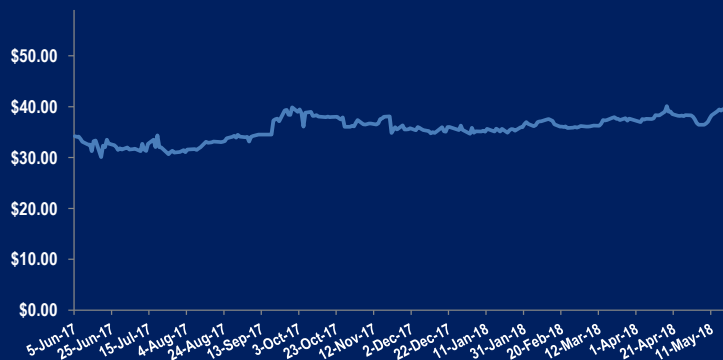


## DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$) <sup>+</sup>

Stock Symbol	SEP	PJAM	DTL	JAMT	SJ
Current Price (\$)	35.00	51.98	9.18	5.17	39.19
Trailing EPS (\$)	1.42	3.87	0.98	0.29	3.10
P/E (times)	24.61	13.42	9.34	17.58	12.63
Projected P/E	25.82	13.18	7.26	16.57	12.15
Projected EPS (\$)*	1.36	3.94	1.26	0.31	3.22
Book Value per share (\$)	18.04	28.91	3.82	1.63	17.10
Price/Book Value (times)	1.94	1.80	2.40	3.17	2.29
Dividend Yield (2018 %)	N/A	0.48%	N/A	0.58%	1.68%
Volumes	NIL	6,155	16,775	45,660	109,852
Recommendation	SELL	HOLD	BUY	HOLD	HOLD

SJ



## STOCK OF THE DAY: Sagico 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.

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	131.000	101.270	127.8089	138.930	101.020	129.6957
CAN	102.000	70.980	96.7756	114.000	94.000	100.1410
GBP	175.750	121.180	172.2196	199.200	127.390	174.2330
EURO	150.319	108.750	146.3769	174.000	145.700	152.8094

\*Rates as at June 7, 2018

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (June 8, 2018) trading session. The over night rates were quoted between 1.20%-1.40% while the 30-day stood between 2.00%- 2.30%.

The US dollar fixed income market was also liquid during today's (June 8, 2018) trading session; The overnight market rates were quoted at 1.00% while the 30-day market rates stood between 1.10%- 1.30%.

## 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 13.5% as at April 30, 2018. The Fund also has a 10 year return of 9.2%.

## Fund Yearly Return



## U.S.: New tariffs risk turning U.S. whiskey sour

American craft distiller Adam Spiegel is bracing for a double shot of pain. An escalating international trade spat is driving up his equipment costs and threatens to cut into his profit from the bottles he exports to Europe, just as business is booming. U.S. President Donald Trump on June 1 imposed tariffs for aluminum imports from Mexico, Canada and the European Union. As a result, Spiegel expects his bill for recently-ordered steel fermentation tanks, worth several hundred thousand dollars, to be \$50,000 to \$60,000 higher. Spiegel will also get squeezed by the tariffs the EU announced in retaliation on U.S. goods, including whiskey, earlier this week. They could put his roughly 58 pounds (\$77.83) per bottle of Sonoma Rye and West of Kentucky Bourbon out of reach for some European drinkers unless he swallows some of the cost. With nearly a quarter of his sales coming in Europe, lowering his prices enough to offset the entire tariff would be too stiff a drink for Spiegel given total revenue only amounts to a few million dollars a year. "We are not a big company who can absorb such frivolous fluctuations," he said, predicting: "American whiskey will get more expensive." Brown-Forman (BFb.N), the Louisville-based home to market leader Jack Daniel's and higher-end Woodford Reserve, already started shipping more whiskey to its warehouses overseas ahead of the tariffs...

<https://www.reuters.com/article/us-usa-trade-bourbon/new-tariffs-risk-turning-u-s-whiskey-sour-idUSKCN1J410Z>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at June 04, 2018

	Percentage (%)
Yield to Maturity	5.75
Weighted Average Coupon	5.529
Current Yield	5.65

The platinum portfolio has an effective maturity of 13.57 years and duration of 4.73 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](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: China slaps anti-dumping deposit on Brazilian chicken

China will impose temporary anti-dumping measures on imports of Brazilian chicken meat, it said on Friday, at the same time as the United States pressures Beijing to reopen its market to American poultry products. Chinese importers of Brazilian chicken will be required to pay deposits ranging from 18.8 percent to 38.4 percent of the value of their shipments from June 9, the commerce ministry said in a statement. A preliminary ruling from the ministry found that Chinese producers had been "substantially damaged" by shipments from Brazil between 2013 and 2016, when the country supplied more than half of China's imports of chicken meat. The anti-dumping measures are another blow to Brazilian meatpackers, who are still recovering from a food safety scandal last year and a May truckers' protest that forced farms to cull some 70 million chickens due to a lack of feed. They also show how third-party countries like Brazil, the world's largest chicken exporter, could become collateral damage as the U.S. and China look for ways to head off a trade war. Shares of Brazil's BRF SA, the world's biggest chicken exporter, fell 5 percent in early Sao Paulo trading. Rival JBS SA, whose U.S. poultry unit Pilgrims Pride Corp is larger than its Brazilian division Seara, rose 3.4 percent. Brazilian protein industry group ABPA denied any causal link between the chicken shipments and any harm to Chinese producers, ...

<https://www.reuters.com/article/us-china-poultry-brazil-antidumping/china-slaps-anti-dumping-deposit-on-brazilian-chicken-idUSKCN1J404Y>

## STRUCTURED PRODUCT

### Mayberry Managed Equity Portfolio (MMEP)

We offer a managed equity portfolio for both institutions and individuals. The MMEP is a full discretionary managed portfolio of a diversified group of stocks. The stocks included in the portfolio represent Mayberry's top recommended stocks. Persons who find it difficult to manage their equity portfolios on a day to day basis should consider the MMEP. Further, the MMEP is for individuals and institutions who would like to pursue a medium to long term equity strategy.

OVER 20 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH

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