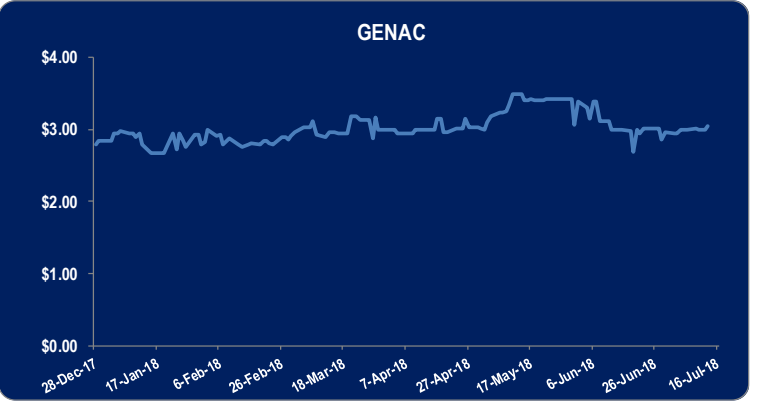


## DAILY MARKET SUMMARY



### LOCAL STOCK MARKET: (JS) +

Stock Symbol	KW	GENAC	XFUND	JBG	MDS
Current Price (\$)	50.85	3.04	14.81	23.98	5.07
Trailing EPS (\$)	1.16	0.23	1.20	1.64	0.42
P/E (times)	43.69	13.46	12.33	14.66	12.17
Projected P/E	40.01	11.69	11.24	14.35	11.12
Projected EPS (\$)*	1.27	0.26	1.32	1.67	0.46
Book Value per share (\$)	16.40	1.89	10.36	12.92	2.56
Price/Book Value (times)	3.10	1.60	1.43	1.86	1.98
Dividend Yield (2018 %)	0.39%	N/A	N/A	0.71%	N/A
Volumes	9,631	NIL	8,443	101,933	27,389
Recommendation	SELL	BUY	BUY	HOLD	BUY



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

For the three months 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 Average Rate	Highest	Lowest	Weighted Average Rate
USD	133.530	100.790	130.1678	142.310	100.000	131.6814
CAN	101.950	69.750	99.7429	114.360	92.070	101.3653
GBP	174.500	124.270	168.4957	199.800	163.000	172.6064
EURO	150.700	110.250	145.1013	176.400	113.920	151.9554

\*Rates as at July 16, 2018

### MONEY MARKET

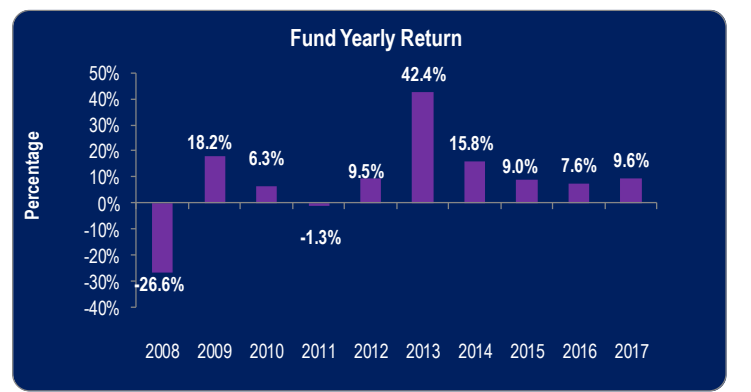
The Jamaican dollar fixed income market was liquid in to-day's (July 17, 2018) trading session. The over night rate stood at 0.85% to 1.00% while the 30-day rate ranged between 1.40% and 1.80%.

The US dollar fixed income market was also liquid during to-day's (July 17, 2018) trading session; The over-night market rates were quoted at 1.20% while the 30-day market rates stood at 1.40% to 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 6.9% 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 17, 2018 \*Projections are for the forward 12 months from the most recent quarter results

U.S.: Fed's Powell Says Gradual Rate Hikes Are the Best Path 'For Now'

Fed's Powell Says Gradual Rate Hikes Are the Best Path 'For Now'

Federal Reserve Chairman Jerome Powell said the central bank will continue to gradually raise interest rates "for now" to keep inflation near target amid a strong U.S. labour market. The Federal Open Market Committee, the Fed panel that sets interest rates, "believes that -- for now -- the best way forward is to keep gradually raising the federal funds rate," Powell said in prepared testimony before the Senate Banking Committee. "We are aware that, on the one hand, raising interest rates too slowly may lead to high inflation or financial market excesses," Powell said in the text of his remarks Tuesday. "On the other hand, if we raise rates too rapidly, the economy could weaken, and inflation could run persistently below our objective. Powell addresses Congress with the underpinnings of the U.S. expansion looking solid. Unemployment stands close to an 18-year low and inflation is around the Fed's 2 percent target, though some sentiment indicators are starting to flash warning signs over escalating trade disputes.

<https://www.bloomberg.com/news/articles/2018-07-17/fed-s-powell-says-gradual-rate-hikes-are-the-best-path-for-now>

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.

DISCLAIMER

**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.

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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: BOE's Carney Nudged Step Closer to Rate Hike by Jobs Numbers

BOE's Carney Nudged Step Closer to Rate Hike by Jobs Numbers

U.K. employment rose to a record high in the three months through May and wage pressures showed few signs of abating, keeping the Bank of England on course for an interest-rate increase next month. The number of people in work rose by 137,000, more than forecast, taking the employment rate to 75.7 percent, the highest since records began in 1971. While headline measures of wage growth eased modestly, an underlying gauge climbed to the highest since January. The pound rose which point to continued strength in the labour market and reinforce expectations for a rate hike in August. Money markets are pricing in an 80 percent chance of tightening. The report from the Office for National Statistics on Tuesday also showed that unemployment held at a 43-year low of 4.2 percent. Earnings growth excluding bonuses slowed to 2.7 percent, as forecast, but that's still well ahead of year earlier levels. On a three-month annualized basis, private-sector wage growth jumped to a four-month high of 2.8 percent.

<https://www.bloomberg.com/news/articles/2018-07-17/u-k-employment-reaches-record-high-as-job-creation-continues>

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.