

DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$)⁺

Stock Symbol	JMMBGL	SGJ	HONBUN	LASM	GENAC
Current Price (\$)	28.57	50.36	5.18	4.13	3.01
Trailing EPS (\$)	2.18	4.29	0.17	0.14	0.23
P/E (times)	13.10	11.75	31.00	30.14	13.33
Projected P/E	12.52	11.64	25.97	25.61	11.58
Projected EPS (\$)*	2.28	4.33	0.20	0.16	0.26
Book Value per share (\$)	17.12	35.06	1.27	1.20	1.89
Price/Book Value (times)	1.67	1.44	4.08	3.43	1.59
Dividend Yield (2018 %)	0.95%	1.91%	0.77%	N/A	N/A
Volumes	116,140	150,736	2,000	201,080	36,278
Recommendation	BUY	HOLD	SELL	SELL	BUY

LASM



STOCK OF THE DAY: JMMB Group Limited (JMMBGL)

For the year ended March 31, 2018:

JMMB Group Limited (JMMBGL) for the year ended March 31, 2018 recorded net interest income of \$7.74 billion, a 14% or \$972.83 million increase when compared with \$6.77 billion recorded for the corresponding period in 2017. Interest income for the year increase 8% to close at \$15.88 billion, relative to \$14.71 billion recorded last year. Interest expenses increased 2% to total \$8.14 billion relative to the \$7.94 billion recorded for the same period in 2017. Net interest income for the quarter amounted to \$2.08 billion, a 22% increase when compared with the \$1.70 billion recorded for the same quarter in 2017.

Fees and commission income for the year amounted to \$1.19 billion, an improvement of 29% on the \$918.30 million recorded last year. Foreign exchange margins from cambio trading also recorded an increase of 11% year over year to close at \$1.35 billion (2017: \$1.22 billion). Net gains from securities trading however decreased 9%, to total \$4.87 billion (2017: \$5.38 billion). In addition, the Company reported an 87% increase on Fees earned on managing funds on behalf of clients, to total \$690.42 million up from \$369.01 million recorded in 2017.

Other income for the period totaled \$70.60 million relative to the \$12.17 million booked for 2017. Dividend income for the year end declined 24% to close at \$23.68 million relative to \$31.26 million recorded for the same period in 2017. Operating expenses amounted to \$11.44 billion, a growth of 10% (2017: \$10.45 billion) which led to an operating profit of \$4.50 billion, up 6% or \$249.02 million when compared to the \$4.25 billion booked the year prior. Of expenses, staff costs rose 12% to \$6.02 billion (2017: \$5.39 billion), while other expenses increased 7% to \$5.42 billion (2017: \$5.06 billion).

JMMBGL recorded an impairment loss on financial assets of \$143.98 million, a gross increase of 1546% (2017: \$8.74 million) compared to last year. No Loss on acquisition of net assets of overseas entity was recorded for the period relative to the loss of \$87.65 million in 2017. However, gains on disposal of property, plant and equipment of \$686,000 was booked for the period (2017: \$5.18 million).

Profit before taxation for the year amounted of \$4.35 billion, a 5% increase over the \$4.16 million recorded for the corresponding period in 2017. Taxation for the period amounted to \$748.59 million, 7% less when compared with the \$805.52 million recorded for the same period for 2017.

Net profit attributable to the shareholders of the company totalled \$3.56 billion relative to \$3.31 billion in 2017, a 7% increase year over year. For the quarter, JMMBGL booked net profit attributable to shareholders of \$1.01 billion relative to \$662.56 million reported for the corresponding quarter of 2017. As a result, earnings per share (EPS) for the year ended March 31, 2018 amounted to \$2.18 (2017: \$2.03) while EPS for the quarter amounted to \$0.62 (2017: \$0.041). The number of shares used in the calculations amounted to 1,630,552,530 units. Notably, JMMBGL's stock price closed trading on May 30, 2018, at \$27.56.

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	133.000	95.000	129.8724	142.310	104.140	131.0103
CAN	102.000	70.570	99.2585	112.920	93.000	99.6459
GBP	177.100	122.490	168.5442	201.360	163.000	173.7087
EURO	155.940	110.550	145.2892	176.880	143.000	153.4777

*Rates as at June 26, 2018

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (June 27, 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%.

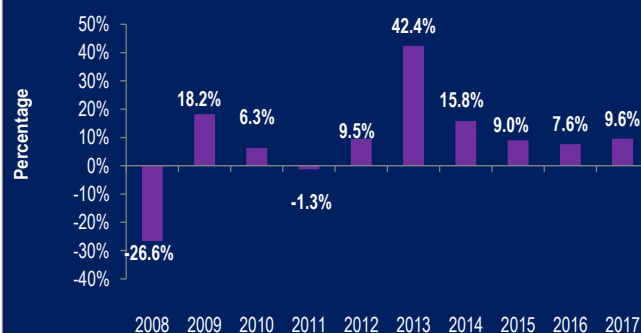
The US dollar fixed income market was also liquid during today's (June 27, 2018) trading session; The overnight market rates were quoted at 1.00% while the 30-day market rates stood at 1.30% - 1.60%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI Global 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 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 6.1% and a 5 year return of 12.4% as at May 31, 2018. The Fund also has a 10 year return of 8.1%.

Fund Yearly Return



U.S.: U.S. Pending Home Sales Unexpectedly Decline for a Second Month

An index of contract signings to purchase previously-owned U.S. homes unexpectedly declined for a second month in May, reflecting a persistent shortage of available homes, according to data released Wednesday from the National Association of Realtors in Washington. The decline last month was concentrated in the South, while the other three regions reported increases. Interested home buyers continue to face strong headwinds from the limited number of affordable housing options, along with mortgage rates that are hovering near a seven-year high. The lack of for-sale properties is pushing housing prices higher while wages struggle to keep up. Nonetheless, a solid job market and lower taxes are padding consumers' pocketbooks and are expected to underpin housing demand. "Realtors in most of the country continue to describe their markets as highly competitive and fast moving, but without enough new and existing inventory for sale, activity has essentially stalled," Lawrence Yun, NAR's chief economist, said in a statement. He now forecasts 2018 existing-home sales of 5.49 million, which would mark a 0.4 percent drop from 2017. Previously he had projected 5.54 million, a 0.5 percent increase.

<https://www.bloomberg.com/news/articles/2018-06-27/u-s-pending-home-sales-unexpectedly-decline-for-a-second-month>

PLATINUM PORTFOLIO

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.

DISCLAIMER

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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

Europe: ECB Sees Domestic Demand Offsetting Stronger Euro, For Now

The European Central Bank says robust domestic demand has helped prevent a stronger currency from weighing on euro-area inflation -- so far. In a section of its economic bulletin published Wednesday, the ECB noted that exchange-rate movements can play an important role in shaping the outlook for inflation, albeit with considerable delays and differences based on the economic situation. The report comes after the euro strengthened as much as 10 percent against the dollar in the last year before weakening in recent weeks. The euro's past appreciation has been clearly visible in making consumer goods imported from outside the euro area cheaper, the ECB said. Prices of such goods declined 2 percent in April from a year ago. They make up more than a tenth of final non-energy and non-food goods consumption. While that's a drag on overall inflation, domestic producers seem to be offsetting the impact. They've remained resilient to downward pressure due to rising labor compensation and higher capacity utilization giving companies more pricing power. Prices for non-energy industrial goods have also been stabilized by domestic forces, even though the ECB says these are most sensitive to movements in the exchange rate.

<https://www.bloomberg.com/news/articles/2018-06-27/ecb-sees-domestic-demand-offsetting-stronger-euro-for-now>

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 5.0% before deducting fees. The portfolio is professionally managed, with all investment parameters being considered before a security is bought for a customer.

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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