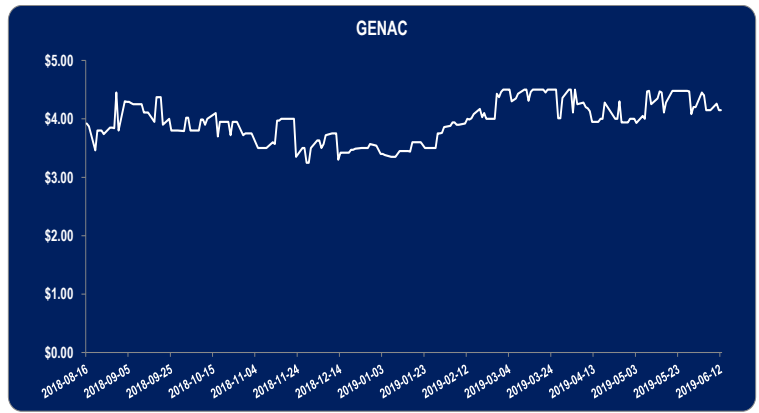




LOCAL STOCK MARKET: (JS) +

Stock Symbol	GENAC	LASF	JP	JBG	WIG
Current Price (\$)	4.15	5.08	26.85	33.14	0.75
Trailing EPS (\$)	0.29	0.22	0.80	1.65	0.08
P/E (times)	14.40	22.80	33.69	20.05	9.47
Projected P/E	13.80	19.17	31.15	19.09	9.00
Projected EPS (\$)*	0.30	0.27	0.86	1.74	0.08
Book Value per share (\$)	1.99	1.26	11.54	10.73	0.23
Price/Book Value (times)	2.08	4.04	2.33	3.09	3.29
Dividend Yield (2018 %)	N/A	N/A	0.72%	0.95%	N/A
Volumes	49,000	180,422	30,570	15,848	37,901,182
Recommendation	BUY	HOLD	SELL	HOLD	BUY



STOCK OF THE DAY: General Accident Insurance Company Limited

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.

As such, earning per share for the period amounted to \$0.030 (2017: \$0.28). The trailing twelve months EPS amounted to \$0.29. The stock traded at \$4.11 as at May 17, 2019. The number of shares used in our calculations amounted to 1,031,250,000 units.

*Prices are as at June 12, 2019 *Projections are made to the company's financial year end

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	137.500	99.625	129.6919	148.750	102.163	130.6734
CAN	100.000	77.647	94.6528	109.454	90.000	98.6803
GBP	168.500	130.840	160.4886	178.450	155.000	164.5472
EURO	144.700	119.140	140.1875	160.398	139.500	147.9130

*Rates as at June 11, 2019

MONEY MARKET

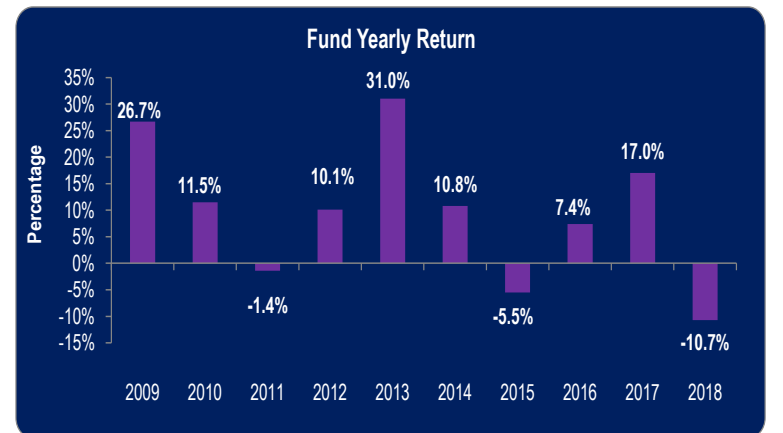
The Jamaican dollar fixed income market was liquid in today's (June 12, 2019) trading session. The over night rate stood at 0.50% to 0.90% while the 30-day rate ranged at 1.50% to 1.80%.

The US dollar fixed income market was also liquid during today's (June 12, 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 American Value Corporate Class

This fund invests primarily in equity and equity-related securities of companies in the United States. The fund has a 3 year return of 7.6% and a 5 year return of 5.1% as at April 30, 2019. The Fund also has a 10 year return of 9.4%. Rates are as at May 31, 2019.



U.S.: U.S. Budget Gap Balloons to \$739 Billion Despite Tariff Revenue

“The U.S. budget deficit widened to \$738.6 billion in the first eight months of the fiscal year, a \$206 billion increase from a year earlier, despite a revenue boost from President Donald Trump’s tariffs on imported merchandise. The shortfall was 38.8% more than the same period a year ago, the Treasury Department said in its monthly budget review released on Wednesday. So far in the fiscal year that began Oct. 1, a revenue increase of 2.3% hasn’t kept pace with a 9.3% rise in spending. As Trump ratcheted up the trade war with China with higher levies on imports from the Asian nation, the U.S. recorded \$4.9 billion in customs duties in May, bringing the total to \$44.9 billion in the first eight months of the fiscal year -- almost double the same period a year earlier. Trump has repeatedly boasted that the U.S. is taking in billions in dollars through the tariffs, though importers in America are actually paying the levies.”

<https://www.bloomberg.com/news/articles/2019-06-12/u-s-budget-gap-hits-739-billion-with-four-months-left-in-year?srnd=premium>

Europe: ECB Could Increase Stimulus Again If Needed, Villeroy Says

“The European Central Bank could intensify stimulus if the euro area shows more signs of weakness, but can’t resolve the trade tensions that are the number one threat to the economy, Governing Council Francois Villeroy de Galhau says. ‘We will do everything within our mandate. If the economy slams on the brakes, we could do more,’ the Bank of France governor said Wednesday on television station CNEWS. ‘But we don’t have a miraculous medicine, we can’t do everything.’ Villeroy’s comments echo his colleagues at the ECB after a meeting last week when the central bank pledged to keep interest rates at record lows for longer and discussed reactivating asset purchase programs if needed. With scant signs of a recovery in manufacturing, the trigger could come if policy makers see that weakness spreading to the broader economy.”

<https://www.bloomberg.com/news/articles/2019-06-12/ecb-could-increase-stimulus-again-if-needed-villeroy-says?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at June 10, 2019	
	Percentage (%)
Yield to Maturity	5.85
Weighted Average Coupon	5.535
Current Yield	5.22

The platinum portfolio has an effective maturity of 18.19 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.

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

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