

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

Stock Symbol	ECL	SOS	JMMBGL	KW	VMIL
Current Price (\$)	6.01	11.84	43.92	62.15	7.95
Trailing EPS (\$)	0.30	0.51	2.45	1.60	0.37
P/E (time)	19.86	23.28	17.92	38.91	21.52
Projected P/E	19.02	21.24	15.07	36.13	27.37
Projected EPS (\$) <sup>*</sup>	0.32	0.56	2.92	1.72	0.29
Book Value per share (\$)	0.26	2.29	20.11	17.86	2.24
Price/Book Value (times)	23.05	5.16	2.18	3.48	3.55
Dividend Yield (2018 %)	13%	1%	N/A	1%	N/A
Volumes	18,368	58,500	53,685	39,853	76,006
Recommendation	BUY	HOLD	HOLD	SELL	SELL

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

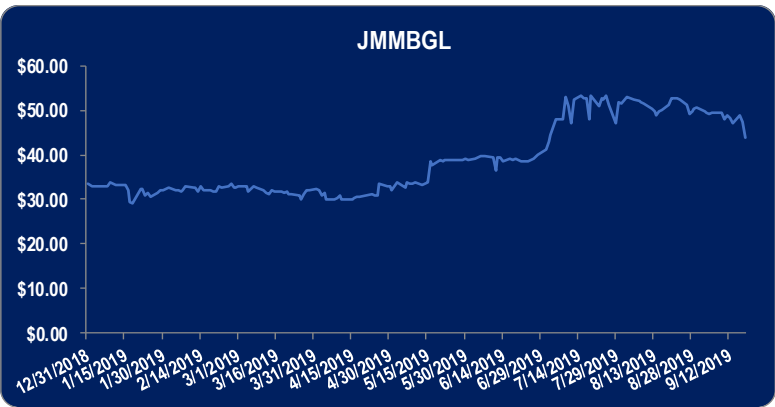
Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	138.700	103.350	135.6825	143.431	103.506	136.6931
CAN	103.800	81.262	103.391	107.028	94.000	103.8344
GBP	171.050	134.561	168.1508	176.580	156.000	170.4869
EURO	153.851	113.680	145.7081	155.000	142.500	153.538

\*Rates as at September 17, 2019

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (September 18, 2019) trading session. The overnight rate stood at 0.30% to 0.50% while the 30-day rate ranged at 1.30% to 1.70%.

The US dollar fixed income market was also liquid during today's (September 18, 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 2.60%.



## STOCK OF THE DAY: JMMB Group Limited (JMMBGL)

For the three months ended June 30, 2019:

JMMB Group Limited - (JMMBGL) for the three months ended June 30, 2019 booked Net interest income of \$2.20 billion compared to \$2.07 billion in 2018, an increase of 6%. Of this, Interest income grew by 8% to close at \$4.60 billion, from the \$4.24 billion booked in 2018, while interest expenses increased by 11% to total \$2.40 billion relative to \$2.17 billion in the prior year.

Fees and commission income for the quarter amounted to \$736.67 million, an improvement of 53% on the \$481.64 million last year's corresponding period. According to the company, this was, "due to significant growth in managed funds and collective investment schemes across the Group." Foreign exchange margins from cambio trading recorded an increase of 45% year over year to close the quarter at \$744.67 million (2018: \$514.65 million) "because of increased trading volume and growth in regional markets" while net gains from securities trading showed an increase of 35% totalling \$2.16 billion (2018: \$1.60 billion) "as change in the Fed's outlook resulted in a rally in emerging market assets and by extension increased trading activities". Dividend income for the three months also increased 9% to close at \$5.00 million relative to \$4.58 million in 2018's first quarter.

Operating expenses amounted to \$3.84 billion, a growth of 15% (2018: \$3.34 billion). Notable other income declined 98% to \$102,000 relative to \$5.34 million the prior quarter. While the company booked impairment loss on financial assets of \$153.27 million relative to a loss of \$112.94 million the prior quarter.

This led to an operating profit of \$1.85 billion, an increase of 52% when compared to the \$1.21 billion booked the year prior. According to JMMBGL, "This growth was attributed primarily to continued expansion of commercial banking services in Jamaica and JMMB Express in Trinidad and Tobago as well as project related activities centred on process optimization. Nevertheless, the Group's efficiency ratio improved to 66% compared to 72% in the prior period. The Group will continue to focus on extracting operational efficiency from all entities through the launch of its standardization and process improvements project."

Following taxes of \$727.78 million (2018: \$258.88 million), JMMBGL booked a 17% increase in net profit to \$1.12 billion compared to \$956.61 million reported for the similar period of 2018. Net profit attributable to the shareholders of the company totalled \$1.11 billion relative to \$935.90 million in 2018, a 19% improvement year over year.

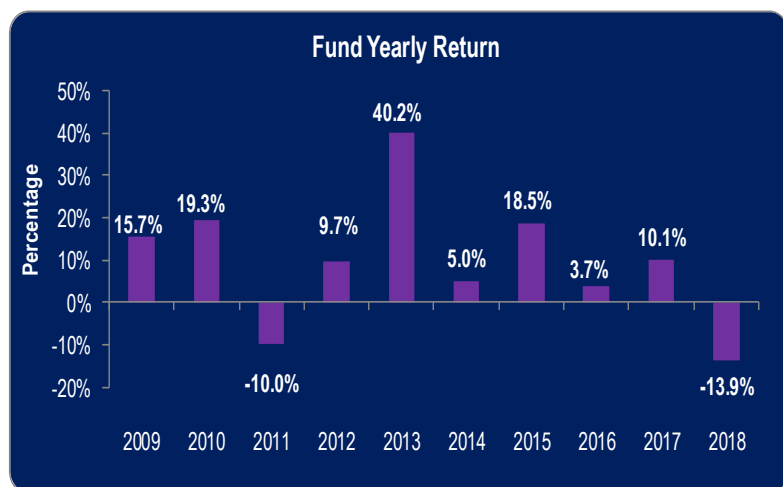
As a result, earnings per share (EPS) for the three months amounted to \$0.68 (2018: \$0.57). The twelve-month trailing EPS amounted to \$2.45 where the number of shares used in the calculations amounted to 1,630,552,530 units.

## 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 1.4% and a 5 year return of 4.4%. The Fund also has a 10 year return of 8.1%. Rates are as at August 31, 2019.



## U.S.: U.S. Home Starts Reach Highest Since 2007 in Broad Advance

“U.S. home construction surged in August to the fastest pace since mid-2007 on more apartment projects and single-family houses, a welcome sign for the housing sector that has struggled to gain momentum. Residential starts climbed 12.3% to a 1.36 million annualized rate after an upwardly revised 1.22 million pace in the prior month, according to government figures released Wednesday that topped all estimates in Bloomberg’s survey. Permits, a proxy for future construction, also increased to a 12-year high. Low mortgage rates and a solid labor market are helping to support sales, prompting a pickup in construction activity and permitting. The figures indicate residential construction, which hasn’t contributed to economic growth since the end of 2017, may be starting to break out of a prolonged slump.”

<https://www.bloomberg.com/news/articles/2019-09-18/u-s-housing-starts-reach-highest-since-2007-in-broad-advance>

## Europe: Record Numbers Seek Debt Help With U.K. on Brink of Brexit

“A record of number of Britons sought debt advice in the first half of 2019, and charities are warning that households are vulnerable to any future economic turbulence. More than 331,000 people contacted StepChange wanting help, the charity said in a report published Wednesday. Among the almost 200,000 who received full advice, the average level of unsecured debt was 13,799 pounds (\$17,100), a 6% increase from 2016. The figures almost certainly reflect years of government spending cuts, the inflationary squeeze on incomes that followed the 2016 Brexit vote and access to easy credit. While wages are now recovering, households face an uncertain economic future, with Britain and the European Union seemingly no closer to agreeing a deal weeks before the Brexit deadline.”

<https://www.bloomberg.com/news/articles/2019-09-17/record-numbers-seek-debt-help-with-u-k-on-brink-of-brexit?smd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at September 16, 2019

	Percentage (%)
Yield to Maturity	5.47
Weighted Average Coupon	5.442
Current Yield	4.81

The platinum portfolio has an effective maturity of 13.06 years and duration of 4.57 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 per-sons who do not have the time to actively manage their own portfolio.

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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)



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