

DAILY MARKET SUMMARY



LOCAL STOCK MARKET: (JS) +

Stock Symbol	tTech	CPJ	XFUND	LASD	MDS
Current Price (\$)	5.92	5.27	14.05	4.00	5.01
Trailing EPS (\$)	0.20	0.37	1.20	0.29	0.42
P/E (times)	30.06	14.40	11.69	13.91	12.03
Projected P/E	26.26	12.33	10.67	15.87	10.99
Projected EPS (\$)*	0.23	0.43	1.32	0.25	0.46
Book Value per share (\$)	1.68	2.73	10.36	1.31	2.56
Price/Book Value (times)	3.52	1.93	1.36	3.06	1.96
Dividend Yield (2018 %)	N/A	N/A	N/A	2.93%	N/A
Volumes	NIL	27,442	NIL	244,516	125,156
Recommendation	SELL	BUY	BUY	HOLD	BUY

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

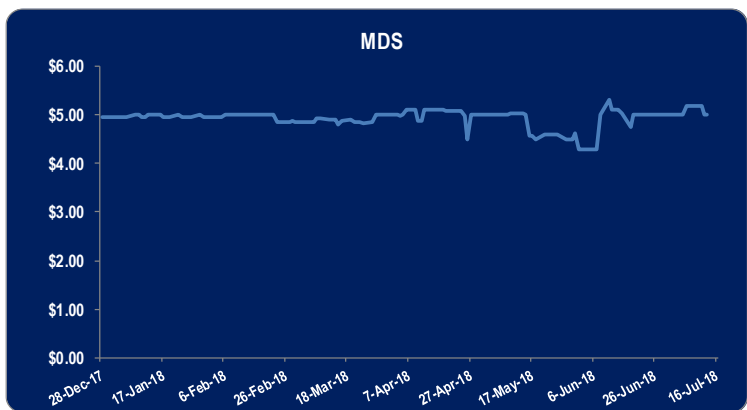
	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	142.310	100.790	129.9455	142.310	100.000	131.7337
CAN	100.600	69.750	97.3967	114.240	93.000	99.2208
GBP	174.000	141.520	167.4481	200.400	166.000	173.3451
EURO	151.400	110.250	145.8858	176.640	147.600	153.5705

*Rates as at July 13, 2018

MONEY MARKET

The Jamaican dollar fixed income market was liquid in to-day's (July 16, 2018) trading session. The over night rate stood at 0.85% to 1.00% while the 30-day rate ranged between 1.20% and 1.40%.

The US dollar fixed income market was also liquid during to-day's (July 16, 2018) trading session; The over-night market rates were quoted at 1.20% while the 30-day market rates stood at 1.50% to 1.70%.



STOCK OF THE DAY: Medical Disposables & Supplies (MDS)

For the Year ending March 31, 2018:

Revenue amounted to \$2.04 billion, an increase of 19% compared to the \$1.71 billion booked in 2017. Cost of Sales increased \$280.63 million to total \$1.58 billion relative to \$1.30 billion in 2017, a 22% increase. As a result, Gross Profit grew by 12% or \$50.79 million to total \$461.52 million in 2018 compared to \$410.73 million in 2017. Revenue for the fourth quarter amounted to \$559.46 million up 23% (2017: \$455.65 million).

Total Operating Cost rose 16% to close at \$324.10 million (2017: \$279.42 million). Of this total, Selling and Promotional costs rose by 25% to \$127.85 million relative to \$102.58 million in 2017. Administrative Expenses went up by 12% to close the year at \$171.09 million (2017: \$152.22 million). Other Operating Expenses decreased by 15% to close the year at \$2.12 million (2017: \$2.48 million), while depreciation increased by 4% to close the year at \$23.05 million (2017: \$22.13 million). For the fourth quarter Total Operating Cost amounted \$76.47 million (2016: \$68.31 million).

Operating Profit closed at \$141.80 million relative to \$135.58 million in 2017 this represents a 5% increase. The company reported Finance Income of \$23,204 for the period, this compares with the \$95,404 booked for 2017.

Finance Cost for the year amounted to \$35.31 million relative to the \$34.30 million reported in 2017.

Foreign Exchange Gains of \$2.65 million were reported for the year relative to a loss of \$743,304 in 2017.

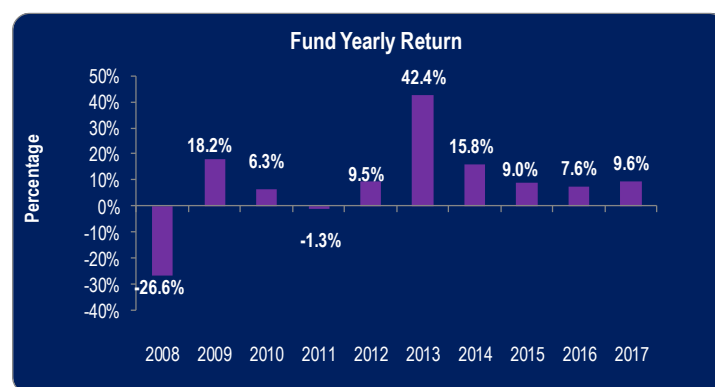
Pre-tax profit totalled \$109.65 million, up from the \$100.63 million booked the year prior, a 9% increase. After taxation of \$60,000, Profit after Tax rose 9% amounting to \$109.59 million compared to \$100.57 million in 2017. For the fourth quarter Net Profits totalled \$46.13 million (2017: \$33.77 million).

Earnings per Share for the year amounted \$0.42 (2016: \$0.38), while EPS for the quarter totalled \$0.18 relative to \$0.13 last year. The number of shares used in the calculation was 263,157,895. MDS stock price last traded on May 30, 2018 at \$4.50.

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 6.9% and a 5 year return of 12.6% as at June 30, 2018. The Fund also has a 10 year return of 8.8%



*Prices are as at July 16, 2018 *Projections are for the forward 12 months from the most recent quarter results

Powell to Cross Political Minefield as Trade War Clouds Outlook

Two of the biggest risks to Jerome Powell’s monetary policy -- trade tensions and loose fiscal policy -- are also the stickiest political traps he’ll try to avoid when he appears before lawmakers this week. With U.S. lawmakers girding for mid-term congressional elections in November, Republicans can point to an economy that continues to expand with low unemployment and inflation. Democrats are likely to attack the rollback of some regulations for big banks. Neither line of commentary, however, addresses the big risks U.S. central bankers face over the next two years. At a certain point, some components of that fiscal stimulus could fade, and the Fed will have to show unusual agility to avoid making a policy mistake by setting rates too high relative to the underlying trend growth rate of the economy. Officials have no direct way to tell if they’ve got it wrong and instead have to navigate via signals from financial markets.

<https://www.bloomberg.com/news/articles/2018-07-16/powell-to-cross-political-minefield-as-trade-war-clouds-outlook>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at July 16, 2018	
	Percentage (%)
Yield to Maturity	5.78
Weighted Average Coupon	5.55
Current Yield	5.51

The platinum portfolio has an effective maturity of 13.45 years and duration of 4.67 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, www.bloomberg.com, www.investopedia.com, www.tradewire.com

China's Economy Slows as Expected With Trade War Dimming Outlook

China’s economic expansion slowed in line with expectations, signalling broadly stable output as the trade conflict with the U.S. intensifies. Gross domestic product increased 6.7 percent in the second quarter from a year earlier. That was the slowest pace since 2016 and down slightly from the 6.8 percent pace in the previous quarter. Investment growth and industrial output also slowed in June. The continued steady growth heading into the second half of the year provides support on two policy fronts: Withstanding the potential negative effects of higher barriers to trade with the U.S. and continuing with a multi-year campaign to control debt and clean-up the financial system. After an acceleration in 2017, the world’s second-largest economy is forecast to slow this year, with the government targeting expansion of 6.5 percent.

<https://www.bloomberg.com/news/articles/2018-07-16/china-economy-remains-robust-as-country-readies-for-trade-war>

STRUCTURED PRODUCT

Mayberry Gold

This portfolio is ideal for investors, both retail and corporate, seeking a conservative, short-term investment. The securities in the Gold are directly owned by the client and provide them with a safe investment option. Our Gold portfolio can also provide investors with coupon payments that can generate a positive income stream.