

DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	NCBFG	GENAC	CHL	BRG	WISYNCO
Current Price (\$)	98.81	3.01	10.00	21.10	9.42
Trailing EPS (\$)	8.16	0.23	0.34	0.86	0.51
P/E (times)	12.11	13.33	29.19	24.40	18.38
Projected P/E	11.42	11.58	28.45	27.18	13.87
Projected EPS (\$)*	8.65	0.26	0.35	0.78	0.68
Book Value per share (\$)	50.65	1.89	0.94	4.94	2.23
Price/Book Value (times)	1.95	1.59	10.59	4.27	4.23
Dividend Yield (2018 %)	0.71%	N/A	1.15%	1.35%	0.67%
Volumes	77,912	4,009	NIL	3,202	323,818
Recommendation	HOLD	BUY	SELL	SELL	BUY

NCBFG



STOCK OF THE DAY: NCB Financial Group (NCBFG)

For The Six Months Ended March 31, 2018:

For the six months ended March 31, 2018, Net Interest Income increased by 8.66%, relative to the corresponding period in 2017, to total \$15.91 billion (2017: \$14.64 billion). The Company noted this was "driven by the consolidation of our newest subsidiary, Clarien Group Limited (CGL)." For the quarter, Net Interest Income improved 12.41% to close at \$8.36 billion (2017: \$7.43 billion). Interest income rose 16.81% year over year for the six months to \$24.28 billion compared to \$20.78 billion in 2017, while interest expense amounted to \$8.37 billion relative to \$6.15 billion for the corresponding period in 2017.

Net Fees and Commission Income amounted to \$7.72 billion, an increase of 10.76% versus 2016's \$6.97 billion. The company highlighted the performance was, "mainly as a result of higher transaction volumes for point of sale and e-commerce channels, increased investment banking and pension fee income and the consolidation of CGL". The bank also reported a gain on foreign currency and investment activities of \$7.17 billion, a growth of 96.92% relative to \$3.64 billion in 2017. Premium income for the period also increased 15.97% to \$4.31 billion (2017: \$3.72 billion), while dividend income increased 95.91% to a total of \$207.37 million (2017: \$105.85 million).

Other Operating Income climbed by 332.57% to \$422.44 million (2017: \$97.66 million). Consequently, total operating income increased 22.51% to a total of \$35.73 billion (2017: \$29.17 billion). Total operating income for the second quarter recorded a 27.37% growth to \$19.04 billion (2017: \$14.95 billion).

Total Operating Expenses for the period amounted to \$24.91 billion, an increase of 30.27% compared to the \$19.12 billion reported for the first six months of 2017. Expenses for the quarter rose 30.42% to close at \$11.75 billion compared to \$9.01 billion in 2017. According to NCBFG, "Our expenses continue to be impacted by the on-going retooling and business model transformation." Of these expenses:

- Staff costs increased 37.97% to \$11.12 billion relative to \$8.06 billion in 2017
- Policy holders and annuitants benefits and reverses increased 102.82% to total \$3.23 billion (2017: \$1.59 billion)
- Other operating expenses grew by 7.05% to \$8.59 billion (2017: \$8.02 billion).
- Provision for credit loss increased from \$347.35 million in 2017 to close at \$432.48 million in 2018.
- Depreciation and amortization grew 39.95% to \$1.54 billion relative to the \$1.10 billion recorded in 2017.

Consequently, operating profit increased 7.74% to total \$10.82 billion (2017: \$10.05 billion). 'Share of profit of associates' declined 10.02% to total \$1.48 billion compared to \$1.64 billion in 2017. The bank also reported a 'Negative goodwill on acquisition of subsidiary' of \$1.47 billion. Consequently, profit before taxation increased 17.79% to \$13.77 billion relative to \$11.69 billion in 2017. Following taxation of \$2.73 billion (2016: \$2.23 billion), net profit for the six months ended March 31, 2018 totaled \$11.04 billion, an increase of 16.69% compared to \$9.46 billion for the corresponding period of 2017. Net profit for the second quarter improved by 9.48% to close at \$6.43 billion (2017: \$5.87 billion).

Earnings per share (EPS) for the six months ended March 31, 2018 totaled \$4.48 relative to \$3.84 booked for the comparable period of 2017. The EPS for the second quarter amounted to \$2.61 (2017: \$2.38). The trailing twelve month EPS amounted to \$8.39. The number of shares used in our calculations amounted to 2,466,762,828 units. NCBFG stock price closed the trading period at a price of \$95.07 on April 26, 2018.

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Weighted			Weighted		
	Highest	Lowest	Average Rate	Highest	Lowest	Average Rate
USD	133.500	104.140	131.3236	143.430	105.160	131.2132
CAN	101.850	71.100	99.6384	113.760	93.000	100.0277
GBP	176.500	123.000	171.6932	193.430	163.000	174.4626
EURO	151.000	110.400	147.0172	157.700	147.300	155.8565

*Rates as at June 22, 2018

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (June 25, 2018) trading session. The over night rate ranged between 1.20% and 1.40% while the 30-day rate ranged between 2.00% and 2.25%.

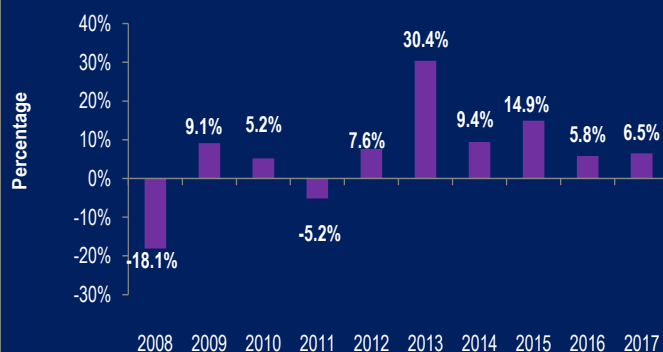
The US dollar fixed income market was also liquid during today's (June 25, 2018) trading session; The overnight market rates were quoted at 1.00% while the 30-day market rates stood at 1.10% - 1.30%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI Global Value Corporate Class

This fund's objective is to obtain maximum long-term capital growth by identifying securities that the portfolio advisor believes are undervalued and have the potential for future growth. It invests primarily in equity and equity-related securities of companies around the world. The fund may make large investments in any country, including emerging markets or emerging industries of any market. . The fund has a 3 year return of 4.6% and a 5 year return of 10.5% as at May 31, 2018. The Fund also has a 10 year return of 6.2%.

Fund Yearly Return



U.S. stocks fell the most since early April as President Donald Trump’s threats of more trade protectionism against major partners were met with Chinese and European vows of retaliation, rattling global equities and sparking demand for the safety of bonds. The S&P 500 Index slid below its average price for the past 50-days, taking the benchmark to the lowest since May 31. The Nasdaq indexes tumbled more than 2 percent on reports the U.S. Treasury Department plans to release fresh rules on Chinese investment in technology companies. The Dow Jones Industrial Average sank for the ninth time in 10 sessions with Boeing Co. and Caterpillar Inc. again pacing losses. China and Europe warned the escalating trade war could trigger a global recession. The stock selling spread from Asia, where equities in Shanghai and Hong Kong declined despite China’s central bank freeing up liquidity in the banking system. European shares also tumbled, with the Stoxx 600 Index down 2.1 percent. Political concerns hit Italian bonds and stocks after the nationalist League party won municipal elections.

<https://www.bloomberg.com/news/articles/2018-06-24/asian-stocks-set-for-mixed-start-lira-climbs-markets-wrap>

Platinum Portfolio Yield Measures as at June 25, 2018	
	Percentage (%)
Yield to Maturity	5.79
Weighted Average Coupon	5.55
Current Yield	5.73

The platinum portfolio has an effective maturity of 13.54 years and duration of 4.71 years.

Analyst Certification -The views expressed in this research report accurately reflect the personal views of Mayberry Investments Limited Research Department about those issuer (s) or securities as at the date of this report. Each research analyst (s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation (s) or view (s) expressed by that research analyst in this research report.

Company Disclosure -The information contained herein has been obtained from sources believed to be reliable, however its accuracy and completeness cannot be guaranteed. You are hereby notified that any disclosure, copying, distribution or taking any action in reliance on the contents of this information is strictly prohibited and may be unlawful. Mayberry may effect transactions or have positions in securities mentioned herein . In addition, employees of Mayberry may have positions and effect transactions in the securities mentioned herein.

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

China and the European Union vowed to oppose trade protectionism in an apparent rebuke to the U.S., saying unilateral actions risked pushing the world into a recession. Vice Premier Liu He -- President Xi Jinping’s top economic adviser -- said China and the EU had agreed to defend the multilateral trading system, following talks Monday in Beijing. The comments, made at a press briefing with European Commission Vice President Jyrki Katainen, come as both sides prepare to face off against President Donald Trump’s tariff threats. “Unilateralism is on the rise and trade tensions have appeared in major economies,” Liu said. “China and the EU firmly oppose trade unilateralism and protectionism and think these actions may bring recession and turbulence to the global economy.” Both China and the EU are coming under pressure from Trump, as the U.S. president seeks to remake a global trading system that he sees as rigged against the world’s largest economy. After months of rhetoric and threats, the trade fight seems to be coming to a head, with Europe imposing tariffs on \$3.3 billion of American products Friday in response to U.S. barriers on imports of aluminum and steel. That triggered threats of further tariffs on European cars from Trump.

<https://www.bloomberg.com/news/articles/2018-06-25/china-and-europe-warn-trade-war-could-trigger-global-recession>

Mayberry Platinum

The Mayberry Platinum portfolio is ideal for investors seeking a short to medium-term investment with returns denominated in hard currency. The portfolio comprises Investment Grade corporate and sovereign bonds, which provide strong yield and performance. The primary objective of this product is to provide our clients with income as well as capital appreciation. The Platinum portfolio enables the client to take full advantage of a diversified bond portfolio and is ideal for persons who do not have the time to actively manage their own portfolio.