

DAILY MARKET SUMMARY



LOCAL STOCK MARKET: (J\$) +

Stock Symbol	GENAC	JETCON	SGJ	LASD	SJ
Current Price (\$)	2.93	4.20	51.03	4.46	35.11
Trailing EPS (\$)	0.15	0.28	3.91	0.18	3.31
P/E (times)	19.87	14.95	13.04	24.31	10.59
Projected P/E	14.98	15.21	12.02	23.85	9.65
Projected EPS (\$)*	0.20	0.28	4.24	0.19	3.64
Book Value per share (\$)	1.84	0.70	32.92	1.24	15.32
Price/Book Value (times)	1.59	5.99	1.55	3.60	2.29
Dividend Yield (2018 %)	N/A	N/A	N/A	N/A	N/A
Volumes	38,691	6,095	8,769	315,848	14,245
Recommendation	HOLD	HOLD	HOLD	SELL	BUY

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	126.850	100.000	124.4589	134.660	116.000	125.6962
CAN	102.240	72.260	97.1198	111.770	95.700	99.5950
GBP	177.200	127.280	171.7159	196.000	168.200	174.1254
EURO	152.500	112.580	148.8967	174.120	149.500	156.0576

*Rates as at February 6, 2018



MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (February 7, 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 7, 2018) trading session; The overnight market rates were quoted at 1% while the 30-day market rates stood around 1.1% to 1.3%.

STOCK OF THE DAY: Sagcor Group Jamaica Limited (SJ)

For the nine months ended September 30, 2017:

Total Revenues increased by 18% to \$53.53 billion from \$45.33 billion in 2016, while for the third quarter Total Revenues were up 42% to total \$23.18 billion compared to \$16.32 billion in 2016.

The company stated, "with respect to the Individual lines of business, earned premiums were higher by 12%, while Group Insurance and Annuities premiums were up significantly, especially with new business closed in Q3. Investment income before interest expense and capital gains of \$15.44 billion was 5% higher than in 2016. We experienced lower yields on invested assets in the period. Realized capital gains from securities trading were substantially below prior year, affected by impairment charges and realized losses on certain securities sold. Fees and Other Revenues of \$6.24 billion increased over the prior year by 30% with the expansion of our Cards and Payments business. Overall revenue growth stemmed primarily from business expansion."

Benefits and Expenses totaled \$43.12 billion for the period, an increase of 18% from \$36.48 billion, while for the third quarter Benefits and Expenses were up 52% to close at \$19.52 billion relative to \$12.80 billion in 2016. The growth was mainly driven by increases in commission and related expense, administration expenses and changes in insurance and annuity liabilities. Commission and related expenses grew by 12% to \$3.54 billion from \$3.16 billion while administration expenses increased by 23% to \$13.32 billion (2016: \$10.82 billion). Changes in insurance and annuity liabilities moved from \$5.84 billion in 2016 to \$8.74 billion for the nine months ended September 30, 2017.

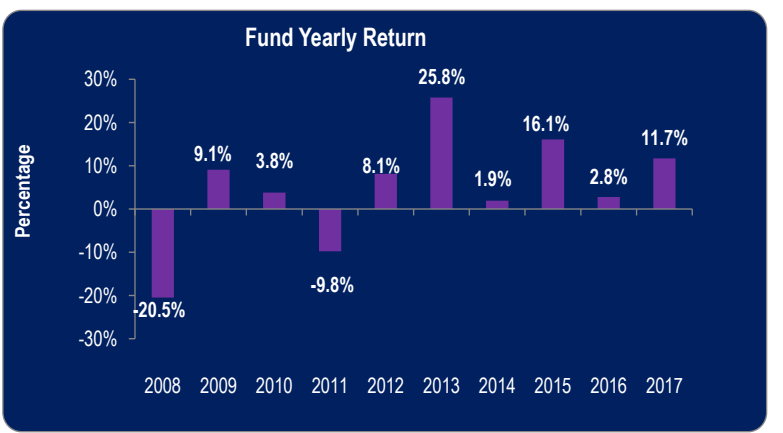
Share of profit from joint venture amounted to \$24.01 million relative to \$16.30 million a year earlier. Share of profit from associate for the period totaled \$749.12 million compared to \$494 million last year. As such, Profit before Taxation amounted to \$11.19 billion, a 19% gain when compared to the \$9.36 billion booked in 2016.

Investment and corporation taxes of \$2.10 billion was reported for the period (2016: \$1.97 billion), as such net profit for the nine months totaled \$9.08 billion (2016: \$7.39 billion), an increase of 23%. Profit for the quarter amounted to \$3.43 billion relative to \$3.09 billion in 2016.

OVER THE COUNTER FUNDS (CI FUNDS)

CI International Value Corporate Class

This fund's objective is to obtain maximum long-term capital growth. It invests primarily in equity and equity-related securities of companies whose primary operations are outside of North America. The fund may make significant investments in any country including emerging markets and emerging industries of any market. The fund has a 3 year return of 10.1% and a 5 year return of 11.3% as at December 31, 2017. The Fund also has a 3 month re-



*Prices are as at February 7, 2018 *Projections are for the forward 12 months from the most recent quarter results

U.S.: Wall Street gains as volatility eases, Dow up over 200 points

U.S. stocks overturned early losses to trade higher on Wednesday as some buyers returned to a market still shaking from a record fall for the Dow Jones Industrial Average earlier this week. The S&P 500 .SPX rose 19.12 points, or 0.70 percent, to 2,714.26 and the Nasdaq Composite .IXIC was up 22.72 points, or 0.32 percent, at 7,138.60. Gains in industrial and consumer discretionary stocks led advances on the S&P and the Dow. Boeing (BA.N) and United Tech (UTX.N) rose about 1.5 percent, providing the biggest boost to the Dow, while Amazon's (AMZN.O) 1 percent rise helped lift the S&P. The S&P energy index .SPNY was up more than 1 percent, led by Anadarko Petroleum's (APC.N) 5 percent gain and an uptick in oil prices. A wild session on Tuesday had seen the Dow swing more than 1,100 points from peak to trough and ended with the benchmark S&P 500 recording its best day since just before President Donald Trump's election in 2016. Traders are still braced for more volatility as they try to figure out if the swings of the past week are the start of a deeper correction or just a temporary blip in the U.S. market's nine-year bull run. The pivotal gauge of S&P 500 volatility, the VIX .VIX, opened at a relatively elevated 31 points and slipped to 21.74. The VIX on Tuesday hit a more than two-and-a-half year high above 50, after trading, on average, below 20 for months.

<https://www.reuters.com/article/us-usa-stocks/wall-street-gains-as-volatility-eases-dow-up-over-200-points-idUSKBN1FR10C>

Euro: China Foreign Reserves Post 12th Straight Gain as Yuan Rises

China's foreign-exchange reserves rose for a 12th straight month, as the yuan strengthened and the economic outlook improved. The world's largest foreign currency stockpile climbed \$21.6 billion to \$3.16 trillion in January, the People's Bank of China said Wednesday, compared with the \$3.17 trillion estimate in a Bloomberg survey. Reserves have been steadily recovering for a full year since slipping below \$3 trillion last January, lifted by a stronger yuan and capital controls that continue to keep money from flowing out. Outflow pressure is also being eased by a solid economy, with growth estimates rising after last year's acceleration, as well as a weaker dollar. Reserves will remain stable and two-way movement in the currency will become more noticeable, the State Administration of Foreign Exchange said in a statement with the data. The country's economic fundamentals remain sound, the currency regulator said. The yuan strengthened 3.51 percent against the greenback in January to end the month with the strongest reading since August 2015. "Reserves will steadily increase, but not a huge expansion, amid a stronger yuan outlook," said Wen Bin, a researcher at China Minsheng Banking Corp. in Beijing. "A weak dollar might have pushed up the value of assets denominated in other currencies, and we need to see the purchase and sale of foreign exchange by companies and households to see whether it's a contributor or a drag."

<https://www.bloomberg.com/news/articles/2018-02-07/china-s-foreign-reserves-post-12th-straight-gain-amid-yuan-rally>

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.

STRUCTURED PRODUCT

Mayberry Individual Retirement Plan (IRP)

IRP is a Retirement Scheme for all persons who are self employed or are employed in non-pensionable positions and do not otherwise contribute to an approved Superannuation Fund or another approved Retirement Scheme. The IRP will help some people make substantially greater contributions than they might otherwise do.

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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

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