

LOCAL STOCK MARKET: (JS) +

Stock Symbol	SVL	SEP	GENAC	KEX	JP
Current Price (\$)	25.35	49.65	7.40	10.29	23.84
Trailing EPS (\$)	0.89	1.30	0.33	0.30	1.07
P/E (times)	28.55	38.30	22.20	34.71	22.36
Projected P/E	20.24	15.21	20.16	29.25	22.25
Projected EPS (\$)*	1.25	3.27	0.37	0.35	1.07
Book Value per share (\$)	1.31	20.66	2.23	1.65	12.39
Price/Book Value (times)	19.31	2.40	3.32	6.22	1.92
Dividend Yield (2018 %)	7.03%	3.17%	5.20%	0.47%	0.72%
Volumes	51,678	22,564	32,322	NIL	15,353
Recommendation	BUY	BUY	HOLD	SELL	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	136.500	101.670	132.9286	139.643	101.673	134.4743
CAN	103.000	80.095	99.0267	105.264	84.656	102.6171
GBP	181.900	136.000	172.5497	185.586	164.000	178.6073
EURO	148.500	111.328	142.2508	153.360	140.500	149.2758

*Rates as at December 16, 2019

For December 2019, the Bank of Jamaica projects that the value of currency issued by the Bank will increase by approximately \$22.4 billion (17.2%), relative to end- November 2019. This forecast is generally in line with the five-year average growth rate of 17.6% for the month of December.

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (December 17, 2019) trading session. The overnight rate stood at 0.30% to 0.50% while the 30-day rate was 1.50% to 1.70%.

The US dollar fixed income market was also liquid during today's (December 17, 2019) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.

STOCK OF THE DAY: General Accident Insurance Company Limited

For the nine months ended September 30, 2019:

General Accident Insurance Company Limited (GENAC), for the nine months ended September 30, 2019, reported Gross premium written of \$8.94 billion, 21% higher than the \$7.40 billion reported for 2018. Net premium written increased by 25% from \$1.32 billion last year to \$1.64 billion in 2019. Net premium written for the third quarter amounted to \$595.98 million relative to \$478.73 million booked for the corresponding period in 2018.

Net changes in unearned premiums totalled \$109.94 million, 9% lower than the \$120.45 million recorded the previous year. Consequently, net premiums earned grew by 28% to a total of \$1.53 billion compared to \$1.20 billion for the same period last year. For the quarter, net premium earned totalled \$546.20 million compared to \$430.90 million booked for the similar quarter of 2018.

Claims expenses saw an increase of 14%, closing the period at \$987.60 million (2018: \$865.94 million), while management expenses climbed by 14% to total \$631.40 million (2018: \$553.88 million).

Consequently, Underwriting profit for the period totalled of \$108.64 million, this compares to a loss of \$27.70 million in 2018. The company made an underwriting profit of \$27.67 million for the third quarter when compared to a loss of \$20.02 million in 2018.

In addition, investment income closed at \$113.73 million, a 50% decrease when compared with last year's \$228.73 million, while other income totalled \$65.29 million, (2018: \$4.51 million). Other operating expenses grew by 74% to \$56.60 million when compared to \$32.46 million in 2018.

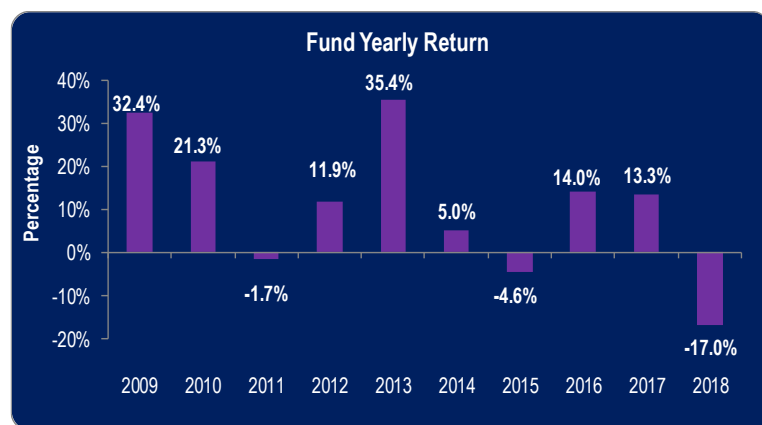
As such, profit before taxation amounted to \$231.05 million (2018: \$173.08 million). Net Profit totalled \$192.53 million for the period, a 34% uptick when compared to the \$144.18 million reported last year, subsequent to tax charges of \$38.52 million. However, net profit for the quarter was \$57.26 million, a 17% rise versus the same period of 2018 which had net profits of \$48.73 million.

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 4.3% and a 5 year return of 4.3%. The Fund also has a 10 year return of 9.3%. Rates are as at November 30, 2019.



“The Federal Reserve is running the risk of fomenting an eventual financial crisis by easing banking regulations at the same time that it’s cut interest rates. So say some former Fed officials, including ex-Vice Chairman Alan Blinder and financial stability experts Daniel Tarullo and Nellie Liang. They worry that the combination of looser credit and laxer rules will prompt financial institutions and investors to pile on leverage and take excessive risks. While that may spur economic growth in the short run, it could end up triggering a recession once the speculative bets are unwound. “When you lower rates and put incentives in place to increase borrowing, it should not be surprising that risks will increase,” said Liang, former director of the Fed’s financial stability division. “That means this is not the right time to be also significantly loosening financial regulations.”

<https://www.bloomberg.com/news/articles/2019-12-17/fed-alumni-fear-crisis-risk-in-simultaneous-cuts-to-rules-rates?srnd=premium>

“The U.K. government is in the final stages of choosing the new Bank of England governor, according to a person familiar with the process. Prime Minister Boris Johnson and Chancellor Sajid Javid could make a decision this week on the replacement for Mark Carney, who is due to step down at the end of January. Meetings between government officials are currently taking place to make an appointment, said the person who declined to be named speaking on a confidential matter. The new governor will be tasked with trying to control a troubled economy after the U.K. leaves the European Union next month. Johnson won decisively in last week’s election on a ticket to “get Brexit done” after three years of stalemate in the House of Commons. Minouche Shafik, a former deputy governor, is seen as a likely candidate. A woman has never run the Bank of England in its three centuries of existence.”

<https://www.bloomberg.com/news/articles/2019-12-17/u-k-in-final-stages-of-choosing-next-bank-of-england-governor?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at December 16, 2019

	Percentage (%)
Yield to Maturity	5.20
Weighted Average Coupon	5.427
Current Yield	4.04

The platinum portfolio has an effective maturity of 13.12 years and duration of 4.58 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.

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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



www.mayberryinv.com

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