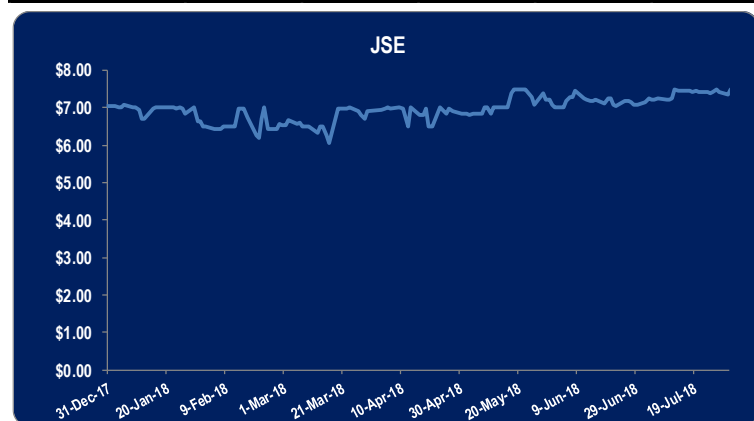


## DAILY MARKET SUMMARY

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

Stock Symbol	JSE	BRG	JP	SVL	PULS
Current Price (\$)	7.70	20.00	16.72	15.87	2.80
Trailing EPS (\$)	0.44	0.86	0.83	0.50	0.19
P/E (times)	17.42	23.13	20.14	31.47	14.43
Projected P/E	14.83	25.76	24.71	20.46	13.90
Projected EPS (\$)*	0.52	0.78	0.68	0.78	0.20
Book Value per share (\$)	1.47	4.94	10.22	1.08	1.57
Price/Book Value (times)	5.25	4.05	1.64	14.67	1.79
Dividend Yield (2018 %)	3.89%	1.43%	N/A	4.10%	0.54%
Volumes	16,480	8,650	7,782	65,275	3,000
Recommendation	BUY	SELL	SELL	HOLD	BUY



## STOCK OF THE DAY: Jamaica Stock Exchange (JSE)

For the first six months ended June 30, 2018:

Jamaica Stock Exchange (JSE) recorded total revenue of \$665.92 million, a 39% increase when compared to the \$477.65 million booked the prior year's corresponding period. For the second quarter the company reported a 34% increase in total revenue to close the quarter at \$316.34 million (2017: \$236.58 million). The company noted, "this can be attributed mainly to Cess Fee which increased by \$43.5 million (75.3%) when compared to the corresponding quarter for 2017 due to an increase in aggregate trading value for the period under review."

Total expenses for the six months increased up by \$68.20 million or 21% moving from \$329.82 million in 2017 to \$398.02 million.

Investment income moved from \$10.81 million posted for the first six months of 2017 to \$16.65 million, reflecting a 54% growth year over year.

Consequently, profit before tax totaled \$284.52 million compared to \$158.65 million the year prior. For the second quarter the company reported a 80% increase in profit before taxation totaling \$133.52 million compared to \$74.09 million the prior 2017 quarter. Tax charges for the six months rose to \$93.45 million relative to \$56.89 million the prior year.

As such, JSE reported a net profit of \$191.07 million for the six months compared to a profit of \$101.75 million for the prior year, an 88% advance. Net Profit for the quarter had a 97% increase to total \$89.76 million compared to \$45.51 million the year prior. JSE highlighted, "this represents an improvement of \$44.3 million (97.4%) for the group when compared to the profit of \$45.5 million for the corresponding period in 2017. Improvement in net profit continues to be positively impacted by Cess Fee and Income from the wider range of products and services that are now being offered by the JSEG."

Earnings per share for the six months totaled \$0.27 compared to \$0.15 in 2017, the while the trailing earnings per share amounted to \$0.44. EPS for the quarter amounted to \$0.13 (2017: \$0.06). The numbers of shares used in the calculations are 701,250,000 units. JSE stock price last traded on July 18, 2018 at \$7.45.

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	138.250	100.000	134.0010	144.560	100.000	135.4673
CAN	106.000	74.620	99.2624	119.400	93.000	105.2495
GBP	177.500	150.890	168.7505	202.800	163.000	174.9747
EURO	154.850	112.500	148.9393	180.000	147.000	159.5368

\*Rates as at August 03, 2018

## MONEY MARKET

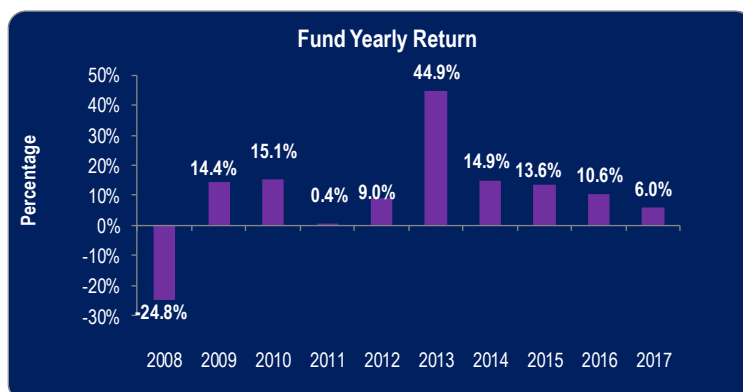
The Jamaican dollar fixed income market was liquid in today's (August 7, 2018) trading session. The over night rate stood at 0.85% to 1.00% while the 30-day rate ranged between 1.30% and 1.60%.

The US dollar fixed income market was also liquid during today's (August 7, 2018) trading session; The over-night market rates were quoted at 1.20% while the 30-day market rates stood at 1.60% to 2.00%.

## 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 7.8% and a 5 year return of 13.5% as at June 30, 2018. The Fund also has a 10 year return of 10.4%.



## U.S.: U.S. Trade Deficit Widened in June for First Time in Four Months

The U.S. trade deficit grew in June for the first time in four months as imports increased and the value of shipments overseas declined against a backdrop of escalating tensions with America's trading partners. The gap widened 7.3 percent to \$46.3 billion from a revised \$43.2 billion in the prior month, Commerce Department data showed Friday. The June figures capped an otherwise positive quarter for U.S. trade, as a narrowing of the deficit contributed the most to economic growth since 2013. While tariffs and the threat of retaliatory levies prompted a pickup in shipments of soybeans and some other materials, American exports of capital goods, vehicles and consumer goods declined in June, indicating trade may be of less help to the economy going forward. Overall exports dropped 0.7 percent to \$213.8 billion, despite record overseas shipments of petroleum and all industrial supplies and materials. Imports climbed 0.6 percent to \$260.2 billion, boosted by pharmaceuticals, crude oil, chemicals and other industrial supplies.

<https://www.bloomberg.com/news/articles/2018-08-03/u-s-trade-deficit-widened-in-june-for-first-time-in-four-months>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at August 07, 2018

	Percentage (%)
Yield to Maturity	5.89
Weighted Average Coupon	5.602
Current Yield	5.65

The platinum portfolio has an effective maturity of 15.68 years and duration of 5.85 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)

## Europe: Trump Tariff Threats Have Done Little to Shrink German Surplus

Germany's trade surplus with the U.S. is showing little sign of buckling under President Donald Trump's accusations of unfair practices. The nation's exports to the U.S. exceeded imports by 24.4 billion euros (\$28.3 billion) in the first half of the year, German data showed on Tuesday. That's barely changed from the 24.5 billion euros in the same period of 2017. The booming U.S. economy is continuing to suck in German goods from cars to chemicals, even amid repeated criticism from the Trump administration and threats of tariffs on Europe. Still, the latest figures show how tensions could flare up again, despite Trump's agreement with European Commission President Jean-Claude Juncker to refrain from any action while the two sides negotiate. "At the moment, we don't see much of a decline in the trading relationship with the U.S.," said Jan-Philipp Schulz, treasury manager at Sparkasse Suedholstein. While some confidence indicators have weakened amid a worsening of ties, "this overflow into the real economy hasn't happened."

<https://www.bloomberg.com/news/articles/2018-08-07/trump-tariff-threats-have-done-little-to-shrink-german-surplus>

## 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.

OVER 20 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH  
= POSITIVE TRANSFORMATION FOR OUR CLIENTS

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