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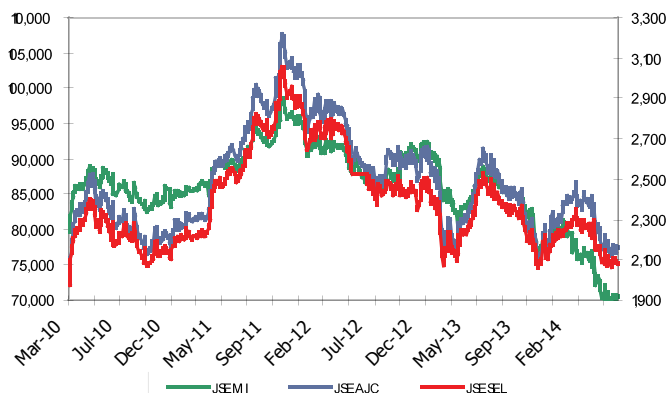
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Jamaican Stock Market



Weekly Movement in Indices

Indices	Closing Levels	Change
JSE Combined Index	100,321.85	+84.98
JSE Market Index	98,050.05	+383.10
All Jamaican Composite	108,532.55	+428.21
Jamaica Select Index	2,891.30	+25.60
JSE Cross Listed Index	499.06	-

Most Active Stocks

PTL	10,571,536	54.36%
LIME	1,572,006	8.08%
JMMB 8.75%	1,447,704	7.44%

Top Winners & Losers This Week

	\$ Change	% Change
Winner:GLNR	+\$0.38	33.04%
Winner:PUL	+\$0.16	26.67%
Loser:LASF	-\$0.17	-8.81%
Loser:LASM	-\$0.11	-8.40%

The Industry Continues to be Shaped by Acquisitions

JMMB, through its Dominican Republic subsidiary, JMMB Holding Company Limited, has obtained regulatory approval for the acquisition of 90% of the shares of BancoAhorro y Credito Rio. Banco Rio is a savings and loans bank, that is licensed to provide consumer loans; loans to small and medium enterprises (SMEs); commercial loans; credit lines; credit cards, cambio services; savings accounts and certificates of deposit.

The acquisition is another step in JMMB's strategy to build out an integrated financial services model in the Dominican market. Additionally, this provides an opportunity for clients of JMMB and Banco Rio to access an even more diversified bundle of financial solutions (through banking and investments).

Growth through mergers and acquisitions has become a path taken by an increasing number of local financial players in a bid to diversify the scope of operations so as to achieve more sustainable long term growth. A number of players have been capitalizing on opportunities outside of the local landscape. Recently, in its move to pursue its private equity strategy, Proven raised in excess of US\$20Mn in a rights issue where proceeds are expected to be used for another acquisition. Other players such as NCB Capital Markets Limited have also gone the route of acquisitions, where in December 2013 it completed the acquisition of AIC Finance Limited, which was later rebranded NCB Global Finance Limited.

It is expected that financial players will continue on this trajectory in order to capitalize on opportunities regionally and locally. With some regional markets being less developed than that of Jamaica, there is an avenue for local players to extract value as these markets develop and become more open and from first mover advantage relative to other players that come in at a later stage of development.

Remittances Climb During the 2014/15 Fiscal Year

Since rebounding in 2011, remittances have continued on its uptrend in 2014/15 fiscal year. For March 2015, net remittances increased year-on-year by 1.5% to US\$174.4Mn. The monthly increase was largely driven by higher total remittance inflows during the month. This helped to propel total remittance inflows for the April – March 2015 period to US\$2173Mn, the highest inflows recorded in over 5 years. Net remittances for the FY2014/15 stood at US\$1,940.8Mn, a 4.6% increase relative to the corresponding

period in 2014.

The country's net remittances benefitted from strong inflows from both the US and UK markets, which have both registered improvements in their economies as well as a steady decline in unemployment rates. The UK job market has seen a significant lift with unemployment rate as 5.5% as at March 2015 (from 6.8% a year earlier) and data indicating that that total wage growth climbed to 1.9% in March while regular wages, which exclude bonuses, hit 2.2%. Since inflation in the UK has dropped to about zero at the beginning of this year, real wages have soared.

It is anticipated that Jamaica's net remittances will continue to grow as increased economic activity boosts business confidence and result in more job opportunities for the diaspora.

JMD Money Market

Bank of Jamaica closed its issue of a 1- and 2-year VR CD on Friday, July 3rd. Total take-up at the end of trading on Thursday was J\$2.14B. There was a slight increase in JMD broker market rates last week as market liquidity levels continued to be highly constrained into the first half of the week. While market pressure eased somewhat in the latter part of last week, liquidity conditions are expected to remain tight this week.

The Central Bank also closed its issue of a 3-, 5- and 7-year USD CD on Thursday, July 2nd. The instruments which had coupons of 3.00%, 4.10% and 4.70%, respectively had total participation of US\$36.3M. USD market liquidity levels continue to be moderate.

Foreign Exchange Market

Selling	Close: 26/06/15	Close: 03/07/15	Change
J\$/US\$1	116.92	117.07	+\$0.15
J\$/CDN\$1	94.44	92.94	-\$1.50
J\$/GBP£1	183.71	182.60	-\$1.11

Strong end user and broker demand continued for another week. The dollar traded as high as \$117.25 and as low as \$116.90. On Friday, the weighted average selling rate stood at J\$117.07:US\$1.00 a depreciation of \$0.15 week on week

GOJ Globals

Jaman global bond trading activity was dominated once more by the 25N which traded in the range of 112.25-112.75. There were buyers of 17s at 114.25 and 19s at 112.75 with very little action occurring on both. Trading in JMD bonds was limited to retail sized volumes

Indicative Levels - GOJ Globals

	Bid	Offer	Offer Yield*
2017	114.250	116.250	2.09%
2019	112.000	113.500	3.17%
2021	109.000	111.000	4.83%
2022	128.000	130.000	6.00%
2025	123.000	125.000	5.96%
2036	115.000	117.000	6.94%
2039	113.000	114.750	6.72%

International News

Citizens of Greece continued to protest which showed the deep divide heading into a referendum that may decide the country's future in Europe's single currency. European bonds and stocks traded cautiously on Friday before a Greek referendum on EU-prescribed reforms that could determine the country's future in the euro zone and which polls suggest could go either way. Yields on top-rated German 10-year Bunds, the benchmark for European borrowing costs, fell as some investors chose to preserve their capital in low-yielding but relatively safe assets. European stocks dipped and were set for the biggest weekly drop in two months, while the euro edged higher.

European Central Bank Vice President signaled that the ECB could loosen funding to Greek banks if Greeks vote 'Yes' in a referendum on Sunday on whether or not to accept more austerity in return for aid. The significance of the referendum was in making it more or less likely that an agreement could be reached on providing financial assistance to Greece. In the referendum, Greeks will say whether they are in favor of a cash-for-reforms proposal from Athens' international creditors - now expired - which the government is urging voters to reject. "If there is a 'No' result, then it will be more difficult for such an agreement to be reached.

Oil tumbles 5 percent after Greek 'No' vote, ahead of Iran deadline

Oil prices tumbled their most in three months on Monday, with U.S. crude falling 5 percent, after Greece's rejection of debt bailout terms and China's rolling out of emergency measures to support its stock markets shook global markets.

Adding to the pressure on oil markets, Iran and global powers were trying to meet a July 7 deadline on a nuclear deal, which could add more oil to oversupplied markets if sanctions on Iran are eased. The self-imposed deadline could be extended again, officials at the negotiations said.

U.S. crude CLc1 was down \$2.61 at \$54.32 a barrel by 10:45 a.m. EDT, breaking below the 100-day moving average and heading for its worst loss in a day since the near 7 percent drop on April 8.

"What happens now depends on the bears' ability to break down \$54 which is a major level of support," said Fawad Razaqada, a London-based technical analyst for forex.com. "A closing break below \$54 could pave the way for a move

*NB: The rates quoted above are opening indicative levels on the international market and are subject to change as market conditions vary throughout the trading session. Additionally, the prices quoted to clients of NCB Capital Market Limited (NCBCLM) are adjusted to reflect the costs associated with completing the transaction on the respective client's behalf.

down to \$50.”

Brent LCOc1 fell \$1.60, or 2.7 percent, to \$58.72, also snapping the 100-day average.

Greeks voted a resounding no to a referendum on an international bailout that also put in doubt its membership in the euro. The euro EUR= fell against the dollar, weighing on demand for dollar-denominated commodities from holders of the single currency.

“Uncertainty over Greece is bearish for oil. It adds an extra negative factor on top of the turmoil in Chinese financial markets, the recent rise in U.S. drilling rigs, and a potential increase in Iranian oil supply,” said Olivier Jakob, senior energy analyst at Petromatrix in Zug, Switzerland.

Commodities were also sucked into market turmoil that has seen Chinese shares .CSI300 fall as much as 30 percent since June due in part to the economy growing at its slowest pace in a generation.

In Vienna, a dispute over U.N. sanctions on Iran’s ballistic missile programme and a broader arms embargo were among issues holding up a nuclear deal between Tehran and six world powers.

Iran is seeking to restore oil exports that have dropped from 2.5 million barrels per day in 2011 to about 1 million bpd in 2014.

Morgan Stanley analysts said up to 700,000 bpd in new Iranian exports were likely to arrive between late 2015 or early 2016, delaying the recovery in oil prices and U.S. output by 6 to 12 months

[Greece Extends Bank Holiday, Capital Controls Through Wednesday](#)

Greece’s creditors are turning up the heat on Prime Minister Alexis Tsipras to devise a plan to stay in the euro, as banknotes become more scarce and the nation was forced to extend capital controls.

After voters emphatically endorsed Tsipras’s call for a “no” to more austerity in Sunday’s referendum, European finance ministers are waiting for a proposal to re-start bailout talks. Tsipras and the leaders of three opposition parties said in an unprecedented joint statement they all supported efforts to seal a deal.

The onus is on Greece to act quickly to avoid a meltdown of its banks, which the government said will now remain shut through Wednesday. German Chancellor Angela Merkel and French President Francois Hollande are due to meet other euro-region leaders tomorrow as the crisis escalates while the European Central Bank is also evaluating its next moves to prevent the country’s impending financial calamity.

“Time is running out and the window for a deal keeps narrowing,” Mujtaba Rahman, head of the Europe practice at Eurasia Group in London, wrote in a note to clients. “The euro leaders’ summit on Tuesday is likely to prove decisive for Greece’s euro membership.”

Door Ajar

Financial markets were more sanguine about Greece’s fate. The euro was down 0.4 percent to \$1.1069 at 4:40 p.m. in London. The Stoxx Europe 600 Index fell 1.2 percent, compared with a drop of as much as 3.2 percent a week ago when Tsipras introduced capital controls and closed banks.

The problem for Tsipras is that the muted response from investors was matched by European leaders showing no immediate willingness to compromise. Merkel’s chief spokesman, Steffen Seibert, said no resolution was imminent. A deal within 48 hours will be “difficult to achieve,” he said.

“In the next couple of days we’ll see whether there is sufficient trust and the political opportunity to find a solution,” Jeroen Dijsselbloem, president of the group of euro-region finance ministers, told reporters in The Hague. “That has to be looked at. It’s not so easy to close a door.”

New Minister

In a bid to speed the process, Greek Finance Minister Yanis Varoufakis said he was stepping down after more than five months of confrontation.

NCB Capital Markets Ltd (formerly Edward Gayle and Co.) established in 1968 is Jamaica's oldest stockbrokers. The company became a part of the NCB Group in 1994 and a fully owned subsidiary in October 2002. In December 2002, the then Edward Gayle and Co. was merged with another NCB subsidiary, NCB Investments. The products distributed by this combined subsidiary cover the traditional money market product offerings (J\$ and US\$ Repos), primary dealer services, stock brokerage and investment advisory services. Edward Gayle was renamed NCB Capital Markets Ltd. in October 2003.

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