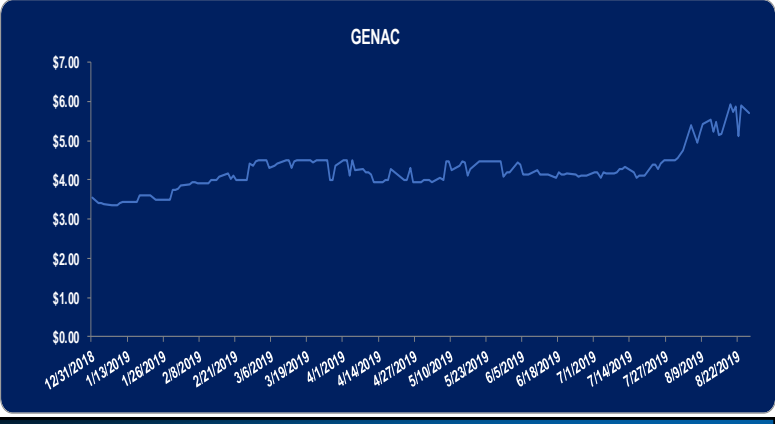




LOCAL STOCK MARKET: (JS) +

Stock Symbol	GENAC	CAC	WIG	BPOW	FOSRICH
Current Price (\$)	5.71	15.00	0.93	9.46	5.65
Trailing EPS (\$)	0.33	0.19	0.07	0.25	0.18
P/E (times)	17.57	80.04	13.71	38.38	31.04
Projected P/E	15.29	24.36	10.60	37.12	27.27
Projected EPS (\$)*	0.37	0.62	0.09	0.25	0.21
Book Value per share (\$)	2.12	3.80	0.30	1.59	1.50
Price/Book Value (times)	2.69	3.95	3.14	5.95	3.76
Dividend Yield (2018 %)	5.20%	1.23%	N/A	0.45%	N/A
Volumes	129,000	NIL	4,369,581	12,323	83,536
Recommendation	BUY	HOLD	BUY	SELL	SELL



STOCK OF THE DAY: General Accident Insurance Company Limited

For the six months ended June 30, 2019:-

GENAC for the six months ended June 30, 2019, reported Gross premium written of \$6.57 billion, 41% higher than the \$4.65 billion reported for 2019. Reinsurance ceded rose 45% to close at \$5.45 billion relative to \$3.75 billion booked in 2018. Excess of loss reinsurance trended upwards by 26% to \$67.73 million (2018: \$53.57 million).

As a result, net premium written increased by 25% from \$839.89 million last year to \$1.05 billion. Net changes in unearned premiums totaled \$60.16 million, 17% lower than the \$72.62 million recorded last year. Consequently, net premiums earned for the six months period grew by 29% to a total of \$988.67 million compared to \$767.27 million for the prior year. While net premiums earned for the quarter increased by 25% to a total of \$503.31 million (2018: \$402.61 million).

Commission income grew by 21%, year over year, from \$336.18 million in 2018 to \$406.04 million in 2019, while commission expenses increased by 20% from \$216.18 million to \$259.65 million for the six months period. Claims expenses saw an increase of 23%, closing the six months period at \$632.83 million (2018: \$513.20 million), while management expenses climbed by 19% to total \$419.14 million compared to 2018's total of \$352.44 million.

Underwriting profit for the six months totaled of \$80.97 million, this compares to a loss of \$7.67 million booked in 2018. While for the quarter, underwriting profit totaled \$39.16 million in comparison to a loss of \$410,000 in 2018. Investment income closed at \$79.07 million, a 7% decline when compared with last year's corresponding period of \$84.79 million, while other income totaled \$38.25 million for the period, relative to an income of \$58.32 million in 2018. Other operating expenses grew by 66% to \$34.73 million relative to \$20.90 million in 2018.

Profit before taxation amounted to \$163.56 million (2018: \$114.53 million). Following taxes of \$28.28 million (2018: \$19.09 million). Net profit totaled \$135.28 million for the period, an increase of 42% compared to the \$95.44 million reported last year. While net profit for the quarter totaled \$104.41 million, an increase of 31% compared to the \$79.65 million reported last year. Total comprehensive income amounted to \$131.29 million (2018: \$100.15 million) for the period ended June 30, 2019. While total comprehensive income for the quarter booked \$104.41 million (2018: \$80.70 million).

As such, earning per share (EPS) for the period amounted to \$0.13 (2018: \$0.09) while EPS for the quarter amounted to \$0.10 (2018: \$0.08). The trailing twelve months EPS amounted to \$0.33. The number of shares used in our calculations amounted to 1,031,250,000 units.

*Prices are as at August 26, 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	138.150	102.375	134.4653	141.266	102.305	136.8713
CAN	102.500	79.950	98.2437	105.516	95.000	103.5820
GBP	166.000	128.800	159.4381	170.000	153.000	165.2684
EURO	149.000	112.504	143.1879	154.980	135.000	151.6649

*Rates as at August 23, 2019

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (August 26, 2019) trading session. The over night rate stood at 0.50% to 0.80% while the 30-day rate ranged at 1.70% to 2.00%.

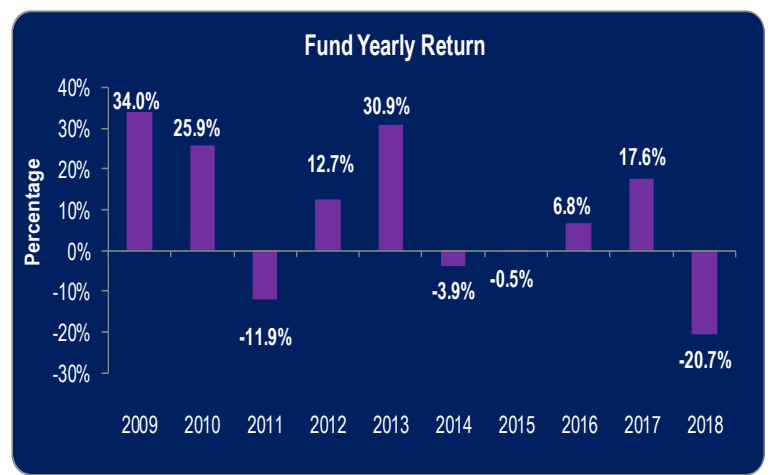
The US dollar fixed income market was also liquid during today's (August 26, 2019) trading session; The overnight market rates were quoted at 2.00% to 2.20% while the 30-day market rates stood at 2.40% to 2.70%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI Global Small Companies Corporate Class

This fund invests primarily in equity and equity-related securities of small to mid-capitalization companies around the world.

The fund has a 3 year return of 2.1% and a 5 year return of 1.5%. The Fund also has a 10 year return of 6.7%. Rates are as at July 31, 2019.



*Prices are as at August 26, 2019 *Projections are made to the company's financial year end

U.S: For Baffled Wall Street, Trump Markets Are ‘Weirder’ Than the 2008 Crisis

“Donald Trump’s trying to win a trade war, so don’t talk to him about 600 points in the Dow Jones Industrial Average. But for traders coping with the price impact of his tirades, it’s all they want to talk about. Days like Friday are creating stress in the trenches. A decade ago, Max Gokhman was a 24-year-old at the center of the storm, buying and selling toxifying credit contracts at a hedge fund he founded. Now head of asset allocation at Pacific Life Fund Advisors, he says those days barely compare when it comes to the unpredictability he’s facing daily. “I used to tell people trading credit derivatives through 2008 was crazy, but this is way weirder,” said Gokhman. Back then, “the liquidity is what made it challenging to put on or take off your positions. Now every part of the market has its own idiosyncrasy, and at the top you have Trump, who can wreak havoc in really creative ways nobody’s thought of before.” While the stakes were higher in the financial crisis, with global economies on the brink of a depression, for people in markets it was mostly a one-way trade. The number of parts moving now presents a unique challenge, says Gokhman, with the Federal Reserve inciting hair-trigger swings in banks, bond yields and currency while earnings season knocks stocks like Target Corp. and Macy’s Inc. up and down 10% or 20% a day.”

<https://www.bloomberg.com/news/articles/2019-08-25/stakes-were-higher-in-2008-but-it-s-way-weirder-trading-trump?srnd=premium>

Europe: Wealth Tax Drives Wedge Into German Coalition as Recession Looms

“Taxing the wealthy is becoming the latest sign of how Chancellor Angela Merkel’s already-frail coalition is drifting apart, adding to the political turbulence as the economy teeters on the brink of recession. The leadership of the Social Democrats, Merkel’s junior coalition partner, on Monday backed a proposal in principle that would aim to impose a 1% tax on wealth, a revenue stream that could be worth around \$10 billion annually. Finance Minister Olaf Scholz, who comes from the party, last week expressed support for the idea. “Approximately 45 families in Germany own as much wealth as 50% of the citizens,” Thorsten Schaefer-Guembel, an interim SPD leader and one of the main proponents of the proposal, said Monday on state broadcaster ZDF. By comparison U.S. Senator Elizabeth Warren proposes a tax of 2% on assets above \$50 million. There, Federal Reserve officials recently warned that rising inequality threatens the U.S.’s long-term economic strength. Taxing the rich is the latest sign of how the SPD is seeking to veer the government to the left as it struggles to revert dismal polling numbers ahead of three regional elections this fall. From rent caps in Berlin to proposals for a minimum pension, the party’s push for more social welfare risks straining the coalition to the point of bursting.”

<https://www.bloomberg.com/news/articles/2019-08-26/wealth-tax-latest-test-for-german-coalition-as-recession-looms?srnd=premium-europe>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at August 26, 2019

	Percentage (%)
Yield to Maturity	5.38
Weighted Average Coupon	5.473
Current Yield	4.77

The platinum portfolio has an effective maturity of 13.08 years and duration of 4.61 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.

Source: www.jamstockex.com, www.bloomberg.com, www.investopedia.com, www.tradewire.com

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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