

DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	JAMT	138SL	LASM	HONBUN	XFUND
Current Price (\$)	4.05	3.92	3.93	4.31	14.11
Trailing EPS (\$)	0.26	0.11	0.16	0.17	1.20
P/E (times)	15.78	35.01	24.22	25.80	11.74
Projected P/E	13.05	29.48	22.53	21.61	10.71
Projected EPS (\$)*	0.31	0.13	0.17	0.20	1.32
Book Value per share (\$)	1.62	6.59	1.26	1.27	10.36
Price/Book Value (times)	2.50	0.59	3.12	3.39	1.36
Dividend Yield (2018 %)	0.74%	N/A	0.97%	0.93%	N/A
Volumes	25,091	NIL	40,000	7,000	35,100
Recommendation	BUY	SELL	SELL	HOLD	BUY

JAMT



STOCK OF THE DAY: Jamaican Teas Limited (JAMT)

For the nine months June 30, 2018:-

Jamaican Teas Limited (JAMT) for the nine months ended June 2018 reported a 14% increase in revenue to total \$1.34 billion (2017: \$1.18 billion). According to the company, "Export sales increased by a strong 25 percent, domestic manufacturing revenues grew 9 percent and supermarket sales increased by 10 percent."

Cost of sales increased 16% to \$1.08 billion (2017: \$928.70 million). As a result, gross profit grew 5% to \$264.57 million (2017: \$252.31 million).

Notably, Other income reported a 29% growth year over year to \$61.77 million relative to \$47.97 million a year earlier.

Administrative expenses increased by 31% to \$130.66 million for the nine months ended June 2018 relative to \$100.03 million for the same period of 2017. "This was due to higher salary costs and depreciation provisions," noted by Management. Sales and marketing cost climbed by 35% for the period closing at \$38.26 million (2017: \$28.42 million). Notably, there was a 37% reduction in finance cost moving from \$14.26 million for the same period last year to \$22.63 million in 2017.

Pre-tax profits fell by 20% for the nine months, decreasing from \$179.84 million in 2017 to \$143.15 million. JAMT incurred tax expenses of \$10.57 million compared to \$20.37 million during the 2017 comparable period. Net profit from continuing operations fell by 12% to close the nine months at \$132.58 million (2017: \$150.86 million). Profit after discontinued operations amounted to \$131.32 relative to \$148.96 million.

However, for the period net profit attributable to shareholders declined by 12% to close the period at \$131.67 million (2017: \$149.62 million). Consequently, earnings per share increased to \$0.19 compared to \$0.22 in the nine months ended June 30, 2018. The trailing earnings per share amounted to \$0.26. JAMT last traded on July 30, 2018 at \$4.64.

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	138.000	100.000	133.8031	145.680	101.800	136.1773
CAN	105.800	73.870	104.1294	119.040	93.000	104.8689
GBP	175.150	149.460	170.1307	202.800	163.000	174.9184
EURO	156.457	112.500	151.3606	180.000	144.000	158.2720

*Rates as at August 08, 2018

MONEY MARKET

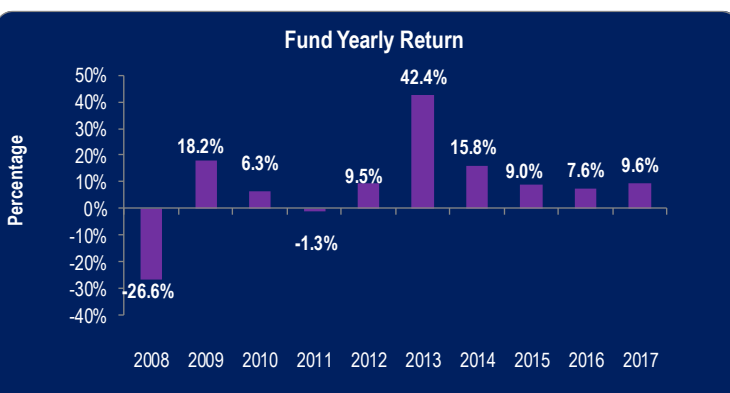
The Jamaican dollar fixed income market was liquid in today's (August 9, 2018) trading session. The over night rate stood at 0.85% to 1.00% while the 30-day rate ranged between 1.30% and 1.60%.

The US dollar fixed income market was also liquid during today's (August 9, 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 Manager 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%.



U.S.: U.S. Oil Vanishing From China Tariffs Reveals American Clout

The removal of U.S. crude from goods targeted by Chinese tariffs is a sign that America has become too big to ignore in the oil market. Less than two months after threatening to impose levies on imports of U.S. crude, the world's biggest oil buyer has now spared the commodity. Only fuels such as diesel, gasoline, propane will be hit with duties on Aug. 23, according to China's commerce ministry. That's after the nation's buyers, including top refiner Sinopec, began shunning American supplies to avoid the risk of tariffs. China's original plan to target U.S. crude came at an inopportune time for the country's buyers. Sinopec's trading unit, Unipecc, was embroiled in a dispute with Saudi Arabia, saying the producer's prices were costly and cutting purchases just as it was boosting American imports. Two months on, refiners were faced with the risk of supply disruptions from Iran to Venezuela and paying more to take advantage of booming U.S. output.

<https://www.bloomberg.com/news/articles/2018-08-09/u-s-oil-vanishing-from-chinese-tariffs-reveals-america-s-clout>

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, www.bloomberg.com, www.investopedia.com, www.tradewire.com

Europe: Italian Bond Roller Coaster May Just Be Approaching Its Zenith

Italian bond investors may be about to face their biggest challenge yet. In the next few months, bondholders will have to navigate reviews from Moody's Investors Service and Fitch Ratings, a budget in September and political headlines emanating from Rome. HSBC Bank Plc revised higher its forecast for 10-year yields, with strategist Steven Major cautioning that the securities may be prone to wide price swings. Societe Generale SA suggested that investors exit long positions in the nation's government debt. Concern over the fledgling government's spending plan rattled Italy's bond market last week, with investors keenly watching how the populist coalition will reconcile tax cuts and a basic income for the poorest within the European Union deficit limit of 3 percent of gross domestic product, compared with its current 2.3 percent shortfall. Any sign Italy is going to breach the EU's level could trigger further ructions.

<https://www.bloomberg.com/news/articles/2018-08-09/you-could-take-a-roller-coaster-or-just-be-holding-italian-debt>

STRUCTURED PRODUCT

USD Money Market

This portfolio is a full discretionary managed bond portfolio, ideal for clients who have short-term USD liquidity needs. Assets within the portfolio can be used as collateral for loans. The product provides a solid short-term investment option in hard currency and allows the individual to hedge against the prevailing devaluation in the local currency.

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

MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS



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