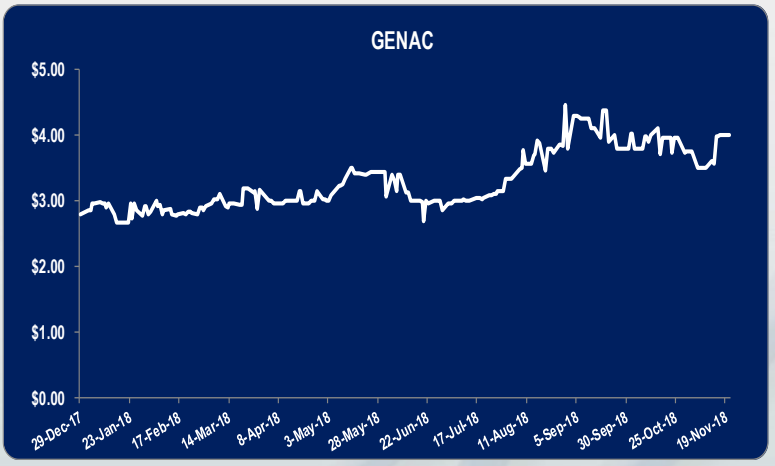


## DAILY RECOMMENDATION



### LOCAL STOCK MARKET: (JS) +

Stock Symbol	ISP	SALF	GENAC	LASM	JP
Current Price (\$)	20.00	21.50	4.00	3.41	23.50
Trailing EPS (\$)	0.44	1.36	0.30	0.18	0.73
P/E (times)	45.88	15.80	13.38	19.21	32.41
Projected P/E	46.51	13.84	16.10	17.98	28.60
Projected EPS (\$)*	0.43	1.55	0.25	0.19	0.82
Book Value per share (\$)	2.98	8.04	1.96	1.29	10.69
Price/Book Value (times)	6.72	2.67	2.04	2.65	2.20
Dividend Yield (2018 %)	N/A	2.33%	N/A	1.11%	N/A
Volumes	NIL	4,000	NIL	48,976	190
Recommendation	SELL	BUY	HOLD	HOLD	SELL



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

For the nine months ended September 30, 2018: -

GENAC reported Gross premium written of \$7.40 billion, 20% higher than the \$6.18 billion reported for 2017. As a result, net premium written increased by 26% from \$1.04 billion last year to \$1.32 billion. Excess of loss reinsurance remained at \$70.38 million, the same as 2017. Net premium written for the third quarter amounted to \$478.73 million relative to \$369.96 million booked for the corresponding period in 2017.

Net changes in unearned premiums totalled \$120.45 million, 54% higher than the \$78.18 million recorded the previous year. Consequently, net premiums earned grew by 24% to a total of \$1.20 billion compared to \$965.12 million for the same period last year. For the quarter, net premium earned totalled \$430.90 million compared to \$347.35 million booked for the similar quarter of 2017.

Commission income grew by 51%, year over year, from \$328.66 million in 2017 to \$494.97 million in 2018, while commission expenses also went up by 32% from \$236.04 million to \$312.28 million.

Claims expenses saw an increase of 10%, closing the period at \$865.94 million (2017: \$788.15 million), while management expenses climbed by 35% to total \$553.88 million (2017: \$409.56 million). GENAC noted that one contributing factor to the rise in expenses was the growth in Administrative expenses, "due to new hires to drive the strategic plan." Underwriting loss for the period totalled of \$27.70 million, this compares to a loss of \$34.83 million in 2017. The company also made an underwriting loss of \$20.02 million for the third quarter when compared to a profit of \$33.15 million in 2017.

In addition, investment income closed at \$228.73 million, a 56% increase when compared with last year's \$146.33 million, while other income totalled \$4.51 million, (2017: \$1.95 million). Other operating expenses grew by 45% to \$32.46 million when compared to \$22.41 million in 2017.

As such, profit before taxation amounted to \$173.08 million (2017: \$91.04 million). Net Profit totalled \$144.18 million for the period, an 88% uptick when compared to the \$76.78 million reported last year, subsequent to tax charges of \$28.91 million. However, net profit for the quarter was \$48.73 million, a 29% drop versus the same period of 2017 which had net profits of \$68.44 million. Total comprehensive income amounted to \$126.14 million (2017: \$130.42 million), following a loss on available investments for sale of \$18.03 million (2017: Gain of \$53.64 million).

As such, earning per share for the period amounted to \$0.14 (2017: \$0.07) while EPS for the quarter amounted to \$0.05 compared to \$0.07 in 2017. The twelve months trailing EPS is \$0.28. The stock traded at \$3.97 as at November 15, 2018. The number of shares used in our calculations amounted to 1,031,250,000 units.

\*Prices are as at November 22, 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	127.750	95.550	125.5538	140.870	95.550	126.7958
CAN	97.200	71.210	95.4107	104.990	91.000	95.8792
GBP	163.900	118.300	156.1169	179.740	155.200	161.7340
EURO	142.200	103.870	138.2150	146.530	138.500	145.0442

\*Rates as at November 21, 2018

### MONEY MARKET

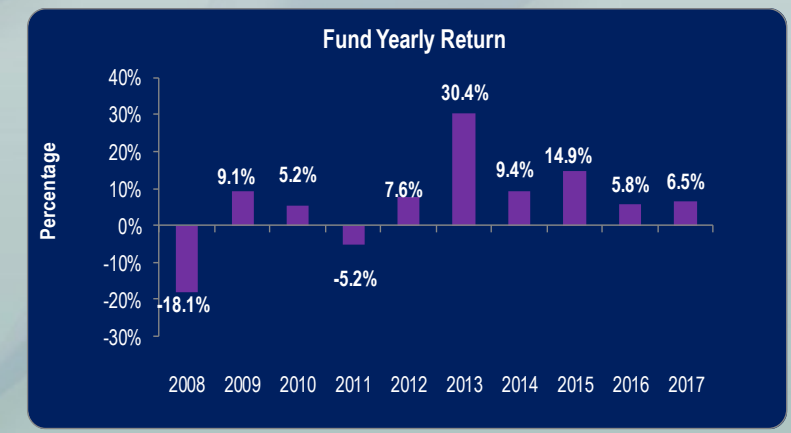
The Jamaican dollar fixed income market was liquid in today's (November 22, 2018) trading session. The overnight rate stood at 1.90%, while the 30-day rate ranged between 2.40%

The US dollar fixed income market was also liquid during today's (November 22, 2018) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 2.70%.

### OVER THE COUNTER FUNDS (CI FUNDS)

#### CI Global Value Corporate Class

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 re-turn of 5.7% and a 5 year return of 8.9% as at October 31, 2018. The Fund also has a 10 year return of 8.8%.



**U.S: Global Tariffs Surge Ahead of Trump-Xi Talks at G-20, Study Says**

“Tariff measures imposed by Group of 20 countries reached a record and now cover \$481 billion worth of global trade, according to the World Trade Organization. Ahead of U.S.-Chinese talks at next week’s G-20 summit, the group’s member countries added 40 trade-restricting measures since mid-May, compared with 39 during the preceding six months, the WTO said in a report published Thursday. “Further escalation remains a real threat,” WTO Director-General Roberto Azevedo said in a statement. “If we continue along the current course, the economic risks will increase, with potential effects for growth, jobs and consumer prices around the world.” After a year marked by trade conflict, Presidents Donald Trump and Xi Jinping plan to hold talks during the Nov. 30-Dec.1 G-20 summit in Buenos Aires. U.S. Commerce Secretary Wilbur Ross has played down the likelihood of a grand bargain and said the U.S. still plans to increase tariffs on \$250 billion worth of Chinese exports on Jan. 1. The Trump administration also is mulling tariffs on autos and auto parts, which could prompt retaliation that would further degrade global growth projections. European Union officials say U.S. levies on EU cars or auto parts on national security grounds would void a trans-Atlantic commercial truce.”

<https://www.bloomberg.com/news/articles/2018-11-22/global-tariffs-surge-ahead-of-trump-xi-talks-at-g-20-study-says?srnd=economics-vp>

**Europe: U.K. Could Breach Emergency Fuel Commitments Because of EU Exit**

“The U.K. might fail to honor commitments relating to emergency fuel stockpiles as its exit from the European Union approaches, a trade group representing the nation’s oil refiners said. Europe manages its fuel inventories as a bloc, so part of the U.K.’s emergency stocks can be held in other member states. In some cases, the fuels are held by companies on behalf of governments on a quarterly or an annual basis, under what’s known as a ticketing system. Because of uncertainty over Brexit, some other nations are reluctant to renew the storage arrangements, according to the U.K. Petroleum Industry Association. “Brexit is having an impact on U.K. companies, with some EU countries choosing not to allow oil stocking tickets from the beginning of 2019 due to the Brexit uncertainty,” Jamie Baker, a UKPIA spokesman, said in a statement. “UKPIA members believe this significant risk to international oil stocking tickets must be addressed as a matter of priority, or risk non-compliance with international obligations.” Were Britain to exit the EU without a deal, the country would almost certainly end up switching to a program coordinated by the International Energy Agency in Paris, involving countries as far away as Japan, Australia and the U.S. Any potential shortfalls, while unlikely to pose a long-term threat to Britain’s energy security, nonetheless highlight the myriad logistical challenges the country faces as it prepares to leave the EU.”

<https://www.bloomberg.com/news/articles/2018-11-22/u-k-could-breach-emergency-fuel-commitments-because-of-eu-exit?srnd=economics-vp>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at November 19, 2018	
	Percentage (%)
Yield to Maturity	6.2
Weighted Average Coupon	5.570
Current Yield	7.78

The platinum portfolio has an effective maturity of 13.00 years and duration of 4.22 years.

**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.

**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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