

## DAILY MARKET SUMMARY



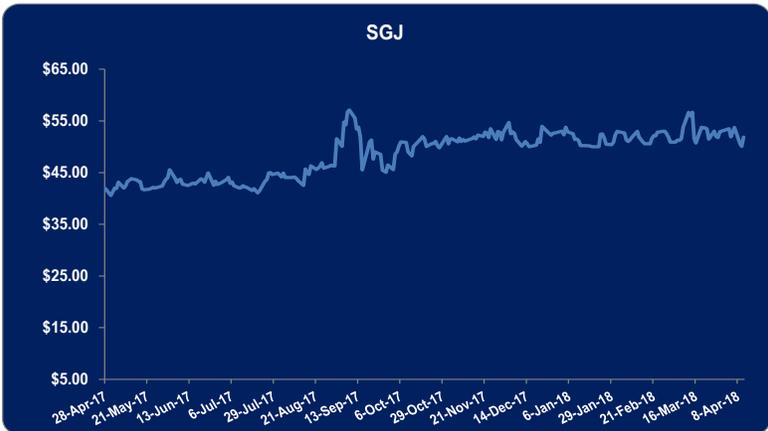
### LOCAL STOCK MARKET: (J\$) +

| Stock Symbol              | GK    | WISYNCO | SEP   | CCC   | SGJ     |
|---------------------------|-------|---------|-------|-------|---------|
| Current Price (\$)        | 48.00 | 10.25   | 35.40 | 35.77 | 50.35   |
| Trailing EPS (\$)         | 4.14  | 0.63    | 1.54  | 1.35  | 4.31    |
| P/E (times)               | 11.60 | 16.39   | 22.99 | 26.53 | 11.69   |
| Projected P/E             | 11.44 | 15.62   | 20.34 | 10.74 | 11.34   |
| Projected EPS (\$)*       | 4.20  | 0.66    | 1.74  | 3.33  | 4.44    |
| Book Value per share (\$) | 47.25 | 2.09    | 18.11 | 10.53 | 33.71   |
| Price/Book Value (times)  | 1.02  | 4.90    | 1.95  | 3.40  | 1.49    |
| Dividend Yield (2018 %)   | 0.83% | N/A     | N/A   | N/A   | 0.95%   |
| Volumes                   | 2,181 | 119,419 | 118   | 2,291 | 164,163 |
| Recommendation            | HOLD  | HOLD    | SELL  | BUY   | HOLD    |

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

|      | PURCHASE RATE |         |              | SALES RATE |         |              |
|------|---------------|---------|--------------|------------|---------|--------------|
|      | Highest       | Lowest  | Weighted     | Highest    | Lowest  | Weighted     |
|      |               |         | Average Rate |            |         | Average Rate |
| USD  | 126.055       | 100.020 | 123.7461     | 134.020    | 100.050 | 125.2756     |
| CAN  | 100.771       | 73.280  | 96.5813      | 110.650    | 77.090  | 98.6705      |
| GBP  | 178.500       | 125.580 | 172.9581     | 196.140    | 170.800 | 177.2685     |
| EURO | 154.700       | 109.850 | 154.1951     | 171.020    | 119.120 | 155.6166     |

\*Rates as at April 13, 2018



### STOCK OF THE DAY: Scotia Group Jamaica Limited (SGJ)

#### For the three months ended January 31, 2017:

For the three months ended January 31, 2018, Scotia Group Jamaica Limited's (SGJ) Net Interest Income marginally increased by 0.16% to \$6.64 billion, moving from \$6.62 billion for the corresponding period in 2017, while Interest Expenses declined by 25.80% to total \$850.34 million (2017:\$1.15 billion). Interest Income for the period decreased from \$7.77 billion in 2016 to \$7.49 billion.

Total Other Revenue increased by 44.64% to \$4.96 billion (2017: \$3.43 billion). The Company noted, "Our performance was largely driven by growth in our core business as well as gains from the sale of our microfinancing business (Credi-Scotia)."

- Net Fees and Commission Income amounted to \$2.10 billion (2017: \$2.25 billion), a decrease of 6.57% relative to the corresponding period in 2017. The performance according to SGJ was "impacted by continuous customer education on alternatives to reduce fees and increased free transactions."
- Insurance Revenue climbed by 93.72% and closed the period at \$1.17 billion relative to \$604.24 million last year. SGJ noted, insurance revenue was impacted, "due to growth in core insurance business and actuarial reserve releases from changes in assumptions on valuation of the portfolios".
- Net Foreign Currency Activities increased by 68.69% and amounted to \$792.75 million (2017: \$469.96 million), SGJ noted that this was "based on increased market activities".
- Net Gains on Financial Assets improved to \$132.04million relative to \$54.32 million recorded in 2017.
- Gain on disposal of subsidiary totalled \$753.14 million as the company noted this "relates to Scotia Jamaica Micro Finance Company Limited (Credi-Scotia), which was sold effective December 1, 2017."

Profit before Taxation for the quarter totalled \$5.23 billion, this represents an increase of 42.18% from the \$3.68 billion recorded in 2016.

Net Profit for the period totalled \$3.41 billion, 55.33% more than the \$2.21 million posted for the same period in 2017. Earnings per share (EPS) for first three months totalled \$1.10 (2017: \$0.70), the trailing earnings per share amounted to \$4.31

### MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (April 16, 2018) trading session. The over night rates were quoted around 1.50% while the 30-day rates stood at 2.30% .

The US dollar fixed income market was also liquid during today's (April 16, 2018) trading session; The overnight market rates were quoted 1.00% while the 30-day market rates stood around 1.20%.

### OVER THE COUNTER FUNDS (CI FUNDS)

#### CI International Value Corporate Class

This fund's objective is to obtain maximum long-term capital growth. It invests primarily in equity and equity-related securities of companies whose primary operations are outside of North America. The fund may make significant investments in any country including emerging markets and emerging industries of any market. The fund has a 3 year return of 6.3% and a 5 year return of 10.3% as at March 31, 2018. The Fund also has a 6 month return of 5.1%.



\*Prices are as at April 16, 2018 \*Projections are for the forward 12 months from the most recent quarter results

**U.S.: Powell's Inner Circle Takes Shape With Clarida as Fed's No. 2**

U.S. President Donald Trump announced his intention to nominate Richard Clarida, a respected economist and Pacific Investment Management Co. global strategic adviser, as vice chairman of the Federal Reserve. Trump also announced his intention to nominate Kansas State Bank Commissioner Michelle Bowman as Fed governor representing the interests of community banks, the White House said Monday. Both selections, which were first reported by the Wall Street Journal, are subject to confirmation by the U.S. Senate. If confirmed, the 60-year-old Clarida would bring a mix of skills to the job of the central bank's number two alongside Chairman Jerome Powell. These include knowledge of financial markets gained during more than a decade at asset manager Pimco, to insights into how Washington works from his time at the Treasury Department under President George W. Bush. A long-time professor at Columbia University, he would replace Stanley Fischer, who stepped down as vice chairman in October. Clarida will join the Fed as it pursues a gradual series of interest rate hikes and a reduction in its bond holdings under the auspices of Powell, who took the helm of the U.S. central bank in February. Powell said in a speech earlier this month that the outlook for inflation and employment support further gradual interest-rate increases. The vice chairman plays a critical support role for the central bank's leader, and often heads special projects at the request of the chair

<https://www.bloomberg.com/news/articles/2018-04-16/trump-said-planning-to-name-pimco-s-clarida-as-fed-vice-chair>

**North America: Rising Inflation Poses Biggest Test of Poloz's Cautious Stance**

The Bank of Canada Governor Stephen Poloz's cautious approach to interest rates is about to be challenged. While the central banker is expected to hold off from raising borrowing costs for a second straight policy decision on Wednesday, and retain a degree of prudence in his rhetoric, Poloz will probably face mounting pressure to return to the rate hike path soon, with inflation and growth beginning to pick up. Economists predict inflation will move well above the Bank of Canada's 2 percent target in the coming months, while growth should also return to an above-2 percent pace after a recent slump. It would mark the first time since 2014 that both exceed that level simultaneously. Poloz has played the cautious card for months, an easy tack to take so long as the numbers backed him up, which they have. Inflation averaged just 1.6 percent last year, and the economy entered a soft spot in the second half that spilled over into the early part of 2018. But the backdrop is changing. Economists surveyed last week predict inflation will average 2.3 percent in the second quarter and 2.4 percent in the third -- the highest levels since 2011. And with oil prices marching higher, the risks are tilted to the upside. Royal Bank of Canada now projects inflation will average 2.9 percent in the third quarter, at the upper end of the central bank's 1 percent to 3 percent target range.

<https://www.bloomberg.com/news/articles/2018-04-16/rising-inflation-poses-biggest-test-of-poloz-s-cautious-stance>

**PLATINUM PORTFOLIO**

| Platinum Portfolio Yield Measures as at March 26, 2018 |                |
|--|----------------|
|  | Percentage (%) |
| Yield to Maturity                                      | 5.56           |
| Weighted Average Coupon                                | 5.463          |
| Current Yield  | 5.60           |

The platinum portfolio has an effective maturity of 15.20years and duration of 5.84years.

**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 persons 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)

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

**...BULLISH ON JAMAICA**

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