

## DAILY MARKET SUMMARY



### LOCAL STOCK MARKET: (JS) +

Stock Symbol	JSE	XFUND	KPREIT	CAC	SJ
Current Price (\$)	7.49	14.14	6.64	8.43	38.01
Trailing EPS (\$)	0.31	1.20	0.36	0.78	3.10
P/E (times)	23.80	11.77	18.52	10.85	12.25
Projected P/E	15.70	10.73	44.97	11.29	11.79
Projected EPS (\$)*	0.48	1.32	0.15	0.75	3.22
Book Value per share (\$)	1.48	10.36	5.52	3.26	17.10
Price/Book Value (times)	5.06	1.36	1.20	2.58	2.22
Dividend Yield (2018 %)	1.81%	N/A	1.13%	N/A	1.74%
Volumes	3,000	14,800	1,988	NIL	182,753
Recommendation	HOLD	BUY	SELL	BUY	HOLD

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

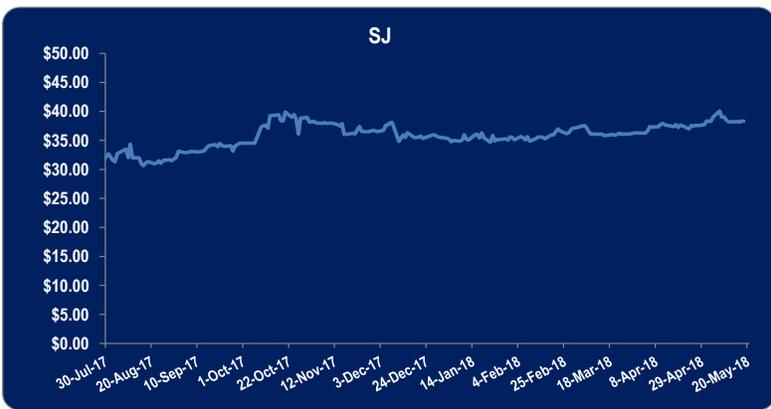
	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	131.390	100.420	124.8550	134.910	101.030	126.4215
CAN	98.400	72.970	95.2125	110.770	92.000	97.5895
GBP	171.000	121.240	166.1319	190.570	162.000	169.5560
EURO	145.000	107.010	142.3582	169.440	139.500	149.8856

\*Rates as at May 18 2018

### MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (May 21, 2018) trading session. The over night rates were quoted around 1.40% while the 30-day rates stood at 2.40%.

The US dollar fixed income market was also liquid during today's (May 21, 2018) trading session; The overnight market rates were quoted 1.00% while the 30-day market rates stood 1.40%.



### STOCK OF THE DAY: Sagior Group Jamaica Limited (SJ)

**For the three months ended March 31, 2018:**

Total revenues increased by 5% to \$15.82 billion from \$15.08 billion in 2017, and was broken down as follows:

- Net investment income declined to \$4.10 billion from \$4.54 billion in 2017. SJ noted that this was due to the "fall in interest rates."
- Fees and other revenue increased 18% to \$2.38 billion (2017: \$2.01 billion). "Fee-based income grew mainly from the expansion of our payments channels."
- Net premium revenue increased by 10% to a total of \$9.34 billion from \$8.53 billion in 2017.

Benefits and expenses totaled \$12.54 billion for the period, increasing year over year by 2% from \$12.31 billion. This increase was mainly driven by:

- A 14% increase in net insurance benefits incurred to \$6.19 billion (2017: \$5.45 billion).
- Administration expenses for the period amounted to \$4.34 billion compared to \$4.58 billion in the prior year, a 5% decrease.
- Commission and related expenses fell by 2% to close at \$1.26 billion down from the \$1.28 billion posted in 2017.
- Amortization of intangible assets amounted to \$170.55 million (2017: \$161.10 million), a 6% increase.
- Asset tax moved up by 4% to close at \$637.80 million in 2018 from \$614.57 million in 2017.

Share of profit from joint venture amounted to \$770,000 relative to \$8.78 million the prior year. While share of profit from associates totaled \$141.85 million relative to \$158.13 million last year.

Profit before taxation amounted to \$3.43 billion, a 17% gain when compared to the \$2.92 billion booked in 2017.

After investment and corporation taxes of \$786.46 million (2016: \$326.51 million), net profit attributable to shareholders amounted to \$2.64 billion (2017: \$2.59 billion), an increase of 2%.

As a result, EPS for the quarter amounted to \$0.68 (2017:\$0.66) while the twelve-month trailing EPS totaled \$ 3.10.

### OVER THE COUNTER FUNDS (CI FUNDS)

#### Signature Global Science & Technology Corporate Class

This fund's objective is to obtain maximum longterm capital growth. It invests primarily in equity and equity-related securities of companies around the world that have developed or are developing technological products, processes or services. This includes companies that provide goods and services to these companies and companies that could benefit from advancements and improvements in technology. The fund has a 3 year return of 19.2% and a 5 year return of 23.1% as at March 31, 2018. The Fund also has a 6 month return of 1.3%.



\*Prices are as at May 21, 2018 \*Projections are for the forward 12 months from the most recent quarter results

U.S. stocks surged and the dollar strengthened against most major peers and as the Trump Administration sought to deescalate a trade rift with China. Treasury yields climbed as havens such as the yen and gold tumbled. All major equity gauges were higher led by strength in technology companies. The greenback rose after Treasury Secretary Steven Mnuchin said on Sunday that the U.S. was "putting the trade war on hold," amid progress in talks with China. West Texas crude reached the highest level since 2014. The euro headed for a sixth day of declines after Italy's two populist parties closed in on a pick for prime minister, while Italian bonds extended their decline. Media companies and retailers led advances in the Stoxx Europe 600 Index, though a number of countries are out for a holiday. The easing protectionist tensions will offer some respite to traders as they grapple with the impact of rising U.S. interest rates and a stronger dollar. But the week ahead is loaded with risk events, including releases of the latest meeting minutes from both the Federal Reserve and European Central Bank, a slew of debt sales from the U.S. and preliminary purchasing manager indexes from the euro zone. Meanwhile, geopolitical stress lingers, with South Korea President Moon Jae-in visiting Washington to discuss North Korea and Brexit negotiations ongoing.

<https://www.bloomberg.com/news/articles/2018-05-20/stock-futures-climb-on-u-s-china-trade-war-pause-markets-wrap>

Germany's Angela Merkel faces a delicate diplomatic balancing act when she travels to China this week on a visit clouded by U.S. President Donald Trump's trade threats and his decision to pull out of the Iran nuclear deal. Germany and China, two exporting nations that run large trade surpluses with the United States, have found themselves in Trump's firing line and are scrambling to preserve the rules-based multilateral order on which their prosperity rests. But while Merkel's hosts may be keen to send a message of total Chinese-German solidarity in Washington's direction, she will want to avoid the appearance of siding too openly with Beijing in a confrontation with Berlin's longtime ally. In reality, Merkel's government shares many of the Trump administration's concerns about Chinese business practices. And so, she will be striving to send a dual message, combining a strong defense of multilateralism with a critical push for Beijing to play fair on trade and investment. A German diplomat described the trip as a "high-wire act" for the chancellor, who traveled to Washington last month to lobby Trump to stay in the Iran nuclear deal, only to see him withdraw days later and threaten sanctions against European firms that continue to respect it. The trip will be Merkel's eleventh to China since becoming chancellor in 2005.

<https://www.reuters.com/article/us-germany-china/trump-trade-threat-looms-large-as-merkel-heads-to-china-idUSKCN1M17T>

**PLATINUM PORTFOLIO**

**STRUCTURED PRODUCT**

Platinum Portfolio Yield Measures as at May 21, 2018	
	Percentage (%)
Yield to Maturity	5.72
Weighted Average Coupon	5.498
Current Yield	5.41

**Mayberry Gold**

This portfolio is ideal for investors, both retail and corporate, seeking a conservative, short-term investment. The securities in the Gold are directly owned by the client and provide them with a safe investment option. Our Gold portfolio can also provide investors with coupon payments that can generate a positive income stream.

The platinum portfolio has an effective maturity of 12.39years and duration of 4.30years.

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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](http://www.jamstockex.com), [www.bloomberg.com](http://www.bloomberg.com), [www.investopedia.com](http://www.investopedia.com), [www.tradewire.com](http://www.tradewire.com)

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

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