

## DAILY MARKET SUMMARY



### LOCAL STOCK MARKET: (J\$) +

Stock Symbol	LASM	PJAM	XFUND	KW	JBG
Current Price (\$)	3.94	40.00	14.48	33.50	18.00
Trailing EPS (\$)	0.11	3.86	1.21	1.12	1.69
P/E (times)	35.24	10.35	11.94	29.78	10.63
Projected P/E	27.12	9.41	12.23	27.87	11.32
Projected EPS (\$)*	0.15	4.25	1.18	1.20	1.59
Book Value per share (\$)	1.14	26.91	9.81	13.61	12.39
Price/Book Value (times)	3.47	1.49	1.48	2.46	1.45
Dividend Yield (2018 %)	N/A	N/A	N/A	N/A	N/A
Volumes	133,300	38,200	38,692	530	NILL
Recommendation	SELL	HOLD	HOLD	SELL	HOLD

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	125.750	100.170	123.8311	134.020	116.000	125.1019
CAN	102.000	72.750	97.3830	111.890	96.200	105.4110
GBP	178.500	128.630	172.1340	197.830	163.600	178.1556
EURO	156.000	111.750	147.5056	173.030	148.000	152.4789

\*Rates as at January 25, 2018



### MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 26, 2017) trading session. The overnight rates were quoted around 2% to 2.3% while the 30-day rates were between 3.5% to 3.75%.

The US dollar fixed income market was also liquid during today's (January 26, 2017) trading session; The overnight market rates were quoted at 1% while the 30-day market rates

### STOCK OF THE DAY: Jamaica Broilers Group (JBG)

**For the six months ended October 31, 2017:**

Revenues totalled \$23.02 billion, a 13% increase on the \$20.43 billion reported in 2016. Revenue for the second quarter amounted to \$11.53 billion compared to \$10.41 billion booked for the corresponding quarter of 2016. Total revenue was broken down as follows;

The Jamaica Operations contributed \$16.04 billion, an 8% increase compared to \$14.85 billion for the same period of 2016. US Operations recorded an increase of 23% to total \$5.95 billion relative to \$4.85 billion last year. Other Caribbean Operations contributed \$1.03 billion, an increase of 42% when compared to \$725.14 million.

Cost of Sales grew by 14% to \$17.39 billion from \$15.22 billion in 2016. Gross profit for the first six months reflected an increase of 8% to close at \$5.63 billion versus \$5.20 billion booked for the corresponding period in 2016.

Other income rose 95% from \$72.33 million for the first six month of 2016 to \$140.81 million in 2017. Distribution costs rose 31% to close at \$859.05 million relative to \$654.39 million recorded for the prior year's comparable period, while administration and other expenses grew by 7% to \$3.72 billion (2016: \$3.47 billion).

Operating profit improved by 4%, totalling \$1.20 billion relative to \$1.15 billion last year. JBG reported finance income of \$13.84 million (2016: \$266.47 million) a decrease of 95%, while finance costs increased marginally to \$310.53 million relative to \$309.77 million in 2016.

Net profit attributable to shareholders amounted to \$633.47 million relative to \$834.59 million booking for the comparable period in 2016. Net profit attributable to shareholders for the quarter totalled \$435.78 million versus \$434.57 million booked for the second quarter of 2016. Total comprehensive income for the first six months amounted to \$649.72 million relative to a \$27.24 million. Consequently, earnings per share totalled \$0.53 relative to \$0.70 booked for the first six months of 2017. EPS for the second quarter amounted to \$0.36 versus \$0.36

The trailing twelve months EPS amounted to \$1.69. The total shares used in our calculation amounted to 1,199,276,400 units.

### OVER THE COUNTER FUNDS (CI FUNDS)

#### CI American Small Companies Fund

This fund's objective is to seek above-average capital growth. It invests primarily in equity and equity-related securities of small to mid-capitalization North American companies. The fund has a 3 year return of 10% and a 5 year return of 17.3% as at December 31, 2017. The Fund also has a 3 month return of 6.5%.



\*Prices are as at January 26, 2018 \*Projections are for the forward 12 months from the most recent quarter results

**U.S.: U.S. economic growth slows in fourth quarter on surging imports**

U.S. economic growth unexpectedly slowed in the fourth quarter as the strongest pace of consumer spending in three years resulted in a surge in imports. Gross domestic product expanded at a 2.6 percent annual rate also restrained by a modest pace of inventory accumulation, the Commerce Department said in its advance fourth-quarter GDP report on Friday. That followed a 3.2 percent growth pace in the third quarter. Imports, which subtract from GDP growth, increased at their fastest rate in more than seven years. Rising imports underscore the challenges that the Trump administration faces in its quest to boost annual GDP growth to 3 percent. A measure of domestic demand jumped at a 4.6 percent rate, the quickest since the third quarter of 2014, highlighting the economy's strength. Final sales to private domestic purchasers rose at a 2.2 percent pace in the third quarter. **Strong** domestic demand is part of a synchronized global rebound that includes the euro zone and Asia. Demand has also been buoyed by President Donald Trump's promise of hefty tax cuts, which was fulfilled in December when the Republican-controlled U.S. Congress approved the largest overhaul of the tax code in 30 years. Economists polled by Reuters had forecast the economy growing at a 3.0 percent pace in the final three months of 2017. The economy grew 2.3 percent in 2017, an acceleration from the 1.5 percent logged in 2016. Economists expect annual GDP growth will hit the government's 3 percent target this year, spurred in part by a weak dollar, rising oil prices and strengthening global economy.

<https://www.reuters.com/article/us-usa-economy/u-s-economic-growth-slows-in-fourth-quarter-on-surging-imports-idUSKBN1FF0F8>

**Europe: Pound Extends Gains After U.K. Economy Grows More Than Forecast**

The pound headed for the biggest weekly gain in more than four months after the U.K. economy expanded more than forecast. The currency advanced for a fourth day in five as gross domestic product rose 0.5 percent in the three months ended December, faster than the 0.4 percent median estimate in a Bloomberg survey. The currency has surged this month, boosted by a weaker dollar and hopes that the U.K. government increasingly favors a soft Brexit. "This just further reinforces the recent bullish momentum," said Lee Hardman, a currency analyst at MUFG. "It provides further confirmation that the U.K. economy continues to perform better than expected following the Brexit referendum. There are even encouraging signs that growth momentum could even be strengthening." The pound traded 0.8 percent stronger at \$1.4256 as of 9:46 a.m. in London after gaining as much 1 percent soon after the GDP data. It has advanced 2.9 percent this week, headed for the biggest five-day gain since September. The yield on U.K. 10-year government bonds fell one basis point to 1.41 percent. As investors grow more confident that the U.K. economy will hold up despite Brexit, market positioning has shifted to bet on further pound strength. CFTC data released earlier this week showed leveraged funds raised their long positions on the pound to the highest since August 2015.

<https://www.bloomberg.com/news/articles/2018-01-26/pound-extends-gains-after-u-k-economy-grows-more-than-forecast>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at January 22, 2018	
	Percentage (%)
Yield to Maturity	4.84
Weighted Average Coupon	4.96
Current Yield	4.23

The platinum portfolio has an effective maturity of 15.39 years and duration of 5.01 years.

**STRUCTURED PRODUCT**

**Mayberry Managed Equity Portfolio (MMEP)**

We offer a managed equity portfolio for both institutions and individuals. The MMEP is a full discretionary managed portfolio of a diversified group of stocks. The stocks included in the portfolio represent Mayberry's top recommended stocks. Persons who find it difficult to manage their equity portfolios on a day to day basis should consider the MMEP. Further, the MMEP is for individuals and institutions who would like to pursue a medium to long term equity strategy.

**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)

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 = POSITIVE TRANSFORMATION FOR OUR CLIENTS  
 MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS

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