

## DAILY MARKET SUMMARY

## LOCAL STOCK MARKET: (J\$) +

Stock Symbol	AMG	CAR	KREMI	ECL	XFUND
Current Price (\$)	2.11	10.00	6.09	6.93	14.00
Trailing EPS (\$)	0.14	0.72	0.24	0.24	1.20
P/E (times)	14.56	13.93	25.69	29.09	11.65
Projected P/E	17.86	13.21	22.96	23.77	10.63
Projected EPS (\$)*	0.12	0.76	0.27	0.29	1.32
Book Value per share (\$)	0.93	0.42	1.68	0.34	10.36
Price/Book Value (times)	2.27	23.76	3.62	20.39	1.35
Dividend Yield (2018 %)	N/A	4.10%	N/A	7.01%	N/A
Volumes	25,204	1,630,116	10,000	19,077	32,773
Recommendation	HOLD	BUY	SELL	HOLD	BUY

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	133.900	102.290	130.6383	141.180	101.840	132.5296
CAN	102.250	71.320	99.8695	114.120	95.100	101.3053
GBP	177.200	121.760	169.5329	200.160	162.000	174.4173
EURO	155.500	109.270	149.6262	174.840	141.400	152.0567

\*Rates as at June 15, 2018

## MONEY MARKET

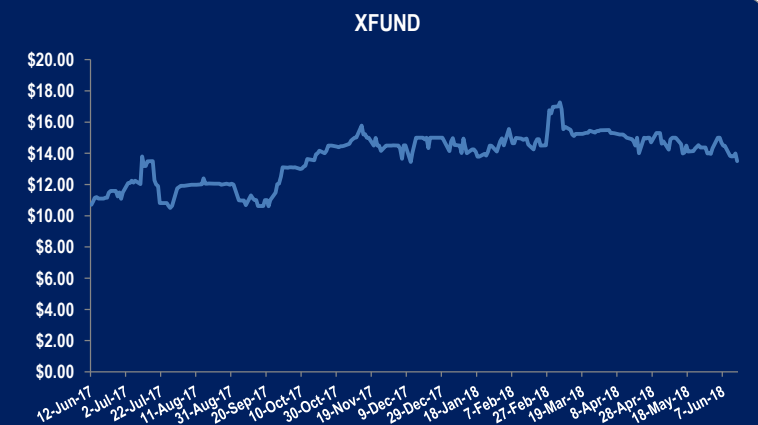
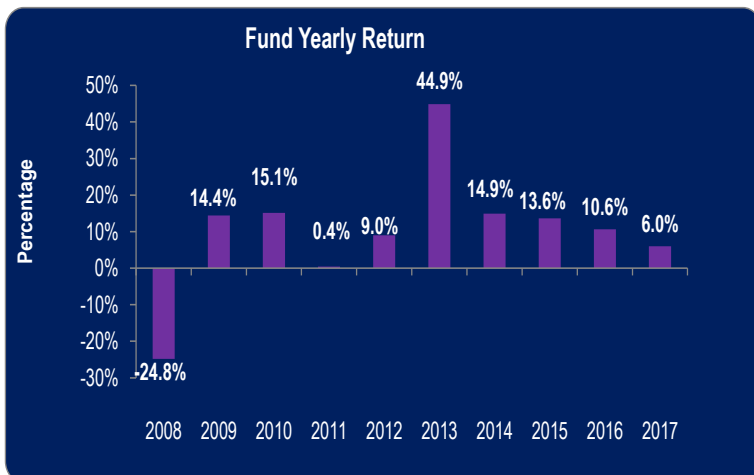
The Jamaican dollar fixed income market was liquid in today's (June 18, 2018) trading session. The over night rate stood at 1.35% while the 30-day rate stood 2.40%.

The US dollar fixed income market was also liquid during today's (June 18, 2018) trading session; The overnight market rates were quoted at 1.00% while the 30-day market rates stood at 1.70%.

## OVER THE COUNTER FUNDS (CI FUNDS)

## CI American Small Companies Fund

This fund's objective is to seek above-average capital growth. It invests primarily in equity and equity-related securities of small to mid-capitalization North American companies. The fund has a 3 year return of 7.3% and a 5 year return of 13.2% as at May 31, 2018. The Fund also has a 10 year return of 9.7%.



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

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

Total Revenue for the quarter ended March 31, 2018 grew 7% to \$3.39 billion (2017: \$3.16 billion).

Hotel revenue for the quarter increased to \$3.29 billion relative to \$2.90 billion in 2017. Interest Income decreased 15% to close at \$6.97 million (2017: \$8.23 million), while net investment property expense for the quarter amounted to \$70.31 million compared to \$16.11 million in 2017.

Net capital gains on financial assets and liabilities slipped 39% to close at \$166.40 million (2017: \$271.41 million).

Operating Expenses rose 14% to \$2.77 billion (2017: \$2.44 billion). Of this, hotel expenses increased 10% from \$2.13 billion in 2017 to \$1.93 billion for 2017. Depreciation closed the three months at \$246.35 million (2017: \$135.88 million). Interest expense for the period rose by \$17.97 million to \$379 million (2017: \$361.02 million). XFUND incurred other operating expenses for the quarter of \$17.51 million relative to \$8.63 million booked for the comparable quarter in 2017.

Consequently, Profit before Tax dipped to \$621.92 million compared to \$722.20 million a year earlier. Following tax charges of \$129.28 million (2017: \$182.70 million), Net Profit decreased 9% to \$492.63 million, down from \$539.50 million for the comparable period in 2017.

Total comprehensive income as at March 2018 was \$547.80 million versus \$539.23 million posted 2017 comparative period.

The earnings per share (EPS) for the quarter closed at \$0.22 (2017: \$0.24). Twelve months trailing earning as at March 31, 2018 was \$1.20.

The S&P 500 slipped following stock declines in Europe and Asia amid concern over the escalating protectionist standoff between China and the U.S. Oil gained before a key OPEC meeting this week. U.S. equity gauges came off their lows of the day as energy shares advanced along with software makers. The Stoxx Europe 600 Index posted its biggest two-day drop since March and Japan's Topix Index fell the most in almost three weeks. Crude climbed as producers were discussed a smaller-than-expected boost to production. Treasury yields were little changed after trading near the lowest level this month. Global trade is firmly back at the top of the agenda, with investors fretting about the intensifying confrontation between the U.S. and China. The Asian nation swiftly responded after President Donald Trump slapped tariffs on \$50 billion of imports late last week, putting an additional 25 percent levy on \$34 billion of American agricultural and auto exports starting July 6. "The relative policy calm was shattered late in the week as trade tensions escalated," David Joy, the chief market strategist at Ameriprise Financial Inc., said in a note. "There is still time for negotiation. But the inexorable march toward a trade war with China took a significant step forward." Meanwhile in Europe, German Chancellor Angela Merkel and British Prime Minister Theresa May face tough weeks over migration and Brexit, respectively.

<https://www.bloomberg.com/news/articles/2018-06-17/asia-stocks-seen-mixed-oil-drops-ahead-of-opec-markets-wrap>

## PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at June 18, 2018	
	Percentage (%)
Yield to Maturity	5.76
Weighted Average Coupon	5.55
Current Yield	5.61

The platinum portfolio has an effective maturity of 13.55 years and duration of 4.76 years.

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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)

China's currency has had a bumpier ride in the past several weeks than it's seen since it stabilized against the dollar in 2017, and further turbulence may be in store as companies prepare to make a welter of dividend payments abroad. Offshore-listed Chinese firms will hand out \$19.6 billion of dividends in overseas currencies in the three months through August, according to data compiled by Bloomberg. While some of the payments will be made from existing foreign-exchange holdings, some conversions from yuan will be needed, contributing to volatility, market players say. Chinese companies will buy more foreign-exchange for dividend payments. After a long stretch of gains from 2017 to early 2018, the yuan lately has been confronting a resurgent dollar, thanks to rising U.S. Treasury yields. China's currency dropped the most since 2016 last month, when its foreign-exchange reserves saw the first back-to-back drop in more than a year. On the flip side, depreciation has been limited by overseas investors' increasing interest in Chinese securities, with net bond inflows the past 15 straight months. Chinese companies' dividend payments over the three months through August will be 23 percent greater than the same period last year, according to Bloomberg's calculations based on exchange filings. Hong Kong-listed Chinese lenders are among the biggest payers. China Construction Bank Corp. will hand out \$4.2 billion in August, when Bank of China Ltd. pays \$2.1 billion, the ...

<https://www.bloomberg.com/news/articles/2018-06-14/china-s-yuan-set-to-get-hit-with-20-billion-dividend-onslaught>

## STRUCTURED PRODUCT

### USD Money Market

This portfolio is a full discretionary managed bond portfolio, ideal for clients who have short-term USD liquidity needs. Assets within the portfolio can be used as collateral for loans. The product provides a solid short term investment option in hard currency and allows the individual to hedge against the prevailing devaluation in the local currency.