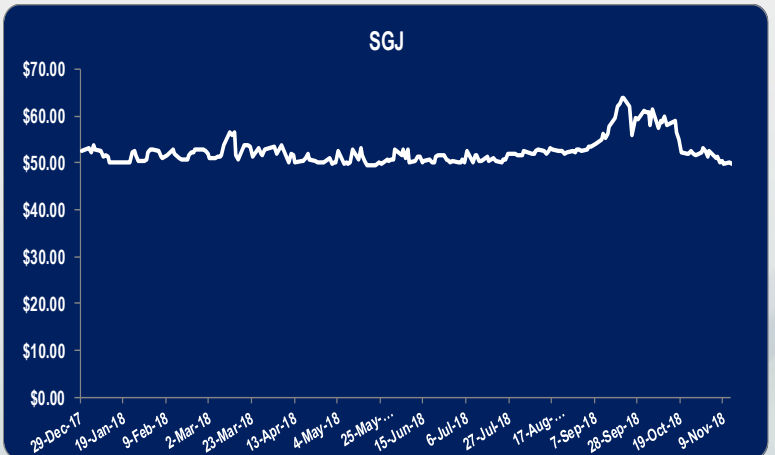


## DAILY RECOMMENDATION



### LOCAL STOCK MARKET: (JS) +

Stock Symbol	BPOW	JAMT	SGJ	KW	LASD
Current Price (\$)	5.49	3.89	49.17	78.00	3.81
Trailing EPS (\$)	0.18	0.26	4.67	1.31	0.30
P/E (times)	30.34	15.15	10.54	59.61	12.58
Projected P/E	26.75	12.54	11.29	54.13	11.81
Projected EPS (\$)*	0.21	0.31	4.36	1.44	0.32
Book Value per share (\$)	1.35	1.62	36.29	16.68	1.44
Price/Book Value (times)	4.07	2.40	1.36	4.68	2.64
Dividend Yield (2018 %)	3.46%	0.77%	2.93%	0.26%	3.07%
Volumes	NIL	261,000	1,533,780	20,100	101,180
Recommendation	SELL	BUY	HOLD	SELL	BUY



### STOCK OF THE DAY: Scotia Group Jamaica Limited (SGJ)

#### For the nine months ended July 30, 2018:-

For the nine months ended July 30, 2018, Scotia Group Jamaica Limited's (SGJ) Net Interest Income declined by 4% to \$19.12 billion, moving from \$19.93 billion for the corresponding period in 2017, while Interest Expenses declined by 27% to total \$2.42 billion (2017:\$3.33 billion). Interest Income for the period decreased from \$23.26 billion in 2017 to \$21.54 billion. The Company noted, "While there were increased loan and transaction volumes across our business lines, this was offset by reduced net interest margins as a result of lower interest rates, due to a stable macroeconomic environment and increased competition." Net Interest Income for the third quarter fell 7% to \$6.30 billion relative to \$6.76 billion for the correspond quarter of 2017.

Net Fees and Commission Income amounted to \$6.11 billion (2017: \$6.59 billion), a decrease of 7% relative to the corresponding period in 2017. The performance was, "impacted by the ongoing shift from branch transactions to online and mobile transactions which attract lower fees."

Insurance Revenue climbed by 6% and closed the period at \$2.40 billion relative to \$2.27 billion last year. SGJ noted, insurance revenue was impacted, "due to growth in core insurance business and actuarial reserve releases from changes in assumptions on valuation of the portfolios".

As such, Total Operating Income for the period increased 8% to total \$31.86 billion versus \$29.48 billion for the corresponding period in 2017. Total Operating Income for the quarter amounted to \$9.65 billion, 1% lower than the \$9.79 billion booked for the same quarter of 2017. Total Operating Expenses for the nine months amounted to \$16.26 billion, a 1% growth from the \$16.12 billion booked for the corresponding period in the prior financial year.

Tax charges for the period totaled \$4.44 billion (2017: \$4.37 billion), as such Net Profit for the period totaled \$11.16 billion, 24% more than the \$8.99 million posted for the same period in 2017. Profit for the quarter amounted to \$4.40 billion, 33% less than the total of \$3.30 billion a year earlier.

Profit attributable to shareholders for the period totaled \$11.16 billion, a 27% increase on the \$8.81 billion recorded in 2017. Profit attributable to shareholders for the third quarter totaled \$4.40 billion compared to \$3.21 billion booked for the comparable period of 2017.

\*Prices are as at November 14, 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	131.010	95.780	125.9539	141.450	122.000	126.7740
CAN	96.350	71.370	95.7828	101.310	92.000	95.6349
GBP	164.500	118.870	160.1672	182.270	155.000	164.3739
EURO	147.059	110.000	138.6726	158.580	137.500	144.3142

\*Rates as at November 13, 2018

### MONEY MARKET

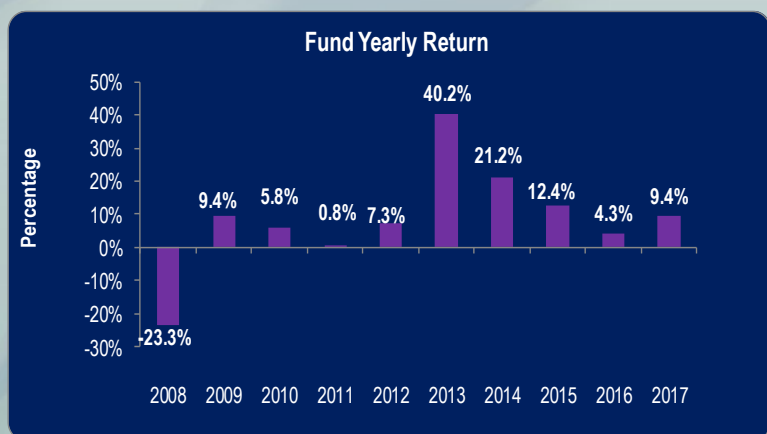
The Jamaican dollar fixed income market was liquid in today's (November 14, 2018) trading session. The overnight rate stood at 1.00% to 1.40%, while the 30-day rate ranged between 1.60% and 1.90%.

The US dollar fixed income market was also liquid during today's (November 14, 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%.

### OVER THE COUNTER FUNDS (CI FUNDS)

#### CI American Value Corporate Class

This fund's objective is to provide superior returns with a limited level of risk by investing in a diversified portfolio of high quality undervalued companies. It invests primarily in equity and equity-related securities of companies in the United States. Any change to the investment objective must be approved by a majority of votes cast at a meeting of shareholders held for that reason. The fund has a 3 year return of 6.3% and a 5 year return of 11.2% as at October 31, 2018. The Fund also has a 10 year return of 10.4%.



**U.S: U.S. Inflation Remained Muted in October Despite Solid Economy**

“U.S. inflation showed little sign of breaking out in October despite strength in the economy and wages, likely keeping the Federal Reserve on its path of gradual interest-rate increases. Excluding food and energy, the core consumer-price index rose 2.1 percent from a year earlier, according to a Labor Department report Wednesday, slightly short of the median estimate of economists for a 2.2 percent increase, which was also the gain in September. It was up 0.2 percent from the prior month, the fastest gain in three months and in line with projections. Inflation is gradually gaining traction, with help from solid household demand and a tight job market, while the tariff war with China may further boost price pressures. At the same time, some of the latest advance reflected quirks such as a rebound in used-car prices, and the figures may potentially be seen as validating a recent decline in inflation expectations in financial markets, amid tumbles in crude oil and equities. The biggest gain in energy prices since January boosted the broader consumer-price index, which rose 0.3 percent in October, matching estimates and following a 0.1 percent gain the prior month. It was up 2.5 percent from a year earlier, also in line with forecasts. The CPI report showed gasoline prices rose 3 percent from the prior month on a seasonally adjusted basis.”

<https://www.bloomberg.com/news/articles/2018-11-14/u-s-consumer-prices-offer-mixed-signals-on-inflation-outlook?srnd=economics-vp>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at November 12, 2018	
	Percentage (%)
Yield to Maturity	6.12
Weighted Average Coupon	5.548
Current Yield	6.22

The platinum portfolio has an effective maturity of 13.07 years and duration of 4.3 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: Italy Should Use Expansion to Reduce Its Debt, Weidmann Says**

“The Italian government can boost spending but only if it doesn’t come at the price of a higher debt burden, Bundesbank President Jens Weidmann said. “It is perfectly legitimate for a new government to set new political priorities,” the European Central Bank Governing Council member said in a speech in Berlin. “However, as far as these are associated with additional expenditures, it would be advisable to reduce other expenditures or to increase revenue. The requirement for debt reduction mustn’t be renounced.” Weidmann’s remarks come as the standoff between Italy and its European Union partners reaches a critical point, with the country’s populist government sticking to a budget plan that the EU says must be revised. That forces the European Union to follow through on its threat of action or potential sanctions, or cave in. The Bundesbank president said with the euro-area economic expansion ongoing -- despite a recent slowdown -- and with monetary policy unlikely to be able to provide much support when the next crisis hits, highly-indebted countries like Italy should take the opportunity to reduce their burden.”

<https://www.bloomberg.com/news/articles/2018-11-14/italy-should-use-expansion-to-reduce-its-debt-weidmann-says>

**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.

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 = POSITIVE TRANSFORMATION FOR OUR CLIENTS  
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