

DAILY MARKET SUMMARY



LOCAL STOCK MARKET: (JS) +

Stock Symbol	SJ	JP	CAC	CHL	GENAC
Current Price (\$)	36.46	16.47	8.70	10.02	3.43
Trailing EPS (\$)	3.10	0.83	0.78	0.34	0.23
P/E (times)	11.75	19.84	11.19	29.25	15.19
Projected P/E	11.31	9.75	11.65	28.50	13.20
Projected EPS (\$)*	3.22	1.69	0.75	0.35	0.26
Book Value per share (\$)	17.10	10.22	3.26	0.94	1.89
Price/Book Value (times)	2.13	1.61	2.67	10.61	1.81
Dividend Yield (2018 %)	1.81%	N/A	N/A	1.15%	N/A
Volumes	70,113	1,000	NIL	4,012	NIL
Recommendation	HOLD	HOLD	BUY	SELL	HOLD

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

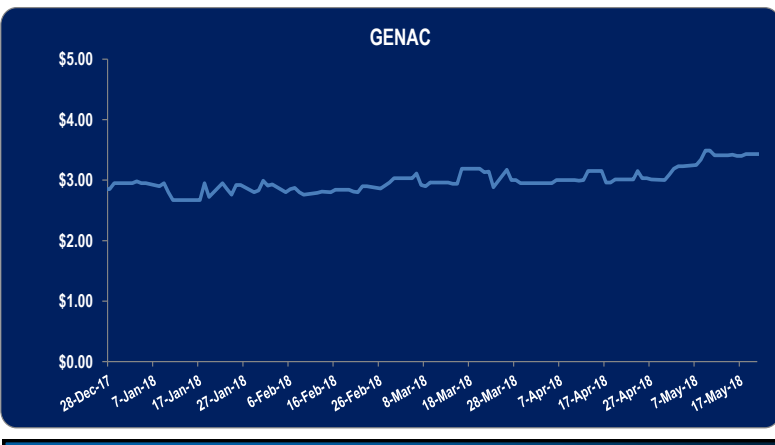
	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	134.770	100.000	125.8686	136.030	100.420	127.0343
CAN	99.380	73.240	97.2443	111.000	92.000	98.8928
GBP	170.000	121.720	167.8514	173.974	121.240	169.8564
EURO	145.167	107.240	143.0875	168.020	138.200	149.5108

*Rates as at May 25 2018

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (May 28, 2018) trading session. The over night rates were quoted around 1.40% while the 30-day rates stood at 2.50%.

The US dollar fixed income market was also liquid during today's (May 28, 2018) trading session; The overnight market rates were quoted 1.00% while the 30-day market rates stood between 1.40%.



STOCK OF THE DAY: General Accident Insurance Company (JA) Limited

For the three months ended March 31, 2018:

General Accident Insurance Company Limited (GENAC) reported Net Premium Written of \$430.59 million for the first quarter of the 2018 financial year, a 25% increase from the \$344.45 million reported in 2017. This increase was driven by 12% increase in Gross Premium Written to \$2.21 billion in 2018 from \$1.97 billion in 2017. Reinsurance Ceded grew by 9% totaling \$1.75 billion in 2017 from \$1.60 billion in 2017. Excess of Loss Reinsurance Cost amounted to \$30.77 million (2017: \$22.54 million) a 37% uptick.

Net Changes in Unearned Premiums totaled \$65.93 million, compared to \$40.39 million that was recorded last year. This resulted in Net Premium Earned of \$364.66 million for the quarter relative to \$304.06 million, a 20% increase.

Commission Income went up by 46%, year over year, from \$128.15 million in 2017 to \$187.30 million while Commission Expenses increased by 20% from \$96.36 million to \$115.72 million.

Claims Expenses saw a 6% increase, closing the period at \$248.08 million (2017: \$233.20 million), while Management Expenses rose 29% to total \$172.31 million from \$133.69 million in 2017. Management noted that, "our operating expenses grew by 29% resulting primarily from increased staff cost and restructuring."

As a result, GENAC reported an underwriting loss of \$7.26 million compared to a loss of \$17.03 million in 2017.

Profit before Taxation amounted to \$34.88 million (2017: \$20.58 million). Taxation for the period was \$5.81 million (2016: \$3.2 million). Consequently, Net Profit totaled \$29.07 million relative to \$17.37 million in 2016; representing a 67% increase.

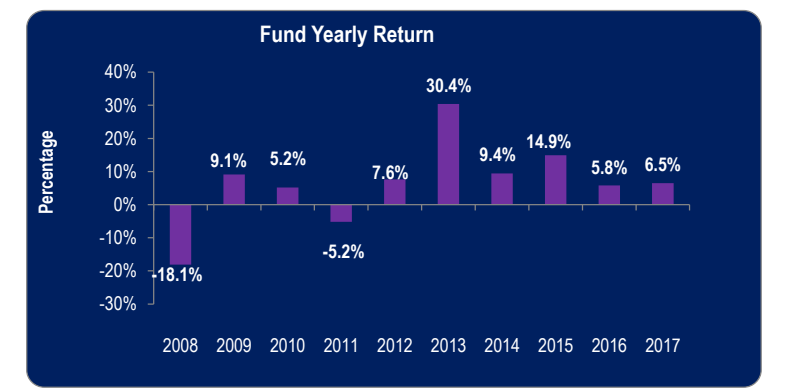
In addition, other operating expenses went up by 40% to total \$10.20 million in 2018 relative to \$7.26 million in 2017.

As such, EPS for the period is \$0.028 (2017: \$0.017). The twelve month trailing EPS amounted to \$0.23.

OVER THE COUNTER FUNDS (CI FUNDS)

CI Global Value Corporate Class

This fund's objective is to obtain maximum long-term capital growth by identifying securities that the portfolio advisor believes are undervalued and have the potential for future growth. It invests primarily in equity and equity-related securities of companies around the world. The fund may make large investments in any country, including emerging markets or emerging industries of any market. The fund has a 3 year return of 5.8% and a 5 year return of 11.0% as at March 31, 2018. The Fund also has a 6 month return of 1.9%.



*Prices are as at May 28, 2018 *Projections are for the forward 12 months from the most recent quarter results

U.S.: Traders Look for Clues About the Emerging-Market Currency Bounce

For all the concern that there's a crisis brewing in some developing economies, emerging markets are showing resilience going into the final week of May, thanks to the dollar's recent pause and a drop in U.S. yields. That may all change should Friday's payrolls data fan speculation that the Federal Reserve will accelerate the pace of interest-rate increases. But Turkey apart, investors are saluting a week in which emerging-market currencies had their biggest gain since March and local-currency bonds strengthened for the first time in seven weeks as U.S. 10-year yields slipped back below 3 percent. Still, stocks extended the previous week's losses. Purchasing managers' indexes from across emerging markets will provide clues on the health of the global economy and influence policy makers' thinking. Investors will also closely watch how central banks will respond to any return of currency weakness. The lira was the world's best-performing currency on Monday after Turkey's central bank announced changes that sought to simplify its monetary policy. It said it would start using the one-week repo, which hadn't been used as its main funding tool since January 2017, as its policy rate starting June. The central bank's unscheduled 300-basis point increase to its main rate -- the late-liquidity window.

<https://www.bloomberg.com/news/articles/2018-05-27/is-em-currency-bounce-a-blip-traders-eye-u-s-rates-for-clues>

Asia: Oil extends losses as OPEC and Russia look to raise output

Oil prices extended losses on Monday as Saudi Arabia and Russia said they may increase supplies while U.S. production gains show no sign of slowing. Brent crude futures LCOc1 stood at \$75.02 a barrel at 1345 GMT (9.45 a.m. ET), down \$1.42 from the previous close. The contract touched a three-week low of \$74.49 earlier in the session. U.S. crude futures were at \$66.29, down \$1.59, after hitting a six-week low of \$65.80. The spread between the two contracts CL-LCO1=R reached \$9.38 a barrel, its widest since March 2015. The Organization of the Petroleum Exporting Countries and other producers led by Russia began withholding 1.8 million barrels per day (bpd) of supplies in 2017 to tighten the market and prop up prices that in 2016 fell to their lowest in more than a decade at less than \$30 a barrel. Prices have soared since the start of the cuts last year, with Brent breaking through \$80 this month, triggering concerns that high prices could crimp economic growth and stoke inflation. To address potential supply shortfalls Saudi Arabia, the de facto leader of OPEC, and top producer Russia have been in talks about easing the cuts and raising oil production by 1 million bpd. Russian Energy Minister Alexander Novak said a return to October 2016 production levels, the baseline for the current supply pact, was one option for easing curbs. Meanwhile, surging U.S. crude production showed no sign of abating as drillers continued to expand their search for new oilfields to exploit.

<https://www.reuters.com/article/us-global-oil/oil-extends-losses-as-opec-and-russia-look-to-raise-output-idUSKCN1IT015?il=0>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at May 28, 2018	
	Percentage (%)
Yield to Maturity	5.75
Weighted Average Coupon	5.529
Current Yield	5.58

The platinum portfolio has an effective maturity of 13.59years and duration of 4.58years.

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.

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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

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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