

DAILY RECOMMENDATION



LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	JETCON	CAR	PURITY	JSE	SALF
Current Price (\$)	1.76	8.04	1.77	25.58	34.00
Trailing EPS (\$)	0.11	0.70	0.03	0.62	1.86
P/E (times)	16.40	11.46	67.19	41.20	18.30
Projected P/E	17.89	11.91	25.09	36.08	21.47
Projected EPS (\$)*	0.10	0.68	0.07	0.71	1.58
Book Value per share (\$)	0.89	0.28	3.29	1.54	9.01
Price/Book Value (times)	1.98	29.22	0.54	16.66	3.77
Dividend Yield (2018 %)	N/A	N/A	N/A	4.28%	N/A
Volumes	177,109	2,048,658	0	321,775	2,870
Recommendation	HOLD	BUY	SELL	SELL	HOLD



STOCK OF THE DAY: Jamaica Stock Exchange (JSE)

For the three months ended March 31, 2019:

JSE recorded total revenue of \$445.12 million, a 27% increase when compared to the \$349.58 million booked the prior year. Cess income rose by 10% to \$139.03 million relative to \$126.06 million the previous year. Fee income grew by 32% to \$247.71 million to close the quarter, compared to \$187.55 million in 2018. E-campus showed an increase of 549% to \$21.04 million, relative to \$3.24 million in 2018. The company noted, "the exceptional performance of the eCampus was primarily due to the hosting of major workshops and seminar within the quarter". Other operating income rose 14% during the period to total \$37.33 million compared to \$32.73 million in 2017. Total expenses for the year increased by 26% moving from \$206.76 million in 2018 to \$261.07 million in 2019. Staff cost increased 25% to total \$107.22 million for the period (2018: \$86.06 million). Depreciation and amortization totaled \$13.23 million for the year relative to \$12.50 million in 2018.

Professional fees amounted to \$16.36 million (2018: \$17.25 million) a 5% decline year over year. Property expenses climbed 23% million to \$39.12 million (2018: \$31.89 million) for the period and is attributed to "increase in maintenance costs and license expense". Other operating expenses grew by 8% to \$14.28 million from \$13.27 million the previous year. Advertising and promotion were up by 72% from \$21.61 million in 2018 to \$37.17 million. Management noted, "this was largely due to planned increase advertising, public relation and outreach activities being carried out by the Group. Mainly in respect to the 50th Anniversary promotions."

Securities commission fees posted an 17% increase year over year to close at \$21.64 million (2018: \$18.57 million). Investment income declined from \$8.18 million in 2018 to \$1.11 million in 2019. Profit before tax totaled \$185.16 million compared to \$151.0 million the prior year's corresponding period. Tax charges for the quarter totaled \$61.55 million (2018: \$49.69 million). Consequently, JSE reported a net profit for the quarter of \$123.60 million compared to a profit of \$101.31 million in the prior year, a 22% hike. Total comprehensive income amounted to \$126.61 million relative to \$97.15 million in 2018.

Earnings per share for the quarter totaled \$0.18 compared to \$0.14 in 2018. The trailing EPS is \$0.62. The numbers of shares used in the calculations are 701,250,000.00 units.

⁺Prices are as at June 27, 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	132.700	101.028	129.2525	149.940	103.063	131.3846
CAN	100.700	77.326	95.0029	110.331	93.000	100.3553
GBP	168.900	130.030	160.6434	187.266	155.200	166.4024
EURO	150.000	111.328	141.6142	170.400	141.500	150.1659

*Rates as at June 26, 2019

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (June 27, 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%.

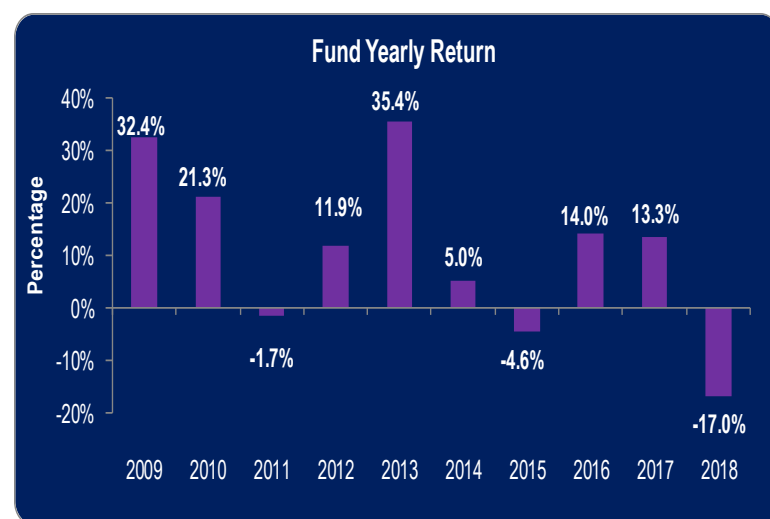
The US dollar fixed income market was also liquid during today's (June 27, 2019) trading session; The overnight market rates were quoted at 2.00% to 2.20% while the 30-day market rates stood at 2.40% to 2.70%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI American Small Companies Fund

This fund invests primarily in equity and equity-related securities of small to mid-capitalization North American companies.

The fund has a 3 year return of 3.4% and a 5 year return of 3%. The Fund also has a 10 year return of 10.2%. Rates are as at May 31, 2019.



U.S.: Trump Warns of 'Plan B' on China Trade: Billions More in Tariffs

"President Donald Trump said substantial additional U.S. tariffs would be placed on goods from China if there's no progress on a trade deal after his planned meeting with Chinese counterpart Xi Jinping at the G-20 Summit in Japan. "My Plan B with China is to take in billions and billions of dollars a month and we'll do less and less business with them," Trump said Wednesday during an interview with Fox Business Network's Maria Bartiromo. The White House announced his meeting with Xi would take place at 11:30 a.m. on Saturday in Osaka. Trump has previously said he may decide to raise tariffs on the remaining \$300 billion of Chinese imports if he doesn't like what he hears from Xi at this weekend's summit in Osaka. Asian stocks advanced Thursday on optimism Trump and Xi would reach a truce at their highly anticipated meeting. The president's latest remarks added an element of doubt to Treasury Secretary Steven Mnuchin's comment earlier Wednesday on CNBC that he's "hopeful" about U.S.-China trade negotiations."

<https://www.bloomberg.com/news/articles/2019-06-26/trump-warns-of-plan-b-on-china-trade-billions-more-in-tariffs>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at June 24, 2019

	Percentage (%)
Yield to Maturity	5.66
Weighted Average Coupon	5.514
Current Yield	5.08

The platinum portfolio has an effective maturity of 13.31 years and duration of 4.72 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.

Europe: U.K. Million-Pound Home Sales Hit Record High Despite Slowdown in London

"The number of million pound property sales increased to a record high last year across Britain—despite such transactions edging down in London. Overall, the number of sales of homes valued at £1 million-plus increased by 1% year-on-year in 2018 to a new high of 14,638—the highest number recorded, according to Lloyds Bank. The number of houses sold for more than £2 million was down slightly, from 2,530 in 2017 to 2,501 in 2018. Sales of properties for £1 million-plus increased in Scotland, Wales, the Midlands and northern England, according to Lloyds, which analysed Land Registry and Registers of Scotland figures. But, given that London and the South East combined make up nearly eight in 10 (79%) million pound-plus sales in Britain, the overall sales picture was fairly flat despite other parts of the country seeing positive gains, Lloyds said. Some 8,267 million pound homes were sold in London in 2018, edging down from a record high of 8,308 in 2017. London also saw a 3% fall in the number of £2 million-plus homes sold, reducing from 1,946 to 1,886 over the course of the year. Louise Santaana, head of private banking and lending, Lloyds Bank Private Banking, said: "The high-value property boom the country has experienced over the last decade has decelerated in the past 12 months, which is in line with expectations. "However, while growth across London and the South East has slowed, there are still a number of property hotspots across the country that would create some value for investors, particularly in the East Midlands.""

<https://www.bloomberg.com/news/articles/2019-06-26/u-k-million-pound-home-sales-hit-record-high-despite-slowdown-in-london?srnd=premium-europe>

STRUCTURED PRODUCT

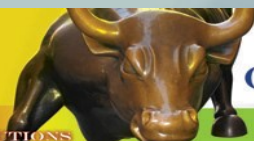
Mayberry Platinum

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 pro-vide 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 per-sons who do not have the time to actively manage their own portfolio.

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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