

## DAILY MARKET SUMMARY



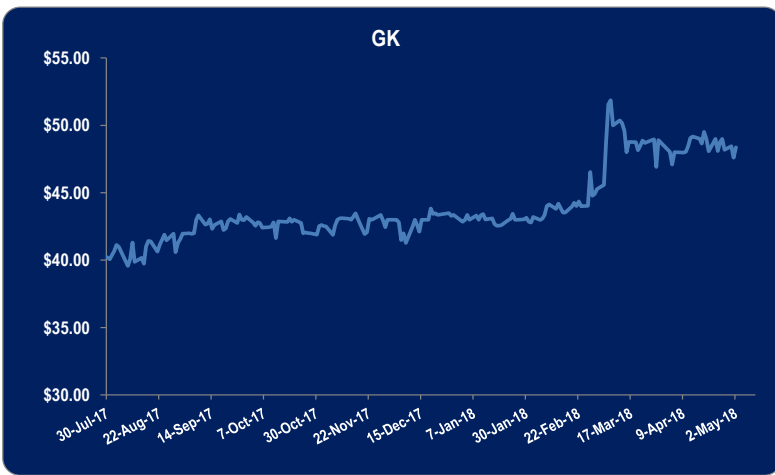
### LOCAL STOCK MARKET: (J\$) +

Stock Symbol	SGJ	LASF	KREMI	CPJ	GK
Current Price (\$)	53.00	5.56	4.80	5.65	49.00
Trailing EPS (\$)	4.31	0.20	0.24	0.37	4.32
P/E (times)	12.30	28.45	20.24	15.43	11.33
Projected P/E	11.94	23.75	18.10	13.22	9.57
Projected EPS (\$)*	4.44	0.23	0.27	0.43	5.12
Book Value per share (\$)	33.71	1.05	1.68	2.73	45.62
Price/Book Value (times)	1.57	5.27	2.85	2.07	1.07
Dividend Yield (2018 %)	0.91%	N/A	N/A	N/A	0.82%
Volumes	325,267	36,739	500	500,787	16,778
Recommendation	HOLD	SELL	HOLD	BUY	HOLD

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	127.200	100.010	124.4937	134.350	100.010	125.7876
CAN	99.100	73.120	97.9095	110.770	78.260	98.8278
GBP	172.000	117.000	169.7176	191.740	162.600	170.9520
EURO	153.633	108.000	143.7611	171.000	115.800	151.2040

\*Rates as at May 10, 2018



### STOCK OF THE DAY: GraceKennedy Limited (GK)

**For the three months ended March 31, 2018:**

Revenues Revenue totalled \$24.91 billion for year (2017: \$23.69 billion), a year over year increase of 5%. The biggest contributor to the group's overall revenue for the quarter was income from the 'Food Trading' segment which contributed a total of \$19.98 billion (2017: \$18.82 billion), an increase of 5% relative to the prior year's corresponding period. Management noted, "the Food Trading segment grew in both revenue and pre-tax profit when compared to the corresponding period of 2017 due to improved performance in both our Jamaican and International food business."

Among the other segments contributing to revenue growth was, 'Insurance' which recorded an 18% increase to \$1.61 billion (2017: \$1.36 billion). The Insurance segment results according to GK, "were mainly due to growth in the Commercial Lines portfolio. GK Insurance Eastern Caribbean continued its expansion initiatives and in the quarter commenced operations in Antigua adding to location already established in St. Lucia and St. Vincent."

Total Expenses amounted to \$24.20 billion relative to \$22.77 billion booked for the comparable period in 2017, a 6% growth. Other Income improved 61% to total \$733.81 million (2017: \$456.52 million). As such, 'Profit from Operations' amounted to \$1.45 billion, a 5% growth year over year from \$1.38 billion booked in as at March 2017.

Interest income from non-financial services rose 7% to total \$100.64 million compared to \$94.44 million reported a year earlier. Interest expenses from non-financial services amounted to \$143.83 million versus \$163.67 million booked for the corresponding period in 2017, a 12% reduction.

Share of results of associated companies recorded a marginal increase amounting to \$259.92 million, compared to \$259.20 million reported for the corresponding quarter of 2017.

Pre-tax profits increased 6% to approximately \$1.66 billion, compared to pre-tax profit of \$1.57 billion documented for the previous year's corresponding quarter. GK incurred taxation expenses amounting to approximately \$349.14 million compared to \$422.76 billion in 2017. Consequently, net profit increased by 15% to \$1.31 billion from \$1.14 billion booked in 2017.

Net Profits attributable to shareholders amounted to \$1.19 billion compared to \$1.01 billion a year earlier, reflecting an 18% increase. Earnings per share (EPS) for quarter amounted to \$1.20 (2017: \$1.01), while the twelve month trailing earnings per share amounted to \$4.32.

### MONEY MARKET

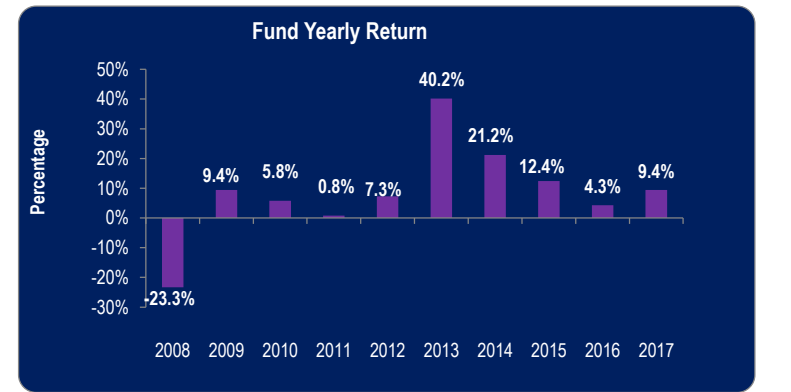
The Jamaican dollar fixed income market was liquid in today's (May 11, 2018) trading session. The over night rates were quoted around 1.60% while the 30-day rates stood at 2.70%.

The US dollar fixed income market was also liquid during today's (May 11, 2018) trading session; The overnight market rates were quoted 1.00% while the 30-day market rates stood 1.40%.

### OVER THE COUNTER FUNDS (CI FUNDS)

#### CI American Value Corporate Class

This This fund's objective is to provide superior returns with a limited level of risk by investing in a diversified portfolio of high quality undervalued companies. It invests primarily in equity and equity-related securities of companies in the United States. Any change to the investment objective must be approved by a majority of votes cast at a meeting of shareholders held for that reason. The fund has a 3 year return of 7.4% and a 5 year return of 13.9% as at March 31, 2018. The Fund also has a 6 month return of .4%.



\*Prices are as at May 11, 2018 \*Projections are for the forward 12 months from the most recent quarter results

**U.S.: Trump to sit down with major automakers on Friday on fuel rules**

U.S. President Donald Trump will meet 10 major automakers at the White House on Friday to discuss the fate of landmark fuel efficiency standards and a looming confrontation with California and other major states. A draft proposal circulated by the U.S. Transportation Department would freeze requirements at 2020 levels through 2026, but the administration is not expected to formally unveil the proposal until later this month or in June. Major automakers reiterated this week they do not support freezing requirements but say they want new flexibilities and rule changes to address lower gasoline prices and the shift in U.S. consumer preferences to bigger, less fuel-efficient vehicles. Automakers also want the White House and California to reach agreement on maintaining national standards, fearing a prolonged legal battle could leave them facing two different sets of rules and extended uncertainty. Trump plans to tell automakers he is willing to support a freeze and challenge California but wants the industry to back the effort, a senior administration official said. He also wants to know if they want him to fight on their behalf, the official said. Trump went to Michigan, a state that helped him win the presidency, in March 2017 and suggested he would soften the fuel rules.

<https://www.reuters.com/article/us-autos-trump/trump-to-sit-down-with-major-automakers-on-friday-on-fuel-rules-idUSKBN1IC0ZB>

**China: U.S. trade panel: Tool chests from China, Vietnam harm U.S. makers**

The U.S. International Trade Commission said on Friday it had made a final finding in a dumping investigation that imports of tool chests and cabinets from China and Vietnam were harming U.S. producers. The decision paves the way for the U.S. Commerce Department to slap duties of up to 327 percent on the goods for a five-year initial period. Last month, the Commerce Department found that tool chests imported from China and Vietnam were being dumped in the U.S. market, and announced prospective duties on the imports. In a related case, the ITC found in January that U.S. manufacturers were being harmed by imports of tool chests from China that the Commerce Department had found were subsidized, locking in place countervailing duties. In its announcement on April 5, the Commerce Department said tool chests manufactured by the Tongrun Single Entity (002150.SZ) in China would face antidumping duties of 97 percent, while imports from other Chinese producers would face duties of 244 percent. Imports from Vietnam would face a duty of 327 percent, it said. The case was brought by Waterloo Industries Inc of Sedalia, Missouri, a subsidiary of Fortune Brands Home & Security Inc (FBHS.N), which says it accounts for more than half the domestic production of tool chests and cabinets. Face duties of 244 percent. In 2016, the value of imports of tool chests and cabinets from China totaled \$230 million, while imports from Vietnam were valued at \$77 million, Commerce data shows.

<https://www.reuters.com/article/us-usa-trade-toolchests/u-s-trade-panel-tool-chests-from-china-vietnam-harm-u-s-makers-idUSKBN1IC1WT>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at May 7, 2018	
	Percentage (%)
Yield to Maturity	5.52
Weighted Average Coupon	5.463
Current Yield	5.16

The platinum portfolio has an effective maturity of 12.38 years and duration of 4.29 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](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

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