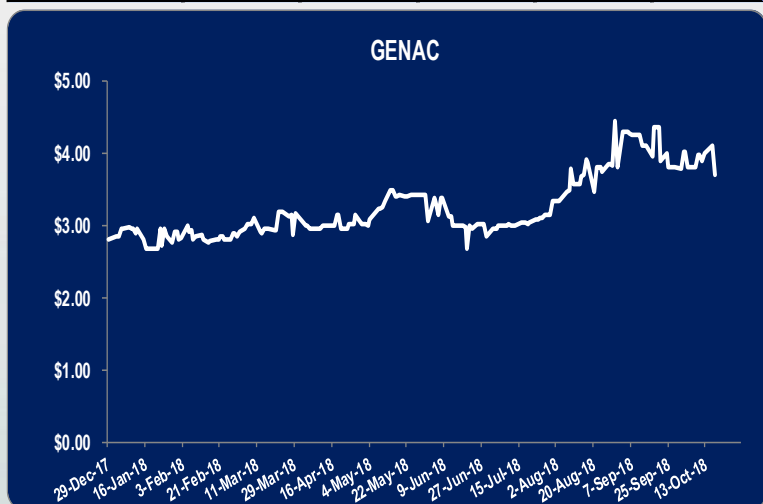


DAILY RECOMMENDATION

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	GK	GENAC	CAR	AFS	BPOW
Current Price (\$)	58.73	3.95	9.01	45.50	6.05
Trailing EPS (\$)	4.40	0.30	0.73	2.71	0.18
P/E (times)	13.34	13.21	12.33	16.78	33.43
Projected P/E	12.53	15.90	11.96	15.87	29.48
Projected EPS (\$)*	4.69	0.25	0.75	2.87	0.21
Book Value per share (\$)	45.62	1.96	0.38	9.24	1.35
Price/Book Value (times)	1.29	2.02	23.45	4.93	4.48
Dividend Yield (2018 %)	1.45%	N/A	7.55%	1.74%	3.14%
Volumes	4,193	2,100	1,796,079	NIL	30,062
Recommendation	HOLD	HOLD	BUY	BUY	SELL



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

For the six months ended June 30, 2018:

General Accident Insurance Company Limited (GENAC) reported Net Premium Written of \$839.89 million, a 25% increase from the \$673.34 million reported in 2017. This increase was driven by a 2% increase in Gross Premium Written to \$4.65 billion for the period, up from the \$4.55 billion in 2017. In addition, Reinsurance ceded declined by 2% totaling \$3.75 billion relative to \$3.82 billion in 2017. Excess of Loss Reinsurance Cost however remained the same at \$53.57 million (2017: \$53.57 million).

Net Changes in Unearned Premiums for the period totaled \$72.62 million, compared to \$55.57 million that was recorded last year. This resulted in Net Premium Earned of \$767.27 million for the period relative to \$617.77 million in 2017, a 24% increase. Net premium earned for the quarter totaled \$402.61 million, a 28% increase on the \$313.71 million reported for 2017's corresponding quarter.

Commission Income went up by 34% for the six months ended June 30, 2018, from \$250.97 million in 2017 to \$336.18 million, while Commission Expenses increased by 28% from \$169.12 million to \$216.18 million.

Claims Expenses saw a 5% decline, closing the period at \$513.20 million (2017: \$539.04 million), while Management Expenses rose 29% to total \$352.44 million from \$272.23 million in 2017.

As a result, GENAC reported an underwriting loss of \$7.67 million for the period compared to a loss of \$67.95 million in 2017.

Investment Income closed at \$84.79 million, moving down 6% when compared with last year's \$90.45 million. Other Income however grew significantly to \$58.32 million for the period relative to \$3.41 million in 2017.

In addition, other operating expenses went up by 46% to total \$20.90 million for the period relative to \$14.33 million in 2017.

Profit before Taxation amounted to \$114.53 million (2017: \$11.58 million). Taxation for the period was \$19.09 million (2017: \$3.24 million). Consequently, Net Profit totaled \$95.44 million relative to \$8.34 million in 2017; representing a 1044% increase. Net profit for the quarter totaled \$66.38 million, a 836% surge relative to \$9.02 million reported in 2017.

As such, EPS for the period is \$0.09 (2017: \$0.01). The twelve-month trailing EPS amounted to \$0.30. The number of shares used in our calculations amounted to 1,031,250,000 units. GENAC's stock price last traded at \$3.68.

⁺Prices are as at October 18, 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	132.500	99.680	130.9466	147.200	101.380	131.9979
CAN	102.350	82.870	101.6187	117.840	88.510	101.8570
GBP	177.000	143.820	169.5100	196.270	166.000	174.3895
EURO	152.000	117.600	148.3806	156.570	147.000	153.7930

*Rates as at October 17, 2018

MONEY MARKET

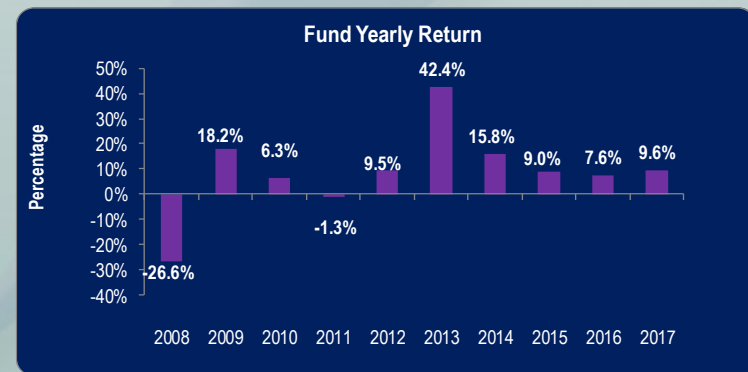
The Jamaican dollar fixed income market was liquid in today's (October 18, 2018) trading session. The overnight rate stood at 0.85% to 1.20%, while the 30-day rate ranged between 1.50% and 1.80%.

The US dollar fixed income market was also liquid during today's (October 18, 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 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 10.8% and a 5 year return of 12.8% as at September 30, 2018. The Fund also has a 10 year return of 10.2%.



U.S.: Trans-Atlantic Trade Truce Tested by U.S. Official's Outburst

"U.S. Commerce Secretary Wilbur Ross challenged a fragile trans-Atlantic trade truce by accusing the European Union of dragging its feet over market-opening pledges. He lashed out at European Trade Commissioner Cecilia Malmstrom for saying the onus is on the U.S. to come up with proposals to lower tariffs on industrial goods. At a briefing in Brussels on Wednesday, Ross said the 28-nation bloc needed to act on product standards, which he described as equally important. "Discussing tariffs in the absence of discussing standards is a useless exercise," Ross said a day after he held a meeting with Malmstrom to take stock of EU-U.S. commercial relations. "Both are protectionist." At stake is how to carry forward a deal in July between U.S. President Donald Trump and European Commission chief Jean-Claude Juncker that put on hold possible U.S. automotive duties based on the same national-security grounds the White House used to impose controversial levies on foreign steel and aluminium. The two leaders agreed on July 25 in Washington to work toward the elimination of tariffs and non-tariff barriers on industrial goods traded between the EU and the U.S., setting up a working group that had its political kick-off in September."

<https://www.bloomberg.com/news/articles/2018-10-17/u-s-s-ross-criticizes-eu-in-test-to-trans-atlantic-trade-truce?srnd=economics-vp>

Europe: Italian Bond Exchange Takes Advantage of Calm Before Storm

"Italian markets may be in for a rocky couple of weeks, but the government still needs to finance the second-largest stock of debt in the euro area. The country exchanged 3.8 billion euros (\$4.38 billion) of inflation-linked bonds, known as BTP Italia and primarily held by retail investors, for longer-dated nominal securities. That's more than the original 3 billion euros sought. By doing so, the Treasury is taking advantage of a period of calm before two credit rating decisions and the European Commission response to Rome's budget plans that are in breach of European Union rules at face value. "They need to raise cash so finding a quiet time to do that is important," said Ciaran O'Hagan, head of European rates strategy at Societe Generale SA. The Italian Treasury "needs to refinance maturing debt by issuing new bonds and that process is almost continuous given that Italy is Europe's largest issuer." Italy's curve continued to steepen Thursday, with difference between two- and 10-year yields hitting 222 basis points, the highest level since March. Italy is buying back the BTP Italia maturing in April 2020 and selling bonds maturing in 2025, 2028, 2029 and 2046 through a syndication of banks, in line with its debt-management guidelines and "considering the large redemption volume of the BTP Italia," according to the statement."

<https://www.bloomberg.com/news/articles/2018-10-18/italian-bond-exchange-takes-advantage-of-calm-before-the-storm>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at October 16, 2018	
	Percentage (%)
Yield to Maturity	6.09
Weighted Average Coupon	5.599
Current Yield	6.75

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.

The platinum portfolio has an effective maturity of 15.44 years and duration of 5.66 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