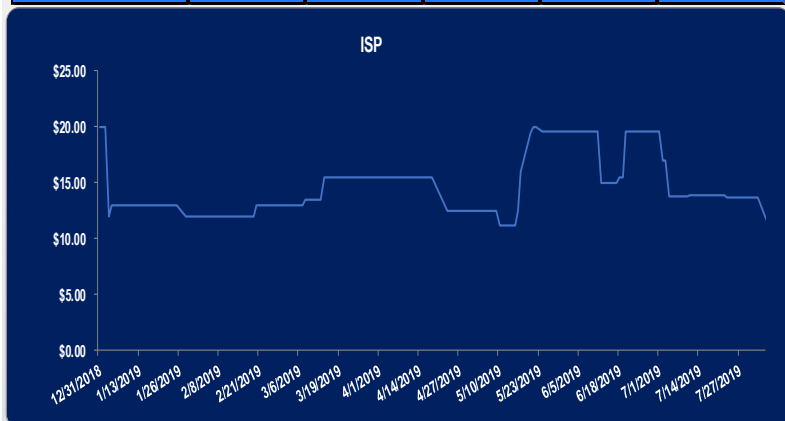


## DAILY RECOMMENDATION

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

| Stock Symbol              | ISP    | XFUND  | BPOW    | BIL    | LASF    |
|---------------------------|--------|--------|---------|--------|---------|
| Current Price (\$)        | 11.56  | 12.40  | 12.04   | 90.86  | 5.61    |
| Trailing EPS (\$)         | 0.48   | 0.16   | 0.25    | 2.27   | 0.22    |
| P/E (times)               | 24.06  | 78.06  | 48.84   | 39.96  | 25.19   |
| Projected P/E             | 20.99  | 15.48  | 47.24   | 140.94 | 21.17   |
| Projected EPS (\$)*       | 0.55   | 0.80   | 0.25    | 0.64   | 0.26    |
| Book Value per share (\$) | 3.20   | 11.30  | 1.59    | 13.09  | 1.26    |
| Price/Book Value (times)  | 3.61   | 1.10   | 7.58    | 6.94   | 4.46    |
| Dividend Yield (2018 %)   | N/A    | N/A    | N/A     | 13.39% | N/A     |
| Volumes                   | 26,659 | 16,868 | 128,748 | 25,430 | 129,841 |
| Recommendation            | HOLD   | BUY    | SELL    | SELL   | HOLD    |



## STOCK OF THE DAY: ISP Finance Services Limited (ISP)

## For the year ended March 31, 2019:-

ISP Finance Services Limited (ISP) for the three months ended March 31, 2019, reported total interest income of \$86.23 million compared to \$70.46 million in 2018, an increase of 22%. Total income is broken down as follows:

Interest expense totaled \$7.59 million relative to \$5.63 million in 2018; this represents a 35% rise. As a result, net interest income grew by 21% to total \$78.64 million (2018: \$64.83 million).

Commission expense fell 28% to \$696,652 (2018: \$966,976 million). Gross profit for the quarter amounted to \$77.94 million, 7% move than the \$64.01 million in 2018.

The company's total operating expense amounted to \$61.96 million, up 13% from \$54.85 million in 2018, ISP highlighted that, "the Company maintained its cost of operations while meeting greater customer demands. The newly established customer sales contact center is our focus as this will result in the development of new products and markets across several delivery channels." The expenses for the period are broken down as follows: Staff costs amounted to \$31.73 million (2018: \$27.16 million), allowance for credit loss totaled \$8.00 million (2018: \$7.50 million), depreciation was \$1.31 million (2018: \$1.40 million), other operating expenses amounted to \$20.92 million (2017: \$18.80 million).

Profit before taxes totaled \$15.99 million (2018: \$9.15 million). No taxes were booked for the period, resulting in a net profit of \$15.99 million relative \$9.15 million in for the first quarter of 2018, a 75% growth year over year.

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

|      | PURCHASE RATE |         |              | SALES RATE |         |              |
|------|---------------|---------|--------------|------------|---------|--------------|
|      | Highest       | Lowest  | Weighted     | Highest    | Lowest  | Weighted     |
|      |               |         | Average Rate |            |         | Average Rate |
| USD  | 137.870       | 102.937 | 133.9979     | 140.724    | 103.490 | 136.4675     |
| CAN  | 103.980       | 80.196  | 103.2249     | 106.380    | 85.258  | 102.8761     |
| GBP  | 167.000       | 129.787 | 161.4651     | 171.180    | 154.500 | 164.9882     |
| EURO | 155.500       | 112.974 | 152.1185     | 155.844    | 140.000 | 150.8670     |

\*Rates as at August 2, 2019

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (August 05, 2019) trading session. The over night rate stood at 0.50% to 0.80% while the 30-day rate ranged at 1.60% to 1.90%.

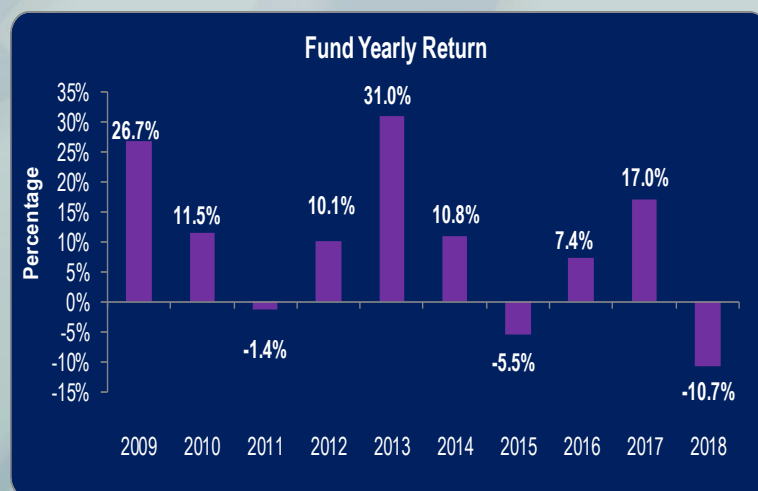
The US dollar fixed income market was also liquid during today's (August 05, 2019) trading session; The overnight market rates were quoted at 2.00% to 2.20% while the 30-day market rates stood at 2.40% to 2.70%.

## 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 10.4% and a 5 year return of 6.2%. The Fund also has a 10 year return of 10.1%. Rates are as at June 30, 2019.



## U.S: U.S. Stocks Plunge Most in 2019 on Trade Tension: Markets Wrap

"Financial markets buckled after China escalated the trade war with the U.S., sending American stocks to the biggest drop this year and sparking a rally in global bonds. Gold surged with the yen. The S&P 500 Index plunged 3% and losses in the Dow Jones Industrial Average surpassed 700 points. Apple and IBM slid at least 4% as all but 11 companies in the U.S. stock benchmark traded lower. The Cboe Volatility Index surged 36%. The 10-year Treasury yield was close to completely erasing the jump that followed President Donald Trump's election. China's yuan sank beyond 7 per dollar, a move that suggests the level is no longer a line in the sand for policy makers in Beijing. Oil tumbled. Investors are starting to grasp the potential for a protracted conflict between the world's two largest economies, with a Treasury-market recession indicator hitting the highest alert since 2007. As demand for haven assets spiked, gold made a run toward \$1,500 an ounce and the Japanese yen extended its rally. Major cryptocurrencies, increasingly seen as a refuge during distressed times, climbed as Bitcoin approached \$12,000. Fear gauges for the corporate bond market rose the most since March as traders rushed to hedge their positions."

<https://www.bloomberg.com/news/articles/2019-08-04/asia-stocks-set-to-drop-with-trade-back-in-focus-markets-wrap?srnd=premium>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at August 5, 2019

|                                | Percentage (%) |
|--------------------------------|----------------|
| <b>Yield to Maturity</b>       | <b>5.55</b>    |
| <b>Weighted Average Coupon</b> | <b>5.514</b>   |
| <b>Current Yield</b>           | <b>4.89</b>    |

The platinum portfolio has an effective maturity of 13.17 years and duration of 4.60 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)

## Europe: U.K. Yields Hit Record Low on Election Risk, Global Trade Woes

"U.K. government bonds rallied, driving benchmark yields to a record low, as global risk sentiment worsened and speculation swirled that the nation's new Prime Minister is preparing for a general election. Ten-year gilt yields slipped below 0.5% for the first time on a potential increase in U.K. political uncertainty, with Premier Boris Johnson's spending plans fueling speculation about a snap vote even as he denied it. The pound erased early declines that were fueled by a broader risk-off move across markets after the latest escalation in U.S.-China trade tensions. "We can see a clear demand for global fixed income so global and idiosyncratic factors add appeal to the gilt market," said Theo Chapsalis, head of U.K. rates strategy at NatWest Markets. "August has historically been a strong month for duration so there are tactically still good reasons to like fixed income and in particular gilts." The yield on 10-year gilts fell as much as six basis points to 0.49%, an all-time low. The pound was little changed at \$1.2164, after falling as much as 0.5% earlier to \$1.2102. Sterling weakened 0.5% to 91.81 pence per euro, after earlier touching the weakest since September 2017. After steepening last week, the U.K. yield curve pared the move despite Johnson's additional spending commitments. "

<https://www.bloomberg.com/news/articles/2019-08-05/u-k-yields-hits-record-low-on-election-risk-global-trade-woes?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 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 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



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