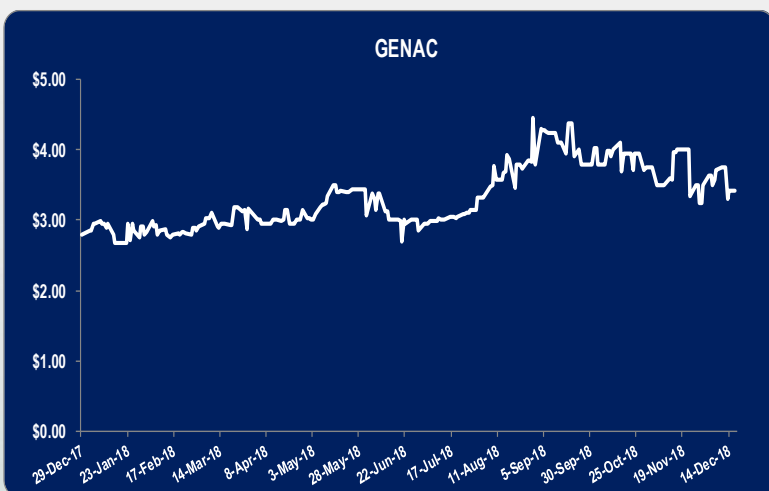


DAILY RECOMMENDATION

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	CFF	SEP	GENAC	SALF	PROVENJA
Current Price (\$)	19.00	30.94	3.42	31.00	26.50
Trailing EPS (\$)	1.05	1.44	0.30	2.11	1.27
P/E (times)	18.08	21.44	11.44	14.66	20.86
Projected P/E	16.68	12.97	13.77	13.51	18.73
Projected EPS (\$)*	1.14	2.38	0.25	2.29	1.41
Book Value per share (\$)	4.71	14.66	1.96	9.04	17.74
Price/Book Value (times)	4.03	2.11	1.74	3.43	1.49
Dividend Yield (2018 %)	1.32%	3.07%	4.25%	3.39%	3.64%
Volumes	NIL	541,759	NIL	900	NIL
Recommendation	HOLD	BUY	HOLD	BUY	SELL



STOCK OF THE DAY: General Accident Insurance Company Limited (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 totaled \$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 totaled \$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 totaled 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 totaled \$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 totaled \$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, earnings 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 December 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	132.000	94.460	127.5745	148.090	96.060	129.1498
CAN	99.500	70.030	95.0494	108.020	90.000	96.9217
GBP	166.667	120.250	159.8356	183.050	153.000	162.1543
EURO	142.418	102.000	136.7392	167.120	134.000	148.8888

*Rates as at December 17, 2018

MONEY MARKET

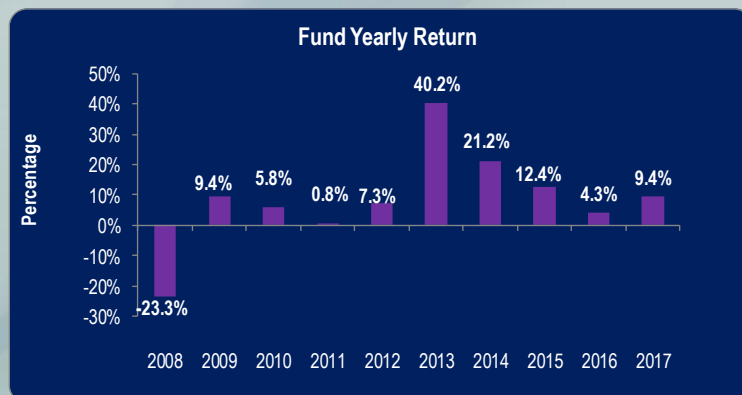
The Jamaican dollar fixed income market was liquid in today's (December 18, 2018) trading session. The overnight rate stood at 1.25% to 1.80% while the 30-day rate ranged at 1.50% to 2.00%.

The US dollar fixed income market was also liquid during today's (December 18, 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 6.0% and a 5 year return of 10.8% as at November 30, 2018. The Fund also has a 10 year return of 11.1%.



■ U.S: U.S. Stock Gains Evaporate, Crude Extends Tumble: Markets Wrap

"American equities staged yet another afternoon swoon, with the S&P 500 Index turning negative after rising as much as 1.1 percent. Oil fell to a 16-month low. The benchmark U.S. gauge headed for its fourth straight decline, taking it to a 14-month low. The index is down more than 8 percent in December, poised for the second-worst final-month performance in 90 years. Energy shares sank along with crude. The benchmark U.S. oil grade dropped as much as 8 percent, tumbling past \$46 a barrel as traders fretted about the outlook for growth. Treasuries and the Japanese yen advanced amid a lingering mood of caution after Chinese President Xi Jinping offered no fresh commitments to stimulate the world's second-biggest economy in a keynote speech. Treasury Secretary Steven Mnuchin said the U.S. and China are planning to hold meetings next month to seek a trade truce. The dollar slipped and the euro strengthened. With equities beaten down in recent weeks, stock investors are increasingly pinning their hopes on the U.S. Federal Reserve taking a dovish turn Wednesday. While a rate hike is widely expected, historically the central bank has rarely raised borrowing costs during such market turmoil. President Donald Trump continued with his criticism of policy makers, warning them to avoid "yet another mistake" just hours before their two-day meeting begins."

<https://www.bloomberg.com/news/articles/2018-12-17/asia-braces-for-slide-as-s-p-500-hits-14-month-low-markets-wrap?srnd=economics-vp>

■ Asia: \$3.5 Trillion Cash Injection Changes Little for Ordinary Japanese

"It's been the most radical cash injection in history -- a staggering \$3.5 trillion, pumped into Japan's economy over more than five years to slay deflation and kick growth into higher gear. That's still not enough to save Tomoaki Nagai's metal parts factory near Osaka and it's a similar story throughout the world's third-largest economy. North of Tokyo, Hiroyuki and Machiko Hayashi of Utsunomiya worry about Hiroyuki's lack of job security as a wedding photographer. Their stories, and those from two dozen interviews with young couples, factory owners, financial planners and taxi drivers from Akita to Okinawa reveal a sobering reality for Prime Minister Shinzo Abe's Abenomics revival plan: The BOJ's massive monetary experiment just hasn't been the game-changer Governor Haruhiko Kuroda was tasked to deliver. True, some people are breathing a bit easier. Since Kuroda launched the BOJ's radical stimulus, the economy has grown around 1.2 percent annually, moderately better than its potential rate. The yen's steep fall versus the dollar, which exceeded 60 percent from its strongest level, has helped the Toyotas of the world, pushing corporate profits to record levels and, earlier this year, stocks to 27-year highs."

<https://www.bloomberg.com/news/articles/2018-12-17/boj-s-3-5-trillion-of-cash-changes-little-for-ordinary-japanese?srnd=economics-vp>

■ PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at December 17, 2018

	Percentage (%)
Yield to Maturity	6.37
Weighted Average Coupon	5.57
Current Yield	6.03

The platinum portfolio has an effective maturity of 12.82 years and duration of 4.15 years.

■ STRUCTURED PRODUCT

USD Money Market

This portfolio is a full discretionary managed bond portfolio, ideal for clients who have short-term USD liquidity needs. Assets within the portfolio can be used as collateral for loans. The product provides a solid short-term investment option in hard currency and allows the individual to hedge against the prevailing devaluation in the local currency.

■ DISCLAIMER

Analyst Certification -The views expressed in this research report accurately reflect the personal views of Mayberry Investments Limited Research Department about those issuer (s) or securities as at the date of this report. Each research analyst (s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation (s) or view (s) expressed by that research analyst in this research report.

Company Disclosure -The information contained herein has been obtained from sources believed to be reliable, however its accuracy and completeness cannot be guaranteed. You are hereby notified that any disclosure, copying, distribution or taking any action in reliance on the contents of this information is strictly prohibited and may be unlawful. Mayberry may effect transactions or have positions in securities mentioned herein. In addition, employees of Mayberry may have positions and effect transactions in the securities mentioned herein.

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



MAYBERRY
INVESTMENTS LIMITED
A Member of the Jamaica Stock Exchange

1 1/2 Oxford Road, Kingston 5, Jamaica. ☎ (876) 929 1908 – 9
research@mayberryinv.com • sales@mayberryinv.com • www.mayberryinv.com