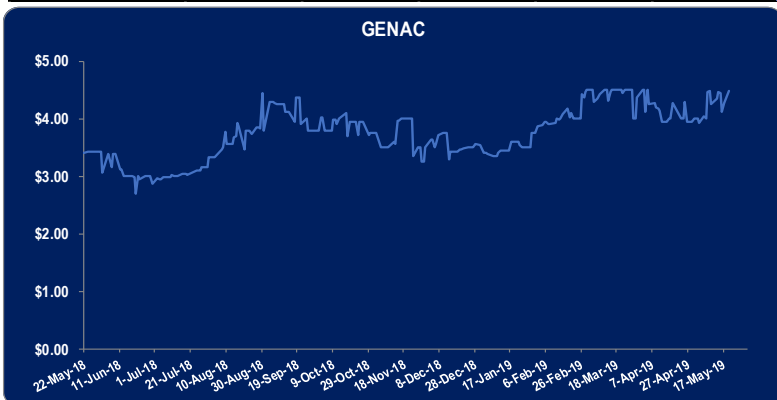


## DAILY RECOMMENDATION

LOCAL STOCK MARKET: (J\$) <sup>+</sup>

Stock Symbol	GENAC	BPOW	CAR	AMG	LASF
Current Price (\$)	4.48	4.46	8.99	2.10	4.70
Trailing EPS (\$)	0.29	0.25	0.73	0.06	0.24
P/E (times)	15.55	17.63	12.39	33.58	19.78
Projected P/E	14.90	16.19	11.71	27.31	17.50
Projected EPS (\$)*	0.30	0.28	0.77	0.08	0.27
Book Value per share (\$)	1.99	1.54	0.28	0.93	1.29
Price/Book Value (times)	2.25	2.89	32.51	2.26	3.63
Dividend Yield (2018 %)	N/A	N/A	7.63%	N/A	N/A
Volumes	25,000	8,387	123,793	23,718	53,699
Recommendation	HOLD	HOLD	BUY	SELL	HOLD



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

## For the three months ended March 31, 2019:

GENAC reported Gross premium written of \$2.69 billion, 22% higher than the \$2.21 billion reported for 2018. Reinsurance ceded rose 21% to close at \$2.11 billion relative to \$1.75 billion booked in 2018. Excess of loss reinsurance trended downwards by 2% to \$30.25 million (2018: \$30.77 million).

As a result, net premium written increased by 26% from \$430.59 million last year to \$543.08 million.

Net changes in unearned premiums totaled \$57.72 million, 12% lower than the \$65.93 million recorded last year. Consequently, net premiums earned grew by 33% to a total of \$485.36 million compared to \$364.66 million for the prior year.

Commission income grew by 26%, year over year, from \$187.30 million in 2018 to \$236.18 million in 2018, while commission expenses increased by 25% from \$115.72 million to \$144.08 million.

Claims expenses saw an increase of 19%, closing the quarter at \$294.21 million (2018: \$248.08 million), while management expenses climbed by 12% to total \$192.26 million compared to 2018's total of \$172.31 million.

Underwriting profit for the quarter totaled of \$41.82 million, this compares to a loss of \$7.26 million booked for the first three months of 2018.

Investment income closed at \$31.01 million, a 28% decline when compared with last year's corresponding quarter of \$43.24 million, while other losses totaled \$24.46 million for the quarter, relative to an income of \$9.09 million in 2018. Other operating expenses grew by 11% to \$11.32 million relative to \$10.20 million in 2018.

Profit before taxation amounted to \$37.05 million (2018: \$34.88 million). Following taxes of \$6.17 million (2018: \$5.81 million), Net profit totaled \$30.87 million for the quarter, an increase of 6% compared to the \$29.07 million reported last year.

Total comprehensive loss amounted to \$2.38 million (2018: \$32.73 million) for the quarter ended March 31, 2019.

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	137.000	103.000	134.2627	151.630	106.500	135.7711
CAN	100.140	78.334	97.3112	110.675	91.000	101.1573
GBP	172.100	135.000	170.6756	192.231	161.000	172.5045
EURO	148.500	113.000	143.8415	170.408	137.000	154.2112

\*Rates as at May 17, 2019

## MONEY MARKET

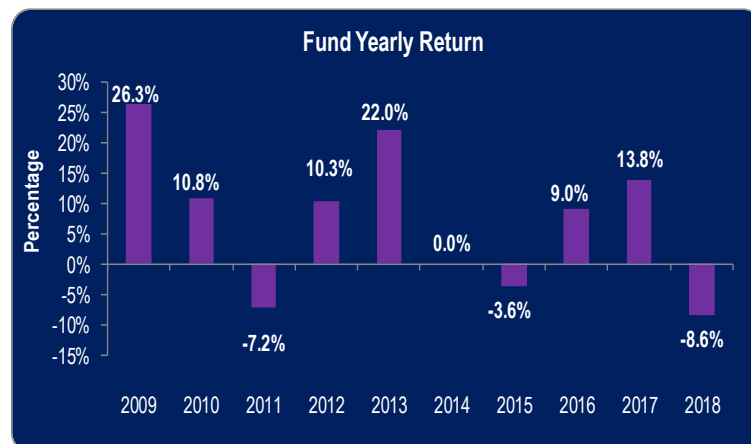
The Jamaican dollar fixed income market was liquid in today's (May 20, 2019) trading session. The over night rate stood at 1.00% to 1.10% while the 30-day rate ranged at 2.00% to 2.30%.

The US dollar fixed income market was also liquid during today's (May 20, 2019) trading session; The overnight market rates were quoted at 2.00% to 2.20% while the 30-day market rates stood at 2.40% to 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 return of 6.8% and a 5 year return of 4.1% as at April 30, 2019. The Fund also has a 10 year return of 8.2%.



## U.S.: U.S., EU, Japan Push for Pact to Rein In China's State Subsidies

The U.S., EU and Japan are pushing for an agreement on measures to curb state-support of industries with the goal of eventually limiting how much China backs its private companies, according to people familiar with the negotiations. The move on industrial subsidies is expected to top the agenda at meetings between trade ministers from the three economies in Paris this week. It's part of an effort to modernize global trade rules that the U.S. and others claim have failed to address China's rise as a global economic power. If the talks advance, people close to the discussions say, they would become the most significant attempt to rewrite WTO rules since the ultimately unsuccessful Doha Round of trade negotiations was launched in 2001. U.S. Trade Representative Robert Lighthizer is due to meet his European Union counterpart, Cecilia Malmstrom, and Japan's Hiroshige Seko on the sidelines of an OECD meeting Thursday. People close to the negotiations caution that the three have not yet fully agreed on how to proceed or on when and whether to include China in the discussions. But they have agreed to begin opening the discussions to other World Trade Organization members with Australia, Canada, Norway and Taiwan, with all said to be interested. A deal on industrial subsidies would provide a rare example of U.S.-led trade collaboration in an administration that has largely relied on punitive tariffs to against America's allies and foes alike.

<https://www.bloomberg.com/news/articles/2019-05-20/u-s-eu-japan-push-for-pact-to-rein-in-china-s-state-subsidies?srnd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at May 20, 2019

	Percentage (%)
<b>Yield to Maturity</b>	<b>5.95</b>
<b>Weighted Average Coupon</b>	<b>5.535</b>
<b>Current Yield</b>	<b>5.22</b>

The platinum portfolio has an effective maturity of 13.54 years and duration of 4.68 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)

## UK: Brexit Blues Hit House Prices in Almost Every London Borough

The weakness of London's property market was further exposed on Monday, with reports of sellers under pressure and realtors warning of difficult conditions. According to property-website operator Rightmove, all but two of London's 32 boroughs have seen asking prices drop in the past year as Brexit uncertainty continues to bite in the capital. Estate agent Foxtons said revenue fell in the first quarter and housing market in the city is "very challenging." "Sales volumes continue to be at record low levels and ongoing Brexit uncertainty is impacting consumer confidence," the company said. The Rightmove report showed that prices for newly marketed homes have dropped 2.5% in the past 12 months, meaning sellers are seeking an average of 16,157 pounds (\$21,000) less for their properties. In Kensington and Chelsea, where the average price is about 1.6 million pounds, asking prices have come down 3.9%, or about 65,000 pounds. Only in Barking and Dagenham and Bexley, among London's least expensive areas, did prices gain in the period. "It's a strikingly accurate reflection of the current London market that the only two boroughs to see new seller asking prices higher than a year ago were the two cheapest last month," said Miles Shipside, Rightmove director and housing market analyst. While prices rose 1.2% in May from the previous month in the usual spring-time boost, the annual figures underscore the downbeat mood in the London market, which has seen values hit by Brexit, slowing growth and tax changes in recent years.

<https://www.bloomberg.com/news/articles/2019-05-19/brexit-blues-knock-house-prices-in-almost-every-london-borough?srnd=economics-vp>

## 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.

OVER 20 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH  
= POSITIVE TRANSFORMATION FOR OUR CLIENTS

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