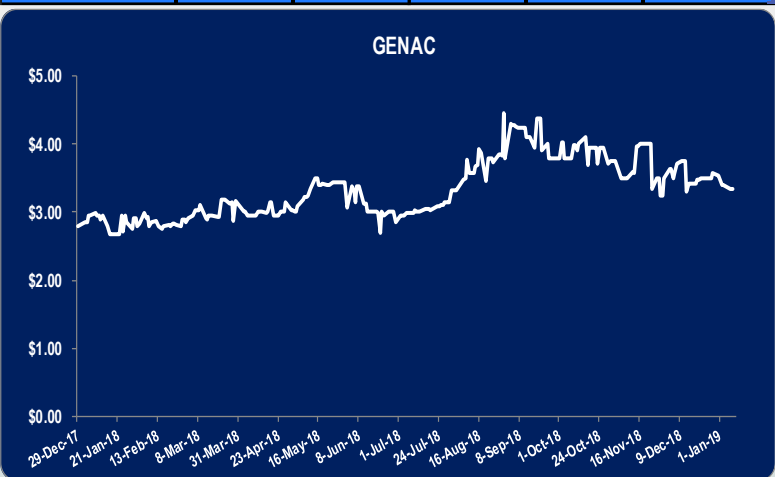


## DAILY RECOMMENDATION



### LOCAL STOCK MARKET: (J\$) +

Stock Symbol	MEEG	SALF	GENAC	CAR	KPREIT
Current Price (\$)	6.98	32.50	3.35	9.48	6.00
Trailing EPS (\$)	0.32	2.11	0.30	0.73	0.20
P/E (times)	22.12	15.37	11.20	12.95	29.41
Projected P/E	19.84	14.16	13.49	12.35	30.90
Projected EPS (\$)*	0.35	2.29	0.25	0.77	0.19
Book Value per share (\$)	1.80	9.04	1.96	0.30	5.62
Price/Book Value (times)	3.87	3.60	1.71	31.79	1.07
Dividend Yield (2018 %)	N/A	3.00%	4.11%	9.19%	1.25%
Volumes	NIL	990	NIL	319,764	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."

Net change in commission totaled \$11.26 million for the nine months compared to \$105.15 million booked in 2017.

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).

\*Prices are as at January 08, 2019 \*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	130.900	92.210	127.4917	147.860	92.210	129.0531
CAN	98.600	71.490	95.8977	107.320	88.000	97.8713
GBP	164.700	123.420	158.2751	177.530	151.000	162.7639
EURO	150.700	103.200	142.0369	168.410	133.000	147.0708

\*Rates as at January 07, 2019

### MONEY MARKET

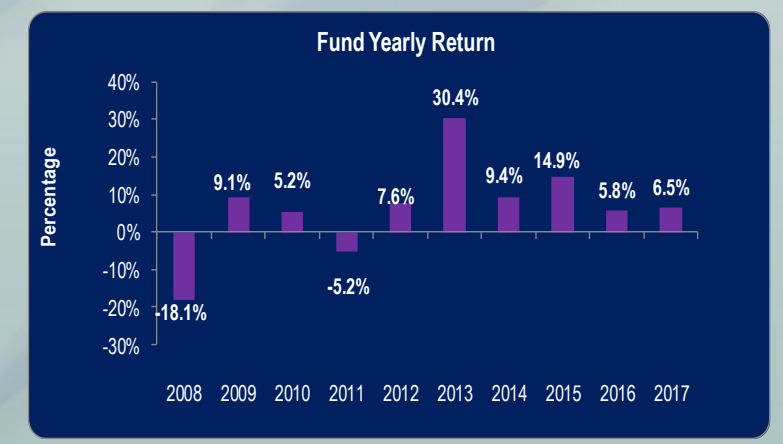
The Jamaican dollar fixed income market was liquid in today's (January 08, 2019) trading session. The overnight rate stood at 1.90% to 2.50% while the 30-day rate ranged at 2.10% to 2.80%.

The US dollar fixed income market was also liquid during today's (January 08, 2019) trading session; The overnight market rates were quoted at 1.80% to 2.50% while the 30-day market rates stood at 2.00% to 2.75%.

### 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 return of 6.2% and a 5 year return of 8.6% as at November 30, 2018. The Fund also has a 10 year return of 9.2%.



**U.S: Fed's Bostic Trims His Rate Outlook for 2019 to a Single Hike**

“The U.S. central bank should only raise interest rates once this year but keep going with its plan to gradually shrink the balance sheet, said Raphael Bostic, president of the Federal Reserve Bank of Atlanta and one of the Fed’s more dovish policy makers. “Coming into this year, a year ago, I saw two moves for 2019. Right now, I’m at one move for 2019,” Bostic told the Rotary Club of Atlanta on Monday, stressing the U.S. economy could do better, or worse, than forecast. “If it’s an upside surprise, my prediction would be to go from one rate move to two, if it’s the downside it would go from one to zero,” he said. Bostic is not a voter this year on the rate-setting Federal Open Market Committee. He has sounded relatively dovish on policy, arguing late last year the Fed should proceed with caution in raising rates to avoid inverting the yield curve. Fed Chairman Jerome Powell on Friday opened the possibility of putting rate hikes on hold for a time as officials weigh the impact on the U.S. economy of weaker growth abroad and stock-market losses that have tightened financial conditions. The Fed hiked rates four times last year and projections from its Dec. 19 meeting show officials expect two more hikes in 2019. It has faced pressure to pause rate hikes, including from President Donald Trump, whom Bloomberg News reported Dec. 21 had discussed firing Powell, but the U.S. labor market remains strong.”

<https://www.bloomberg.com/news/articles/2019-01-07/fed-s-bostic-trims-his-rate-outlook-for-2019-to-a-single-hike?srnd=economics-vp>

**Europe: Euro-Area Economic Sentiment Sees Worst Losing Streak in Decade**

“Euro-area economic confidence slid for a 12th month in December, marking the worst streak since the depths of the financial crisis as trade headwinds and the risk of a German recession cast a cloud over the region’s outlook. The European Commission’s economic sentiment index -- which covers the mood among both households and companies -- dropped more than analysts predicted, to its lowest level in almost two years. The decline was broad-based across industry groups and countries. Economic momentum in the 19-nation euro area weakened persistently through 2018. U.S.-led protectionist policies damped exports, and the risk of a hard Brexit and political uncertainty in some countries including Italy weighed on activity. The outlook received a further damper on Tuesday after a slump in German industrial production suggested Europe’s largest economy may have fallen into a technical recession. The news come after the European Central Bank decided last month that it will no longer add stimulus after nearly four years of buying bonds across the region, urging governments to step up reforms to boost growth. The Commission said sentiment weakened in all of the five largest euro-area economies, with Spain recording the largest drop.”

<https://www.bloomberg.com/news/articles/2019-01-08/euro-area-economic-sentiment-sees-worst-losing-streak-in-decade?srnd=premium-europe>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at January 07, 2019	
	Percentage (%)
Yield to Maturity	6.61
Weighted Average Coupon	5.539
Current Yield	6.61

The platinum portfolio has an effective maturity of 13.68 years and duration of 4.63 years.

**STRUCTURED PRODUCT**

**Mayberry Platinum**

The Mayberry Platinum portfolio is ideal for investors seeking a short to medium-term investment with returns denominated in hard currency. The portfolio comprises Investment Grade corporate and sovereign bonds, which provide strong yield and performance. The primary objective of this product is to provide our clients with income as well as capital appreciation. The Platinum portfolio enables the client to take full advantage of a diversified bond portfolio and is ideal for persons who do not have the time to actively manage their own portfolio.

**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**

**MAYBERRY INVESTMENTS LIMITED**  
 A Member of the Jamaica Stock Exchange

1 ½ Oxford Road, Kingston 5, Jamaica. ☎ (876) 929 1908 – 9  
 research@mayberryinv.com • sales@mayberryinv.com • www.mayberryinv.com

