

### DAILY MARKET SUMMARY

#### LOCAL STOCK MARKET: (J\$)<sup>+</sup>

Stock Symbol	SJ	GENAC	CCC	LASD	XFUND
Current Price (\$)	35.98	2.81	32.97	4.40	14.25
Trailing EPS (\$)	3.31	0.23	1.35	0.21	1.21
P/E (times)	10.86	12.13	24.46	21.03	11.75
Projected P/E	9.89	9.90	20.20	19.53	12.04
Projected EPS (\$)*	3.64	0.28	1.63	0.23	1.18
Book Value per share (\$)	15.32	1.86	10.53	1.29	9.81
Price/Book Value (times)	2.35	1.51	3.13	3.41	1.45
Dividend Yield (2018 %)	N/A	N/A	N/A	N/A	N/A
Volumes	14,598	101,661	2,525	83,262	175,214
Recommendation	BUY	BUY	SELL	HOLD	HOLD

#### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	128.200	100.000	125.7684	134.320	119.200	127.0223
CAN	103.440	73.060	97.4643	111.360	95.000	99.7779
GBP	179.500	125.800	172.3829	182.795	165.000	177.5087
EURO	158.000	111.000	150.1629	161.000	146.000	158.7053

\*Rates as at February 16, 2018

#### MONEY MARKET

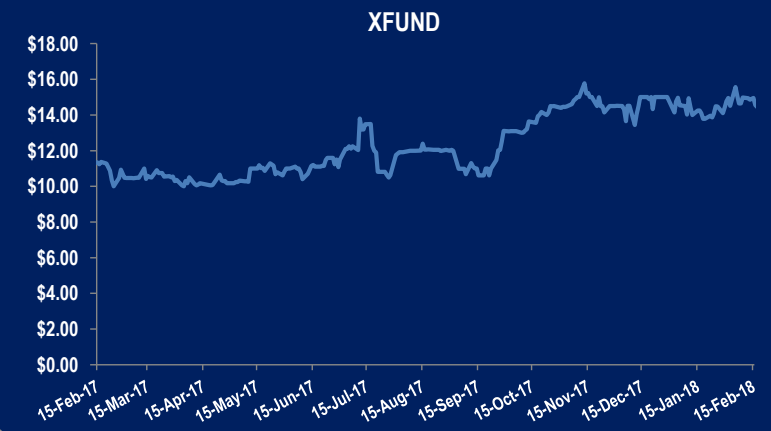
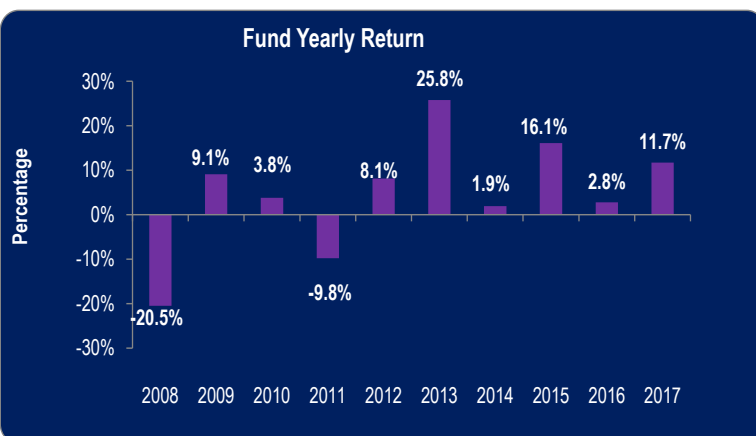
The Jamaican dollar fixed income market was liquid in today's (February 19, 2018) trading session. The over night rates were quoted around 2% to 2.2% while the 30-day rates were between 2.85% to 3%.

The US dollar fixed income market was also liquid during today's (February 19, 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 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 7.3% and a 5 year return of 10.7% as at December 31, 2017. The Fund also has a 3 month return of .6%.



#### STOCK OF THE DAY: Sagcor Real Estate X Fund Ltd. (XFUND)

##### For the nine months ended September 31, 2017

Total Revenue for the nine months grew 20% to \$9.97 billion (2016: \$8.30 billion). According to the company the increase in revenue for the period was due to "improved occupancy and room rates over 2016". For the quarter the company's total revenue however increased 54% to close at 4.02 billion (2016: \$2.60 billion).

Hotel revenue for the nine months period increased to \$7.72 billion relative to \$6.73 billion in 2016. Net capital gains on financial assets and liabilities increased by 51% to close at \$2.32 billion (2016: \$1.54 billion). Interest Income declined 38% to close at \$22.09 million (2016: \$35.41 million), while net investment property expense for the period ended September 2017 amounted to \$99.40 million relative to nil in 2016.

Operating Expenses rose 14% to \$7.24 billion (2016: \$6.34 billion), this was attributed to a 12% increase in Hotel Expenses and a 15% increase in Interest Expense. The company indicated that the increase in interest expense was due to "Borrowings to finance the purchase of additional units in the Sigma Portfolio and a 15% investment in real property at the Jewel Grande Montego Bay (formerly known as Palmyra); and additional fixed assets purchased during renovation of the Hilton". Hotel expenses totaled \$5.59 billion compared to \$5.00 billion in 2016, while depreciation for the quarter totaled \$516.11 million (2016: \$358.21 million). Interest expense for the period closed at \$1.10 billion relative to \$956.16 million in 2016. Other operating expenses increased 52% to close the quarter at \$28.44 million relative to \$18.67 million for the comparable period in 2016.

Consequently, Profit before Tax increased 39% to \$2.73 billion (2016: \$1.97 billion) for the nine months. Following tax charges of \$367.26 million (2016: \$279.99 million), Net Profit increased 40% to \$2.36 billion, up from \$1.69 billion for the comparable period in 2016. For the third quarter Net Profit increased 181% to close at \$1.58 billion (2016: \$561.47 million).

The earnings per share (EPS) for the nine months closed at \$1.05 (2016: \$0.75), while EPS for the quarter amounted to \$0.70 (2016: \$0.25). The trailing twelve-month EPS is \$1.21.

**U.S.: Oil hits two-week high on share market recovery, Middle East tensions**

Oil prices hit their highest level in nearly two weeks on Monday, lifted by a global equity market recovery and tensions in the Middle East, although concerns of rising U.S. production tempered gains. European shares rose for a fourth straight session, with global stocks set for a sixth session of gains, following a sell-off triggered by fears of creeping inflation and higher borrowing costs. Brent crude LCOc1 was up 34 cents at \$65.18 a barrel at 1356 GMT, after rising to an 11-day high of \$65.45 a barrel earlier in the session. U.S. West Texas Intermediate crude for March delivery CLc1 was up 46 cents at \$62.14 a barrel, after earlier gaining as much as 1.4 percent to its highest since Feb. 7. Israeli Prime Minister Benjamin Netanyahu said on Sunday that Israel could act against Iran itself, not just its allies in the Middle East, after border incidents in Syria brought the Middle East foes closer to direct confrontation. Trading is expected to be slower than usual on Monday due to market holidays in the United States and Greater China. The U.S. oil rig count, an indicator of future production, rose by seven to 798, its highest since April 2015, according to a weekly report from General Electric's Baker Hughes unit. [RIG/U]. That marked the first time since June that drillers added rigs for four consecutive weeks, and the figure was well up on the 597 rigs that were active a year earlier as energy companies have boosted spending since mid-2016 when crude prices began recovering from a two-year crash.

<https://www.reuters.com/article/us-global-oil/oil-hits-two-week-high-on-share-market-recovery-middle-east-tensions-idUSKCN1G300X?il=0>

**Asia: Singapore Plans to Boost Goods and Services Tax to 9%**

Singapore Finance Minister Heng Swee Keat announced a range of tax increases in his budget, including a surprise hike in property levies, as he seeks to shore up savings to cope with a rapidly aging population. The stamp duty on residential properties in excess of S\$1 million (\$761,600) was increased to 4 percent from 3 percent, effective from Tuesday, Heng said in a speech in Parliament. The government also plans to raise the goods and services tax by 2 percentage points to 9 percent sometime from 2021 to 2025, he said. Policy makers had warned of higher taxes to balance a budget that they see as too reliant on investment returns, and that will see new strains in the years to come. Spending on health and retirement benefits are set to grow over the years as the elderly population climbs, while the government is also planning on higher expenditure on infrastructure, security and education. While Singapore has substantial reserves that it draws on to help fund the budget, Heng said the government must act prudently as the economy matures and the population ages. Income from reserves and investments managed by GIC Pte, Temasek Holdings Pte and the Monetary Authority of Singapore is already the largest contributor to the government's overall revenue, estimated at almost S\$16 billion in the fiscal year beginning April 1. The budget includes planned offsets to cushion the blow to lower-income consumers from higher taxes, while the delayed implementation of the tax increases will allow residents to ease into the changes.

<https://www.bloomberg.com/news/articles/2018-02-19/singapore-plans-to-boost-gst-to-9-as-spending-pressure-mount>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at February 19, 2018	
	Percentage (%)
Yield to Maturity	5.24
Weighted Average Coupon	5.266
Current Yield	4.87

The platinum portfolio has an effective maturity of 15.68 years and duration of 5.30years.

**STRUCTURED PRODUCT**

**Mayberry Gold**

This discretionary managed portfolio consisting of fixed income securities seeks to provide the best return to investors commensurate with level of risk. When compared to similar type products such as Savings accounts or Fixed Deposit, the return provided is more attractive. Currently Mayberry Gold provides a return of approximately 8.50% before deducting fees. The portfolio is professionally managed, with all investment parameters being considered before a security is bought for a customer.

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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.

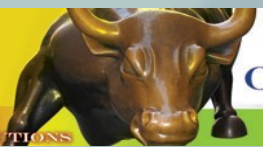
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