



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

Stock Symbol	ECL	FTNA	JETCON	TTECH	INDIES
Current Price (\$)	7.00	4.17	1.95	5.71	3.08
Trailing EPS (\$)	0.27	0.21	0.11	0.20	0.11
P/E (times)	25.63	19.52	18.17	28.06	28.67
Projected P/E	24.01	17.83	19.82	76.03	23.78
Projected EPS (\$)*	0.29	0.23	0.10	0.08	0.13
Book Value per share (\$)	0.16	0.93	0.89	1.89	0.54
Price/Book Value (times)	43.86	4.47	2.19	3.03	5.72
Dividend Yield (2018 %)	N/A	N/A	0.73%	N/A	N/A
Volumes	86,077	186,752	60,888	22,000	31,201
Recommendation	BUY	HOLD	HOLD	SELL	SELL

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

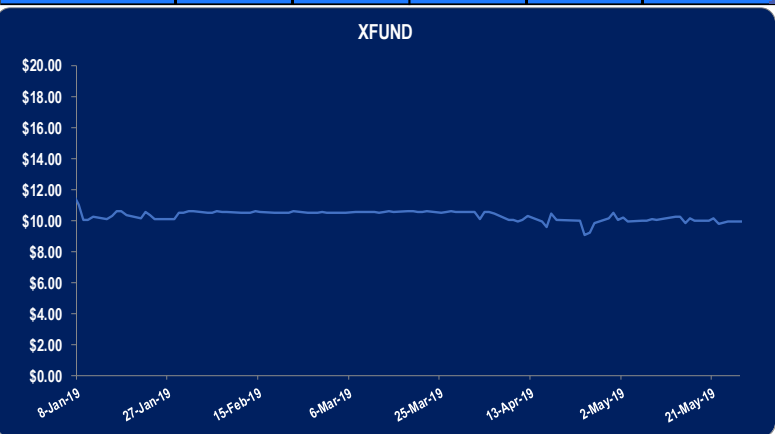
	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	136.000	101.618	132.4367	151.725	102.414	133.8273
CAN	100.000	77.162	99.1301	110.331	91.000	100.4606
GBP	170.000	132.585	163.6019	190.570	158.000	168.0879
EURO	151.000	111.171	142.6604	168.507	141.500	151.6491

\*Rates as at May 29, 2019

### MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (May 30, 2019) trading session. The over night rate stood at 0.50% to 1.00% while the 30-day rate ranged at 1.60% to 2.00%.

The US dollar fixed income market was also liquid during today's (May 30, 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%.



### STOCK OF THE DAY: Sagicor Real Estate XFUND Limited (XFUND)

For the three months ended March 31, 2019:-

Sagicor Real Estate XFUND Limited, for the three months ended March 2019, reported total revenue of \$1.78 billion relative to \$3.39 billion recorded in 2018, a 48% decline year over year. XFUND mentioned that, "This is as a result of the change in the business model, with the sale of the hotels last year and lower returns from the Sigma Real Estate Portfolio. Our hotel operations segment which now comprises of DoubleTree and part of JGM, reflects this reduction."

Hotel revenue from continuing operations for the three months decreased to \$1.73 billion in 2019 versus \$3.29 billion in 2018, a 47% decline year over year. Net capital gains amounted to \$41.98 million (2018: \$96.10 million), while interest income closed at \$5.28 million (2018: \$6.97 million).

Management stated that, "Reduction of \$176 million or 95% in gains from the investments in the Sigma Real Estate Fund year over year. This was due to a reduction in the number of units held, down from 7.17 billion in 2018, to 402 million as at 31 March 2019. On 1 July 2018, the Group liquidated 91% of its units in the Sigma Real Estate Fund, exchange for 51.86% ownership of Jamziv."

Operating expenses fell 45% to \$1.54 billion compared to \$2.77 billion in the prior corresponding period. Of this: Hotel expenses declined to \$1.21 billion, down 43% when compared to \$2.13 billion in the prior corresponding period. Depreciation closed at \$164.01 million (2018: \$246.35 million) Interest expenses decreased to \$146.46 million (2018: \$378.99 million). Other operating income fell by 20% to total \$13.93 million (2018: \$17.51 million).

Share of profit from associate accounted for using the equity method amounted to \$ 856.98 million relative to nil the prior year.

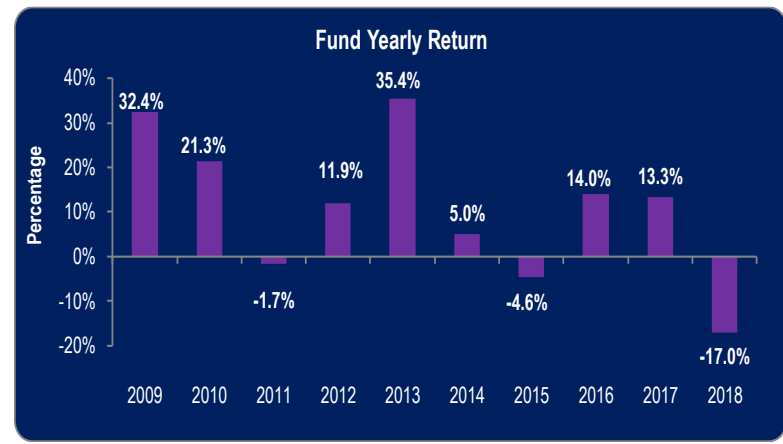
The Company reported profit before tax of \$1.10 billion relative to profit before tax of \$621.92 million for the three months period. After incurring tax charges of \$69.08 million (2018: \$129.28 million), net profit for the first quarter of 2019 closed at \$1.03 billion compared to net profit of \$492.63 million in March 2018.

XFUND recorded net profit attributable to shareholders of \$694.57 million (2018: \$492.63 million). As such, earnings per share (EPS) for the three months period amounted to \$0.31 (2018: \$0.22). The trailing twelve-month EPS is \$0.16. The number of shares used in our calculations was 2,243,005,125.

### OVER THE COUNTER FUNDS (CI FUNDS)

#### CI American Small Companies Fund

This fund's objective is to seek above-average capital growth. It invests primarily in equity and equity-related securities of small to mid-capitalization North American companies. The fund has a 3 year return of 7.5% and a 5 year return of 5.2% as at April 30, 2019. The Fund also has a 10 year return of 11.7%.



\*Prices are as at May 30, 2019 \*Projections are made to the company's financial year end

**U.S.: U.S. Growth Revised Lower by Less Than Expected to 3.1%**

U.S. economic growth last quarter was revised down by less than expected amid stronger consumption and exports than initially reported, suggesting the expansion was on relatively firm footing before President Donald Trump's escalation of the trade war with China. Inflation-adjusted gross domestic product increased at a 3.1% annualized rate in the January-March period, compared with an initially reported 3.2% and analyst estimates for a revision to 3%. Commerce Department data showed Thursday. Consumer spending, which accounts for the majority of the economy, grew 1.3%, topping projections for an unrevised 1.2% though still the slowest in a year. The figures may alleviate some investor concern that the economy is losing momentum -- highlighted by an inversion in part of the Treasury yield curve -- and potentially help Trump as he starts his reelection campaign. At the same time, recent reports suggesting a dimmer outlook this quarter, along with the intensifying tariff conflict, are casting a shadow over an expansion poised to become the nation's longest on record in July.

<https://www.bloomberg.com/news/articles/2019-05-30/u-s-first-quarter-growth-revised-down-to-3-1-pace-from-3-2?srnd=premium>

**Europe: ECB's de Cos Sees Downside Risks for Global, Euro-Area Growth**

European Central Bank policy maker Pablo Hernandez de Cos said the global economy is facing significant risks and inflation in the euro area could remain low for some time. Hernandez de Cos, governor of the Bank of Spain, listed threats including an increase in protectionist measures, vulnerabilities in China and other emerging markets, and elevated debt levels. Europe faces additional issues including Brexit, an aging population, low productivity, and the weakness of "certain banking entities," without identifying any institutions. "Confronting the challenges facing the European economy requires decisive action by national authorities to boost growth potential and reduce weaknesses," Hernandez de Cos wrote in the Bank of Spain's annual report on Tuesday. He also noted how wage increases across the euro area and elsewhere could continue to be absorbed by companies, rather than lead to price increases. This reduces corporate profit margins, but could also mean inflation remaining lower than expected for longer. Recently in the EU and other areas, "there has been an increase in salaries that, for the time being, hasn't translated to prices," Hernandez de Cos wrote.

<https://www.bloomberg.com/news/articles/2019-05-28/ecb-s-de-cos-sees-downside-risks-for-global-euro-area-growth>

**PLATINUM PORTFOLIO**

**Platinum Portfolio Yield Measures as at May 27, 2019**

	Percentage (%)
<b>Yield to Maturity</b>	<b>5.98</b>
<b>Weighted Average Coupon</b>	<b>5.535</b>
<b>Current Yield</b>	<b>5.26</b>

The platinum portfolio has an effective maturity of 13.50 years and duration of 4.64 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.

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



**...BULLISH ON JAMAICA**



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