

DAILY RECOMMENDATION



LOCAL STOCK MARKET: (JS) +

Stock Symbol	CAR	SALF	JMMBGL	CCC	KEX
Current Price (\$)	8.95	21.10	33.59	43.79	12.00
Trailing EPS (\$)	0.73	1.36	2.38	0.76	0.42
P/E (times)	12.25	15.51	14.14	57.66	28.71
Projected P/E	11.88	13.58	13.01	33.18	23.43
Projected EPS (\$)*	0.75	1.55	2.58	1.32	0.51
Book Value per share (\$)	0.38	8.04	15.48	12.05	1.43
Price/Book Value (times)	23.30	2.62	2.17	3.63	8.40
Dividend Yield (2018 %)	7.60%	2.37%	0.80%	N/A	0.58%
Volumes	131,584	NIL	18,860	7,609	216
Recommendation	BUY	BUY	HOLD	SELL	HOLD

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

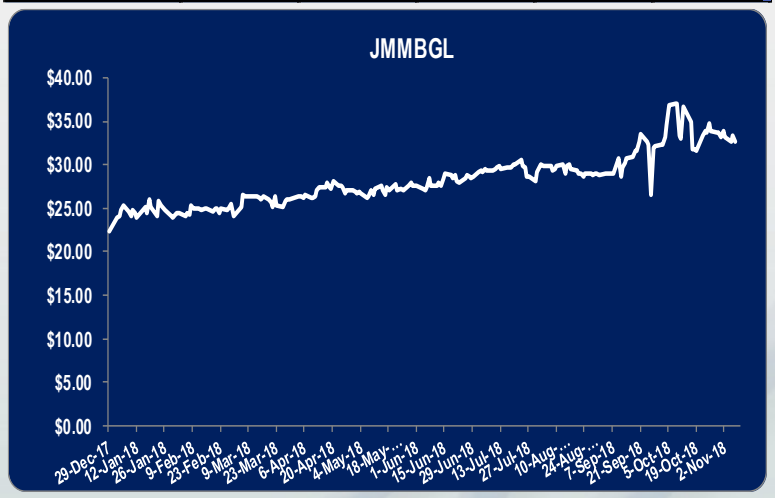
	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	129.800	98.830	126.6200	141.680	100.000	127.4989
CAN	99.800	74.240	96.9067	111.840	93.000	97.0205
GBP	168.000	136.680	162.6071	192.960	161.300	165.0476
EURO	144.500	112.240	141.6281	148.830	141.000	144.1832

*Rates as at November 07, 2018

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (November 07, 2018) trading session. The overnight rate stood at 1.00% to 1.40%, while the 30-day rate ranged between 1.80% and 2.00%.

The US dollar fixed income market was also liquid during today's (November 07, 2018) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.80% to 2.10%.



STOCK OF THE DAY: JMMB Group Limited (JMMBGL)

For the three months ended June 30, 2018:

JMMB Group Limited - (JMMBGL) for the three months ended June 30, 2018 booked Net interest income of \$2.07 billion compared to \$1.91 billion in 2017, an increase of 8%. Of this, Interest income grew by 7% to close at \$4.24 billion, from the \$3.96 billion booked in 2017, while interest expenses increased by 6% to total \$2.17 billion relative to \$2.04 billion in the prior year. JMMBGL highlighted that, "there was strong growth in the loan and investment portfolios."

Fees and commission income for the quarter amounted to \$481.64 million, an improvement of 32% on the \$363.83 million last year's corresponding period. According to the company, this was, "due to significant growth in managed funds and collective investment schemes across the Group." Foreign exchange margins from Cambio trading recorded an increase of 117% year over year to close the quarter at \$514.65 million (2017: \$237.54 million), while net gains from securities trading showed an increase of 4% totalling \$1.60 billion (2017: \$1.54 billion).

Other income for the period totalled \$5.34 million a 85% contraction relative to \$36.42 million reported for the corresponding period in 2017. Dividend income for the three months also declined 60% to close at \$4.58 million relative to \$11.33 million in 2017's first quarter.

Operating expenses amounted to \$3.34 billion, a growth of 11% (2017: \$3.00 billion) which led to an operating profit of \$1.21 billion, an increase when compared to the \$958.05 billion booked the year prior. According to JMMBGL, "This was attributed primarily to costs associated with our integrated Group sales and support framework coupled with the continued build-out of commercial banking services in Jamaica. The Group will continue to focus on extracting operational efficiency from all entities through the launch of its standardization and process improvements project."

Following taxes of \$258.88 million (2017: \$381.07 million), JMMBGL booked a 56% increase in net profit to \$956.61 million compared to \$613.39 million reported for the similar period of 2017.

Net profit attributable to the shareholders of the company totalled \$935.90 million relative to \$616.54 million in 2017, a 52% improvement year over year.

As a result, earnings per share (EPS) for the three months amounted to \$0.57 (2017: \$0.38). The twelve-month trailing EPS amounted to \$2.38 where the number of shares used in the calculations amounted to 1,630,552,530 units. Notably, JMMBGL's stock price closed trading on August 14, 2018 at \$29.04.

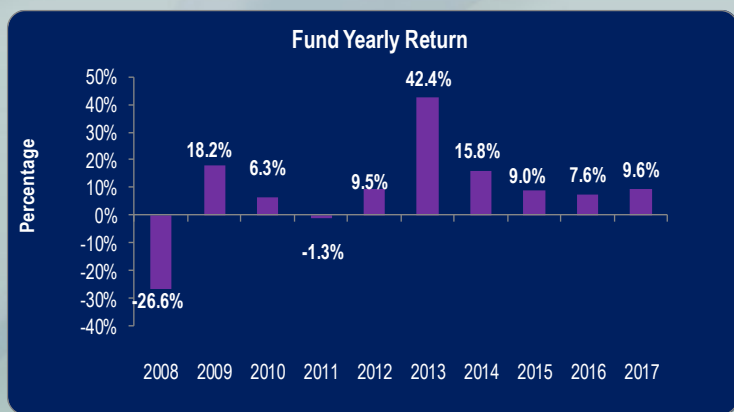
*Prices are as at November 08, 2018 *Projections are made to the company's financial year end

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: Fed's Tone Will Give Clues on 2019 Pace: Decision-Day Guide

“Federal Reserve policy makers meeting in Washington will weigh how to describe a moderation in U.S. economic growth as they reinforce expectations for a fourth 2018 hike next month. The Federal Open Market Committee is widely expected to keep the benchmark target for rates unchanged in a 2 percent to 2.25 percent range at the conclusion of its two-day meeting on Thursday. Its policy statement, released at 2 p.m., will likely continue to describe U.S. growth and the labour market as strong, reinforcing the outlook for a hike in December. Other tweaks in the statement could suggest less confidence in the need to raise rates three times next year, as officials projected in September. No press conference with Chairman Jerome Powell is scheduled after this meeting and economic forecast won't be updated until December, when pricing in interest rate futures show investors see a roughly 78 percent chance the Fed will hike again. New Fed Vice Chair Richard Clarida, in a speech Oct. 25, tweaked that guidance to call for “some further gradual” hikes -- adding the word “some.” Making that change, which is seen as unlikely, would be dovish and suggest the central bank is closer to the end of the rate cycle.”

<https://www.bloomberg.com/news/articles/2018-11-08/fed-s-tone-will-give-clues-on-2019-pace-decision-day-guide?srnd=economics-vp>

Asia: China Has More Distressed Corporate Debt Than All Other Ems

“In the span of just 11 months, China went from having no distressed dollar-denominated corporate bonds to having more than any other emerging market. The world's second-biggest economy has 15 bonds whose option-adjusted spreads over U.S. Treasuries were above 1,000 basis points as of Nov. 6, according to a Bloomberg Barclays index. That's more than all the other nations on the gauge, combined. An ongoing trade war and slower economic growth after years of breakneck expansion are straining the nation's highly-leveraged corporate sector. Property developers in particular are facing surging borrowing costs as refinancing pressures intensify amid the government's effort to rein in real estate prices. China's debt, both distressed and otherwise, account for a quarter of all securities included in the gauge, which tracks about 660 dollar notes with a par value of at least \$500 million. The Asian nation is home to the developing world's biggest bond market. The jump in China's distressed bonds helped fuel an increase in borrowing costs for emerging-market companies to the highest level in more than two years. The impact of the trade war on the Asian nation has compounded pressure on developing assets, already reeling under the strain of higher U.S. interest rates and Treasury yields.”

<https://www.bloomberg.com/news/articles/2018-11-07/china-has-more-distressed-corporate-debt-than-all-of-em-combined?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at November 05, 2018

	Percentage (%)
Yield to Maturity	6.13
Weighted Average Coupon	5.548
Current Yield	6.13

The platinum portfolio has an effective maturity of 13.04 years and duration of 4.27 years.

STRUCTURED PRODUCT

Mayberry Managed Equity Portfolio (MMEP)

We offer a managed equity portfolio for both institutions and individuals. The MMEP is a full discretionary managed portfolio of a diversified group of stocks. The stocks included in the portfolio represent Mayberry's top recommended stocks. Persons who find it difficult to manage their equity portfolios on a day to day basis should consider the MMEP. Further, the MMEP is for individuals and institutions who would like to pursue a medium to long term equity strategy.

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

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 = POSITIVE TRANSFORMATION FOR OUR CLIENTS
 MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS

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