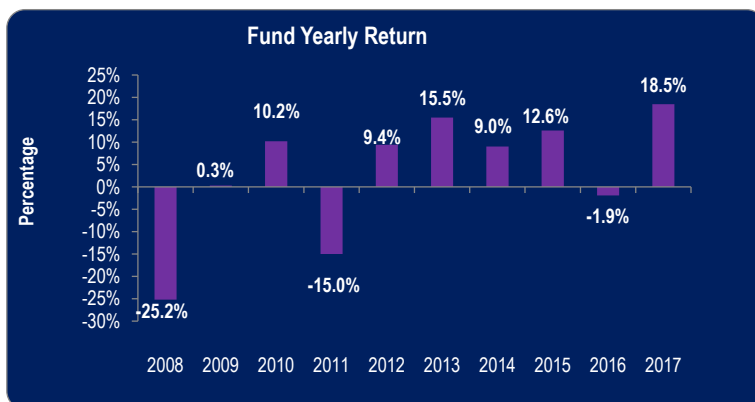
The Jamaican dollar fixed income market was liquid in today's (February 5, 2018) trading session. The overnight rates were quoted around 2% to 2.2% while the 30-day rates were between 3.4% to 3.6%.

The US dollar fixed income market was also liquid during today's (February 5, 2018) trading session; The overnight market rates were quoted at 1% while the 30-day market rates stood around 1.1% to 1.3%.

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. These companies operate in or are listed on stock exchanges in the Asia and Pacific Rim region. The fund may invest in any country in the region. The fund has a 3 year return of 9.4% and a 5 year return of 10.5% as at December 31, 2017. The Fund also has a 3 month return of 7%.



STOCK OF THE DAY: Carreras Limited (CAR)

For the six months ended September 30, 2017:

Carreras Limited reported Operating Revenue of \$6.06 billion, 5% less than the \$6.37 billion booked in 2016. Revenue for the quarter increased by 7% compared to the corresponding Quarter in 2016 moving from \$3.03 billion in 2016 to \$3.25 billion in 2017. Although second quarter performances increased, according to the company "there was a lower trade demand for cigarettes for both the first and second quarter of the 2017/2018 financial year. We reiterate the point that there is a direct relationship between high taxes and its adverse impact on legal volumes, Governments revenues and the rise of the illicit trade."

Cost of Operating Revenue also declined year over year by 8%, amounting to \$3.00 billion from \$3.27 billion. As such, Gross Operating Profit declined by 1% to total \$3.06 billion relative to the \$3.10 billion in 2016. Other Operating Income increased 15% moving from \$141.32 million in 2016 to \$162.04 million.

Administrative, distribution and marketing expenses increased 2% to total \$989.68 million (2016: \$970.07 million). The company stated that this was attributable to "one-off expenses associated with the recent stock split and the modernisation of the Articles of Incorporation.

Profit before Income Tax was recorded at \$2.23 billion relative to \$2.27 billion in 2016. Taxation of \$558.22 million was incurred for the period (2016: \$585.71 million).

Net Profit for the six months declined 1% to \$1.67 billion relative to \$1.69 billion booked in 2016. Net Profit for the second quarter saw a 11% increase amounting to \$914.39 million compared to the \$826.12 million reported in the second quarter 2016 period. Total Comprehensive Income attributable to shareholders for the period closed at \$914.01 million compared to \$825.61 million reported for the corresponding quarter in 2016.

The Earnings per share (EPS) for the period was \$0.34 as compared to \$0.35 for the corresponding period of last year, while EPS for the quarter amounted to \$0.50 (2016: \$0.49). The twelve month trailing EPS amounted to \$0.78.

U.S.: A decade after recession, a jump in U.S. states with wage gains

The kind of pay raises for which American workers have waited years are now here for a broadening swath of the country, according to a Reuters analysis of state-by-state data that suggests falling unemployment has finally begun boosting wages. Average pay rose by more than 3 percent in at least half of U.S. states last year, up sharply from previous years. The data also shows a jump in 2017 in the number of states where the jobless rate zeroed in on record lows, 10 years after the financial crisis knocked the economy into a historic recession. The state-level data could signal an inflection point muffled by national statistics. Over the past four years, the U.S. economy added 10 million jobs and the overall unemployment rate fell to its lowest level since 2000. Yet wages have disappointed. The disconnect has puzzled economists at the Federal Reserve, frustrated politicians concerned about rising inequality, and held regular Americans back, even as businesses have benefited and stock markets have surged, particularly in the first year of U.S. President Donald Trump's presidency. Indeed, average hourly earnings were up 2.9 percent in January year-on-year, the biggest rise in more than 8-1/2 years but still less than the 3.5 percent to 4 percent economists say would be a sign of a healthy economy. The Reuters analysis and interviews with businesses across the country do show wage increases in industries ranging from manufacturing to technology and retail. Executives are mixed, however, on how much to credit Trump after several years of job growth that has chopped nearly six percentage points from the unemployment rate since its peak of 10 percent at the height of the 2007-2009 recession.

<https://www.reuters.com/article/us-usa-economy-workers/a-decade-after-recession-a-jump-in-u-s-states-with-wage-gains-idUSKBN1FP0IC>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at January 29, 2018

	Percentage (%)
Yield to Maturity	5.17
Weighted Average Coupon	5.218
Current Yield	4.76

The platinum portfolio has an effective maturity of 11.34 years and duration of 5.27 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: China Could Steer Self-Driving Cars

In China, the cars are becoming smarter. Last week, Alibaba Group Holding Ltd. and Foxconn Technology Co. Ltd. led a \$348 million fundraising round for Guangzhou Xiaopeng Motors Technology Co. Ltd., a three-year-old start up developing internet-connected, electric cars. The investment might seem an odd one for online retailer Alibaba. But it's part of a larger vision for transportation that includes tools to design and run entire cities. Indeed, with backing from the Chinese government, Alibaba could soon seize the lead over European and American competitors in the race to define the future of transportation. In many respects, the cutting-edge self-driving systems found in vehicles like the Tesla Model X already belong to the past. Their arrays of cameras, radars and computing power can maneuver a vehicle into a tight parking space, safely change lanes on the highway and even respond to a summons by the driver. But, as remarkable as these capabilities are, they tend to rely on line-of-sight connections. That works great when sensors can clearly see a stoplight or stop sign -- less so, say, in foggy conditions, or if someone has deliberately changed the sign in order to spoof the on board computer. One way around that problem is to enable stoplights to "talk" to cars via wifi. So long as the wifi signal is strong, the car not only knows when to slow down; in theory, it could obtain that information long before arriving at an intersection and adjust its route for maximum time and fuel efficiency. If other cars had the same capability, then that "smart" stop light could direct traffic better than a human, let alone a traditional light

<https://www.bloomberg.com/view/articles/2018-02-04/why-china-could-seize-the-lead-in-self-driving-cars>

STRUCTURED PRODUCT

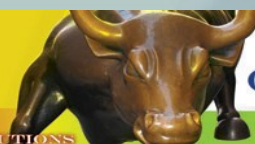
Mayberry Platinum

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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