

DAILY MARKET SUMMARY



LOCAL STOCK MARKET: (JS) ⁺

Stock Symbol	BPOW	JP	SJ	ECL	LASM
Current Price (\$)	34.22	15.08	36.98	4.70	4.43
Trailing EPS (\$)	1.92	0.47	3.31	0.12	0.13
P/E (times)	17.85	32.08	11.16	37.66	33.59
Projected P/E	17.11	23.25	10.17	16.98	25.64
Projected EPS (\$)*	2.00	0.65	3.64	0.28	0.17
Book Value per share (\$)	12.68	9.89	15.32	0.34	1.18
Price/Book Value (times)	2.70	1.52	2.41	13.83	3.74
Dividend Yield (2018 %)	N/A	N/A	N/A	N/A	N/A
Volumes	NIL	38,889	33,518	22,638	57,395
Recommendation	HOLD	SELL	HOLD	BUY	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

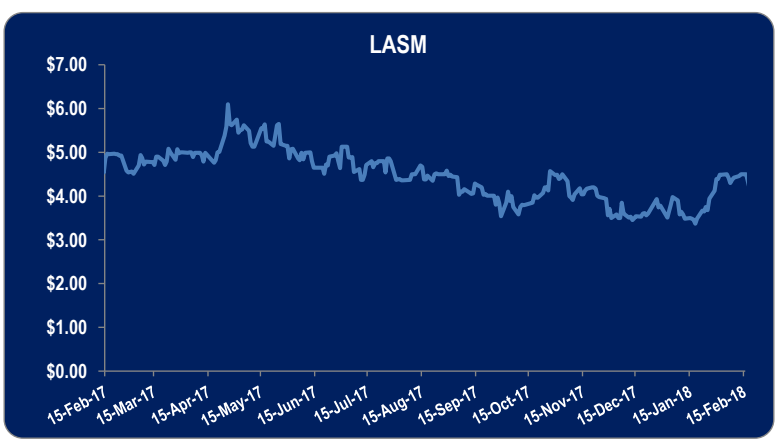
	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	128.600	100.020	125.3088	134.360	116.500	127.3343
CAN	102.470	73.110	96.7437	108.760	94.000	98.3737
GBP	180.000	125.060	174.6278	195.200	165.000	178.0407
EURO	152.500	111.010	148.8442	170.460	149.000	156.7793

*Rates as at February 21, 2018

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (February 22, 2018) trading session. The over night rates were quoted around 2.00% while the 30-day rates were between 2.30% to 2.5%.

The US dollar fixed income market was also liquid during today's (February 22, 2018) trading session; The overnight market rates were quoted at 1% while the 30-day market rates stood around 1.10% to 1.30%.



STOCK OF THE DAY: Lasco Manufacturing Limited (LASM)

For the nine months ended December 31, 2017:

Total revenue decreased by 3% from \$5.42 billion in 2016 to \$5.28 billion in 2017. Revenue increased \$316.65 million or 22% to a total of \$1.78 billion in the third quarter, relative to the \$1.46 billion recorded for the comparable period in 2016.

Cost of sales amounted to \$3.61 billion (2016: \$3.59 billion) for the period, an increase of 1% year on year. For the third quarter, cost of sales was recorded at \$1.22 billion in 2017 relative to \$960,842 million in 2016. As a result, gross profit of \$1.66 billion was recorded for the period, 9% less than the \$1.83 billion booked for the corresponding period in 2016. Gross profit for the third quarter increased by 12% to \$561.12 million when compared to the \$503.05 million booked for the quarter ended December 3, 2016.

LASM posted other income of \$14.76 million relative to \$18.68 million for the prior year.

Operating expenses increased 5% to close the period at \$970.31 million versus \$920.35 million booked for the corresponding period last year. Expenses for the quarter reflected a decline of 10% to close at \$300.61 million (2016: \$335.20 million). The company stated that the reduction in operating expenses during the quarter "reflected the effects of improved controls".

Consequently, LASM recorded operating profits of \$707.85 million, 23% lower than the \$924.97 million booked in 2016.

Finance costs for the period fell 22% to \$99.26 million compared to \$126.48 million in the prior year's comparable period.

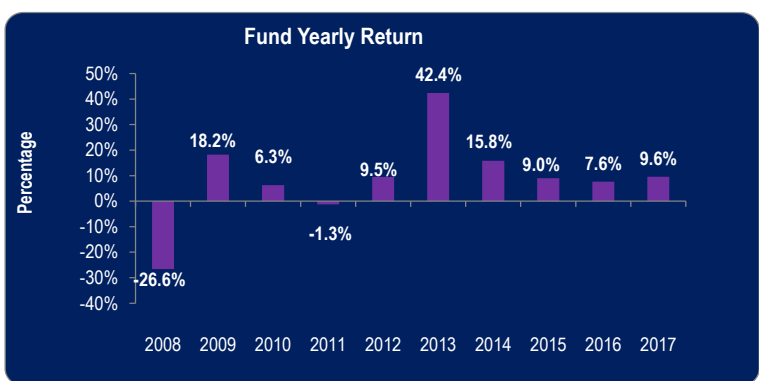
As such, profit before taxation amounted to \$608.59 million, a decrease of 24% from the \$798.49 million recorded for the previous corresponding period. Taxes recorded for the period amounted to \$76.07 million compared to \$98.24 million incurred for the corresponding period in 2016.

Earnings per share (EPS) for the period amounted to \$0.13 relative to \$0.17 in 2016. The EPS for the quarter amounted to \$0.05 relative to \$0.03 reported for 2016. The twelve months trailing EPS amounts to \$0.13.

OVER THE COUNTER FUNDS (CI FUNDS)

CI American Managers® 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 believed to have good growth potential. These companies are located in countries that have signed the North American Free Trade Agreement (NAFTA), or its successor. These countries currently include the United States, Canada and Mexico, but may also include countries that become members of NAFTA in the future. The fund has a 3 year return of 8.9% and a 5 year return of 15.5% as at December 31, 2017. The Fund also has a 3 month return of 4.1%.



⁺Prices are as at February 22, 2018 *Projections are for the forward 12 months from the most recent quarter results

U.S.: Fed's Quarles Says U.S. Economy in 'Best Shape' Since Crisis

Federal Reserve Governor Randal Quarles delivered an upbeat assessment of the U.S. economy and endorsed a "gradual" path for raising interest rates in his first public speech on monetary policy since joining the central bank in October. His comments follow the release of minutes from the Fed's Jan. 30-31 policy meeting that showed confidence growing among policy makers that growth in 2018 may exceed their December forecasts and justify additional rate hikes this year. Officials have penciled in three hikes in 2018, according to their median projection released in December. Quarles, who was named to the central bank's board by President Donald Trump, said recently enacted tax changes and bipartisan budget deals could help sustain the economy's expansion by increasing demand and spurring business investment. He also drew attention to capital investment data that had already improved in 2017. Quarles, who's also the Fed's vice chairman for supervision of financial institutions, said he hoped to improve the regulatory framework the Fed and other agencies spent a decade putting in place after the financial crisis of 2008-09. His appointment to that role has spurred warnings from Democratic lawmakers not to dismantle post-crisis reforms. "Given the breadth and complexity of this new body of regulation, it is inevitable that we will be able to improve them, especially with the benefit of experience and hindsight," he said.

<https://www.bloomberg.com/news/articles/2018-02-22/fed-s-quarles-says-u-s-economy-in-best-shape-since-crisis>

Asia: U.S. Oil Boom Tempts Saudis to Consider American Crude Sale

Even Saudi Arabia wants in on the U.S. oil boom. The kingdom's state oil firm considered the possibility of sending American crude to Asia in February via a U.S. unit before determining it wasn't economically viable, according to a person with knowledge of the matter. It also asked potential buyers in Asia if they would be interested in U.S. supply, according to officials at two regional refiners. The people asked not to be identified because the information is confidential. The fact that the Saudis decided against moving a cargo to the world's biggest oil consuming region this month doesn't mean they won't consider it again. Such a sale would be unprecedented, and a potential strategy by the Middle East nation in the face of rising U.S. production. American supplies are proving a threat to efforts by the OPEC producer and its allies to clear a global glut and prop up prices. State-run Saudi Arabian Oil Co., known as Aramco, considered shipping the U.S. crude to Asia via its Houston-based Motiva Enterprises unit, which operates North America's largest refinery in Port Arthur, Texas, with a crude capacity of more than 600,000 barrels a day. Aramco didn't respond to an email seeking comment. Relatively cheap U.S. crude has increasingly been making its way to major consuming nations such as China, India and South Korea over the past year and eating into the market share of traditional suppliers like Saudi Arabia. While American oil is still a fledgling in Asia, Aramco is attempting to take advantage of the opportunities presented by the U.S. shale boom that has transformed the flow of cargoes in the global market.

<https://www.bloomberg.com/news/articles/2018-02-22/u-s-oil-boom-tempts-saudis-to-consider-exporting-american-crude>

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 5.30 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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 = POSITIVE TRANSFORMATION FOR OUR CLIENTS
 MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS

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