

LOCAL STOCK MARKET: (JS)<sup>+</sup>

Stock Symbol	MEEG	GENAC	JAMT	EPLY	DTL
Current Price (\$)	5.30	4.50	4.00	9.97	2.81
Trailing EPS (\$)	0.31	0.29	0.28	0.56	0.09
P/E (times)	17.04	15.71	14.05	17.65	30.83
Projected P/E	15.44	13.69	13.37	16.28	28.78
Projected EPS (\$)*	0.34	0.33	0.30	0.61	0.10
Book Value per share (\$)	1.85	2.01	1.83	3.95	0.39
Price/Book Value (times)	2.87	2.24	2.18	2.52	7.28
Dividend Yield (2018 %)	N/A	5.20%	1.52%	2.30%	N/A
Volumes	5,582	NIL	2,000	6,700	18,750
Recommendation	HOLD	BUY	BUY	HOLD	SELL

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

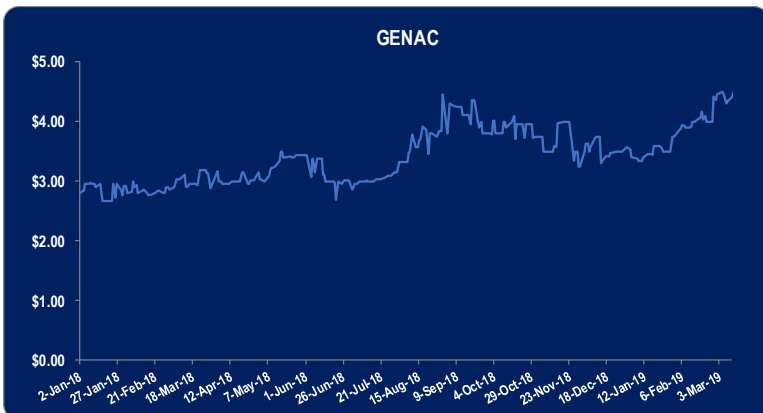
	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	127.000	95.930	123.3875	141.246	96.251	124.7910
CAN	95.120	75.001	89.8052	103.298	83.000	92.3240
GBP	165.750	129.150	162.0749	187.207	153.000	164.8240
EURO	138.846	106.413	132.5484	159.610	132.000	142.3929

\*Rates as at March 18, 2019

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (March 19, 2019) trading session. The over night rate stood at 1.30% to 1.70% while the 30-day rate ranged at 2.20% to 2.40%.

The US dollar fixed income market was also liquid during today's (March 19, 2019) trading session; The overnight market rates were quoted at 2.0% to 2.30% while the 30-day market rates stood at 2.60% to 3.00%.



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

For the three months ended December 31, 2018:

GENAC reported Gross premium written of \$8.74 billion, 23% higher than the \$7.11 billion reported for 2017. Reinsurance ceded rose 21% to close at \$6.75 billion relative to \$5.56 billion booked in 2017. Excess of loss reinsurance trended up by 40% to \$127.75 million (2017: \$91.36 million).

As a result, net premium written increased by 28% from \$1.46 billion last year to \$1.86 billion. Net premium written for the fourth quarter amounted to \$543.67 million relative to \$416.04 million booked for the corresponding period in 2017.

Net changes in unearned premiums totaled \$231.86 million, 79% higher than the \$129.44 million recorded last year. Consequently, net premiums earned grew by 23% to a total of \$1.63 billion compared to \$1.33 billion for the prior year. For the quarter, net premium earned totaled \$432.26 million compared to \$364.78 million booked for the similar quarter of 2017.

Commission income grew by 52%, year over year, from \$492.46 million in 2018 to \$747.33 million in 2018, while commission expenses increased by 34% from \$310.73 million to \$415.94 million. Claims expenses saw an increase of 5%, closing the period at \$1.03 billion (2016: \$1.09 billion), while management expenses climbed by 40% to total \$803.09 million compared to the 2017 total of \$572.29 million. Net change in commission totaled \$51.34 million for the year compared to \$112.71 million in 2017.

Underwriting profit for the year totaled of \$181.92 million, this compares to a loss of \$35.53 million in 2017. The company also made an underwriting profit of \$209.62 million (2017: 10.91 million) within the fourth quarter.

Investment income closed at \$199.22 million, a 39% decline when compared with last year's \$328.38 million, while other income totaled \$17.22 million, relative to an losses of \$25.83 million in 2017. Other operating expenses grew by 42% to \$43.89 million relative to \$30.95 million in 2017. ."

Profit before taxation amounted to \$354.47 million (2017: \$236.08 million). Following taxes of \$59.14 million (2017: \$14.84 million), Net profit totaled \$295.33 million for the period, an increase of 33% compared to the \$221.24 million reported last year. Net profit for the quarter was \$151.22 million, 7% less than the same period of 2017 which had net profits of \$162.04 million.

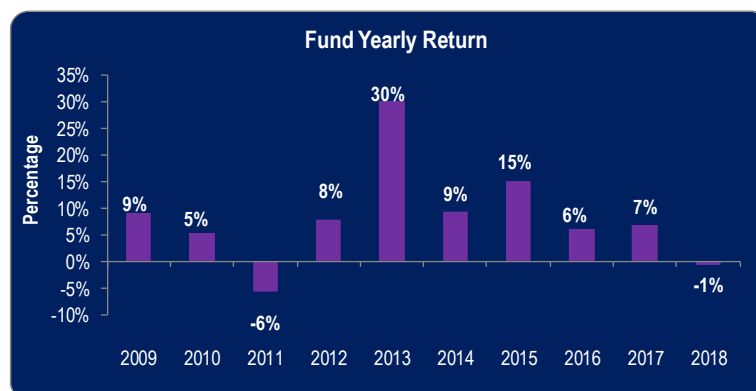
Total comprehensive income amounted to \$303.27 million (2017: \$173.35 million) for the year ended December 31, 2018, a 75% uptick.

\*Prices are as at March 19, 2019 \*Projections are made to the company's financial year end

## OVER THE COUNTER FUNDS (CI FUNDS)

## CI Global Value Fund

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 8.7% and a 5 year return of 7.7% as at January 31, 2019. The Fund also has a 10 year return of 10.0%.



## U.S.: Rate-Hike Patience May Leave Fed in a Bind If Inflation Softens

Federal Reserve officials say they're willing to tolerate an overshoot of their inflation goal. If the opposite happens, the plan is less clear. Core inflation, excluding energy and food prices, is currently just shy of the central bank's 2 percent target. Most economists and policy makers see that lasting, though there's no guarantee: Inflation expectations have been stuck on the low side, and a cooler housing market is among several factors that could weigh on future price pressures. If price gains would slow down even as U.S. economic growth more broadly held up, it could put the central bank in a tough spot. Officials have already placed interest-rate hikes on hold amid muted price pressures and looming global risks. They could extend that pause, pledging to keep rates low until faster price gains materialize. But economists said actually lowering rates on an inflation miss seems unlikely, because it could signal undue pessimism. "The hurdle for a policy inflection point is fairly high," said Lou Crandall, chief economist at Wrightson ICAP in New York. "If you ease, you trigger the, 'what does the Fed know that we don't?' trade." The stakes are significant. The Fed hasn't hit 2 percent inflation on a sustained basis since formally adopting it in 2012. Officials had been hopeful that this would be the year in which they finally clinched their objective.

<https://www.bloomberg.com/news/articles/2019-03-19/rate-hike-patience-may-leave-fed-in-a-bind-if-inflation-softens?srnd=economics-vp>

## Europe: U.K. Labor Market Defies Slowdown as Employment Surges

The U.K. labor market remained in robust health in the three months through January, despite a Brexit-induced slowdown in the overall economy. Employment hit a record high after the biggest jump in more than three years and underlying pay growth maintained its fastest pace in more than a decade as companies struggled to fill vacancies, Office for National Statistics figures published Tuesday show. The jobs market has been the bright spot of the economy since the 2016 Brexit referendum, defying the uncertainty weighing on growth over Britain's departure from the European Union. The number of people in work between November and January rose by 222,000, the biggest increase since late 2015 and almost double market expectations. It took the employment rate to a record-high 76.1 percent. Unemployment fell to 3.9 percent, its lowest level since 1975, and inactivity reached an all-time low. Wage growth excluding bonuses rose an annual 3.4 percent, a pace last higher in 2008. It means pay is continuing to grow comfortably ahead of inflation, which averaged just 2.1 percent in the period. Total earnings growth slowed slightly to 3.4 percent as a strong October dropped out of the calculation. One explanation for the resilience of the labor market is that firms are hiring workers rather than spending on capital equipment because employment decisions are easier to reverse in a downturn.

<https://www.bloomberg.com/news/articles/2019-03-19/u-k-labor-market-defies-economic-slowdown-as-employment-surges?srnd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at March 18, 2019

	Percentage (%)
Yield to Maturity	6.23
Weighted Average Coupon	5.544
Current Yield	5.31

The platinum portfolio has an effective maturity of 13.49 years and duration of 4.69 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.

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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)

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