

DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	ECL	SJ	SEP	PAL	GENAC
Current Price (\$)	7.00	38.95	31.60	1425.00	3.01
Trailing EPS (\$)	0.24	3.10	1.42	56.99	0.23
P/E (times)	29.38	12.56	22.22	25.01	13.33
Projected P/E	24.01	12.08	23.32	47.56	11.58
Projected EPS (\$)*	0.29	3.22	1.36	29.96	0.26
Book Value per share (\$)	0.34	17.10	18.04	285.47	1.89
Price/Book Value (times)	20.59	2.28	1.75	4.99	1.59
Dividend Yield (2018 %)	6.86%	1.69%	N/A	N/A	N/A
Volumes	640	56,750	NIL	NIL	430
Recommendation	HOLD	HOLD	SELL	SELL	BUY

GENAC



STOCK OF THE DAY: General Accident Insurance Company Limited (GENAC)

For the year ended March 31, 2018:

General Accident Insurance Company Limited (GENAC) reported Net Premium Written of \$430.59 million for the first quarter of the 2018 financial year, a 25% increase from the \$344.45 million reported in 2017. This increase was driven by 12% increase in Gross Premium Written to \$2.21 billion in 2018 from \$1.97 billion in 2017. Reinsurance Ceded grew by 9% totaling \$1.75 billion in 2017 from \$1.60 billion in 2017. Excess of Loss Reinsurance Cost amounted to \$30.77 million (2017: \$22.54 million) a 37% uptick.

Net Changes in Unearned Premiums totaled \$65.93 million, compared to \$40.39 million that was recorded last year. This resulted in Net Premium Earned of \$364.66 million for the quarter relative to \$304.06 million, a 20% increase.

Commission Income went up by 46%, year over year, from \$128.15 million in 2017 to \$187.30 million while Commission Expenses increased by 20% from \$96.36 million to \$115.72 million.

Claims Expenses saw a 6% increase, closing the period at \$248.08 million (2017: \$233.20 million), while Management Expenses rose 29% to total \$172.31 million from \$133.69 million in 2017. Management noted that, "our operating expenses grew by 29% resulting primarily from increased staff cost and restructuring."

As a result, GENAC reported an underwriting loss of \$7.26 million compared to a loss of \$17.03 million in 2017.

Investment Income closed at \$43.24 million, moving up 3% when compared with last year's \$42.10 million. Other Income grew significantly to \$9.09 million for the quarter relative to \$2.77 million in 2017. In addition, other operating expenses went up by 40% to total \$10.20 million in 2018 relative to \$7.26 million in 2017.

Profit before Taxation amounted to \$34.88 million (2017: \$20.58 million). Taxation for the period was \$5.81 million (2016: \$3.2 million). Consequently, Net Profit totaled \$29.07 million relative to \$17.37 million in 2016; representing a 67% increase.

As such, EPS for the period is \$0.028 (2017: \$0.017). The twelve month trailing EPS amounted to \$0.23. The number of shares used in our calculations amounted to 1,031,250,000 units. GENAC's stock price last traded at \$3.49.

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	133.300	103.320	129.6678	142.080	104.140	131.0074
CAN	99.900	70.570	98.5475	112.920	93.000	101.7089
GBP	173.300	122.050	166.4665	200.640	163.000	171.3155
EURO	149.200	124.950	145.1408	156.300	143.000	153.7849

*Rates as at June 27, 2018

MONEY MARKET

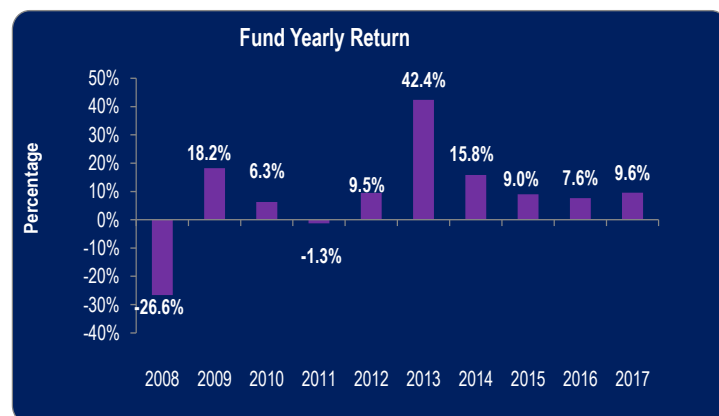
The Jamaican dollar fixed income market was liquid in today's (June 28, 2018) trading session. The over night rate ranged between 1.20% and 1.40% while the 30-day rate ranged between 2.00% and 2.25%.

The US dollar fixed income market was also liquid during today's (June 28, 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 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 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%.



U.S.: U.S. First-Quarter GDP Growth Revised Down to 2% on Services

The U.S. economy expanded in the first quarter at a slower pace than previously estimated, reflecting downward revisions to spending on services and to inventory investment, according to Commerce Department data released Thursday. The smaller gain in first-quarter services spending primarily reflected fewer outlays by non-profits for health care. The downward revision to inventories was attributable to retail stockpiles, while annual updates to government trade data showed fewer exports and more imports during the quarter, according to Commerce. A report Wednesday on the May merchandise trade deficit showed the narrowest gap in nine months, driven by a boost in exports. As a result, several economists revised their second-quarter tracking estimates for second-quarter growth. At the same time, there's a risk that U.S. tariffs could have a modest impact on future growth. The economy has shown clear signs of accelerating from the first-quarter slowdown in GDP, which measures the value of all goods and services produced in the U.S. The first quarter is also typically influenced by seasonal quirks.

<https://www.bloomberg.com/news/articles/2018-06-28/u-s-first-quarter-gdp-growth-revised-down-to-2-on-services>

Europe: Recession Feared in Argentina as Cracks in Economy Grow

Signs are mounting that Argentina is headed toward recession in the next few months, less than two years after emerging from the latest one. A severe drought and currency crisis shook Latin America's third-largest economy just as President Mauricio Macri sought to consolidate its incipient recovery. Economic activity fell 2.7 percent in April, the largest monthly decline since Macri took office in December 2015. Growth also declined on an annual basis for the first time in 14 months, the nation's statistics agency reported Tuesday. The drought hamstrung production of soy, Argentina's chief export that supports many industries and is a key source of government revenue. Agricultural economic activity plunged 30.8 percent in April, according to official data published Tuesday. And the currency crisis forced the central bank to raise rates to 40 percent, further weighing on economic activity. "It's almost certain that Argentina will fall into recession," said Fausto Spotorno, chief economist at consultancy Orlando J. Ferreres & Asociados. "We won't see the recovery until the end of the year."

<https://www.bloomberg.com/news/articles/2018-06-28/recession-feared-in-argentina-as-cracks-in-economy-grow>

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.

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.

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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.

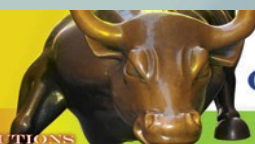
SPECULATIVE BUY: We believe the prospects for capital appreciation exist, however there is some level of uncertainty in revenue growth.

Source: www.jamstockex.com, www.bloomberg.com, www.investopedia.com, www.tradewire.com

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= POSITIVE TRANSFORMATION FOR OUR CLIENTS

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