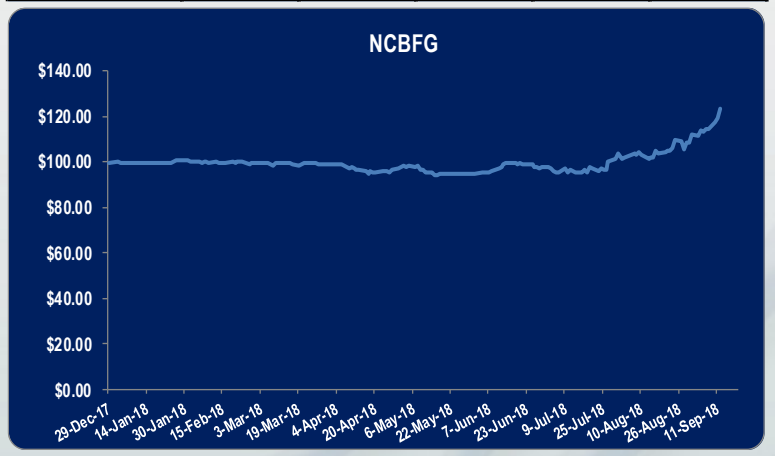


## DAILY RECOMMENDATION



### LOCAL STOCK MARKET: (JS) +

Stock Symbol	BPOW	CAR	GK	KPREIT	NCBFG
Current Price (\$)	6.50	9.16	57.40	5.92	124.45
Trailing EPS (\$)	0.18	0.73	4.40	0.38	10.16
P/E (times)	35.92	12.53	13.04	15.65	12.25
Projected P/E	31.67	12.16	12.24	30.49	12.16
Projected EPS (\$)*	0.21	0.75	4.69	0.19	10.23
Book Value per share (\$)	1.35	0.38	45.62	5.56	50.36
Price/Book Value (times)	4.81	23.84	1.26	1.07	2.47
Dividend Yield (2018 %)	2.92%	6.22%	1.48%	1.27%	1.12%
Volumes	24,100	142,539	40,724	269	121,984
Recommendation	SELL	BUY	HOLD	SELL	HOLD



### STOCK OF THE DAY: NCB Financial Group Limited (NCBFG)

For the Nine Months Ended June 30, 2018:

Net Interest Income increased by 15%, relative to the corresponding period in 2017, to total \$25.42 billion (2017: \$22.19 billion), "resulting from volume growth in the loan portfolio and the consolidation of Clarien's results", Management noted. For the quarter, Net Interest Income improved 26% to close at \$9.51 billion (2017: \$7.56 billion). Interest income for the period rose 20% year over year to \$37.92 billion compared to \$31.63 billion in 2017, while interest expense amounted to \$12.51 billion relative to \$9.44 billion for the corresponding period in 2017.

The bank also reported a gain on foreign currency and investment activities of \$11.41 billion, a growth of 103% relative to \$5.62 billion in 2017. The Company noted, "This performance is in the context of strong fiscal performance by the GOJ, a high level of liquidity which has created demand for assets and an accommodative policy stance by the BOJ which led to declining market interest rates." Insurance premium income for the period increased 16% to \$348.04 million (2017: \$185.71 million), while dividend income increased by 87% to a total of \$348.04 million (2017: \$185.71 million).

Total Operating Expenses for the period amounted to \$36.98 billion, an increase of 32% compared to the \$28 billion reported for the nine months ended June 30, 2017. Expenses for the quarter rose 36% to close at \$12.07 billion compared to \$8.88 billion in 2017. According to NCBFG, "we continue to re-tool the organisation to bolster our capacity to innovate and improve service standards to customers."

Provision for credit losses increased 176% to \$1.37 billion (2017: \$497.30 million) while depreciation and amortization grew by 43% to \$2.46 billion (2017: \$1.72 billion). Policyholders' and annuitants' benefits and reserves increased by 62% to \$4.31 billion relative to \$2.65 billion for the prior year's corresponding period.

Consequently, operating profit increased 17% to total \$18.97 billion (2017: \$16.21 billion). 'Share of profit of associates' declined by 18% to total \$1.81 billion compared to \$2.22 billion in 2017. The Bank also reported negative goodwill on acquisition of subsidiary of \$4.39 billion relative to a nil in 2017. This was as related to "the acquisition of Clarien". Consequently, profit before taxation increased 37% to \$25.17 billion relative to \$18.44 billion in 2017.

After accounting for taxation of \$4.22 billion (2017: \$3.72 billion), net profit for the nine months totalled \$20.95 billion, an increase of 42% compared to \$14.72 billion for the corresponding period of 2017. Without the goodwill, net profit would have increased by approximately 13%. Net profit attributable to shareholders closed at \$20.66 billion for the nine months.

Earnings per share (EPS) for the nine months ended June 30, 2018 totalled \$8.38 relative to \$5.97 booked for the comparable period of 2017. The EPS for the third quarter amounted to \$2.77 (2017: \$2.13). The trailing twelve-month EPS amounted to \$10.16. The number of shares used in our calculations amounted to 2,466,762,828 units.

\*Prices are as at September 13, 2018 \*Projections are made to the company's financial year end

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	137.900	100.000	136.3034	147.930	115.640	137.0475
CAN	106.100	75.750	105.0048	121.200	100.600	105.7468
GBP	179.000	153.800	173.8599	183.595	172.000	179.4989
EURO	162.360	130.000	152.2690	183.600	153.000	158.4483

\*Rates as at September 12, 2018

### MONEY MARKET

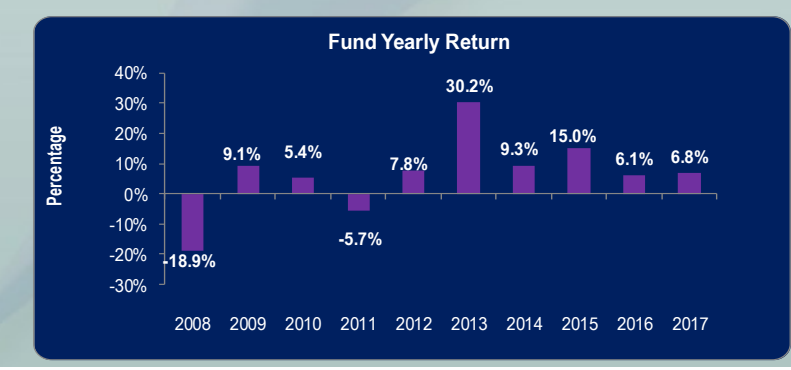
The Jamaican dollar fixed income market was liquid in today's (September 13, 2018) trading session. The overnight rate stood at 0.85% while the 30-day rate ranged between 1.50% and 1.60%.

The US dollar fixed income market was also liquid during today's (September 13, 2018) trading session; The overnight market rates were quoted at 1.20% while the 30-day market rates stood at 1.60% to 1.80%.

### OVER THE COUNTER FUNDS (CI FUNDS)

#### CI Global Value Fund

This fund's objective is to obtain maximum long-term capital growth by identifying securities that the portfolio advisor believes are undervalued and have the potential for future growth. It invests primarily in equity and equity-related securities of companies around the world. The fund may make large investments in any country, including emerging markets or emerging industries of any market. The fund has a 3 year return of 7.4% and a 5 year return of 11.2% as at August 31, 2018. The Fund also has a 10 year return of 7.3%.



**U.S.: U.S. Core Inflation Unexpectedly Cools as Apparel Costs Drop**

“A gauge of underlying U.S. inflation unexpectedly cooled in August as apparel prices fell by the most in about seven decades and medical-care costs declined, suggesting little urgency for the Federal Reserve to speed up the pace of interest-rate hikes. Excluding food and energy costs, the core consumer price index rose 2.2 percent in August from a year earlier, compared with the 2.4 percent median estimate of economists surveyed by Bloomberg News, a Labour Department report showed Thursday. The broader CPI slowed to a 2.7 percent annual gain from 2.9 percent. Yields on 10-year Treasuries and the dollar were lower, while stocks rose, as investors weighed the outlook for Fed interest-rate increases following the data. While the moderation partly reflects a near-record 1.6 percent monthly drop in apparel prices, a component that tends to be volatile, the broader slowdown follows a surprise decline in producer prices and suggests the path of inflation could be softer than some people expect.”

<https://www.bloomberg.com/news/articles/2018-09-13/u-s-core-inflation-unexpectedly-cools-on-apparel-medical-costs?srnd=economics-vp>

**Europe: Pound Rises to Six-Week High**

“The pound rallied to the highest level against the dollar since August as the U.K. pledged to provide information that could help solve a stand-off with the European Union over the Irish border. Sterling has been buffeted by Brexit headlines in recent sessions, oscillating between gains and losses in volatile trading as investors attempt to interpret contradicting headlines about Britain’s prospects of reaching a deal by March. The pound rallied amid broad dollar weakness as data showed U.S. consumer-price inflation slowed last month and after EU negotiators were said to be rewriting a key part of the divorce agreement to try to make it more palatable to the U.K. side. The pound climbed 0.4 percent to \$1.3096 as of 3:35 p.m. London time, after touching \$1.3124, the highest since Aug. 2. It was little changed at 89.18 pence per euro. The yield on U.K. 10-year government bonds rose four basis points to 1.52 percent. The pound was little moved by the Bank of England’s latest policy decision earlier in the session, which saw the central bank keep interest rates on hold.”

<https://www.bloomberg.com/news/articles/2018-09-13/pound-rises-to-six-week-high-as-brex-it-news-meets-weaker-dollar?srnd=economics-vp>

**PLATINUM PORTFOLIO**

**Platinum Portfolio Yield Measures as at September 10, 2018**

	Percentage (%)
<b>Yield to Maturity</b>	5.93
<b>Weighted Average Coupon</b>	5.60
<b>Current Yield</b>	5.79

The platinum portfolio has an effective maturity of 15.60 years and duration of 5.74 years.

**STRUCTURED PRODUCT**

**Mayberry Platinum**

The Mayberry Platinum portfolio is ideal for investors seeking a short to medium-term investment with returns denominated in hard currency. The portfolio comprises Investment Grade corporate and sovereign bonds, which provide strong yield and performance. The primary objective of this product is to provide our clients with income as well as capital appreciation. The Platinum portfolio enables the client to take full advantage of a diversified bond portfolio and is ideal for persons who do not have the time to actively manage their own portfolio.

**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

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

**...BULLISH ON JAMAICA**



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