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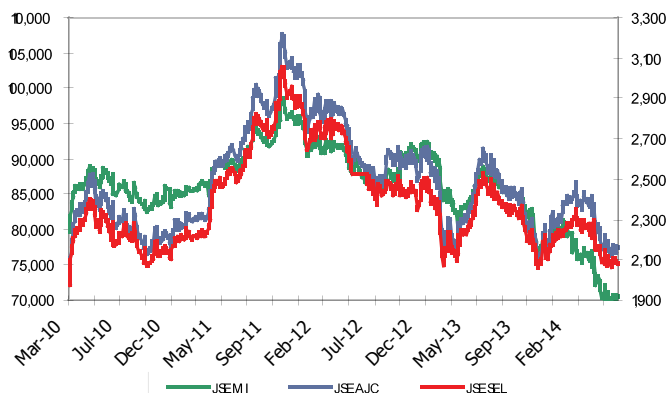
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Jamaican Stock Market



Weekly Movement in Indices

Indices	Closing Levels	Change
JSE Combined Index	104,636.95	+3,256.96
JSE Market Index	100,992.53	+2,521.79
All Jamaican Composite	111,821.48	+2,818.71
Jamaica Select Index	3,085.43	+105.41
JSE Cross Listed Index	499.06	-

Most Active Stocks

Stock	Volume	% Change
MIL	7,174,670	34.02%
LIME	3,298,717	15.64%
LASF	3,095,181	14.68%

Top Winners & Losers This Week

Stock	\$ Change	% Change
Winner:RJR	\$0.90	+30.00%
Winner:LASF	\$0.43	27.74%
Loser:HL	-\$2.25	-15.00%
Loser:CPJ	-\$0.40	-13.33%

Radio Jamaica Limited to Acquire Gleaner Company

Radio Jamaica Limited (RJR) and Gleaner Company announced on August 5th an agreement which will see the combination of both media entities. The transaction, which is to be pursued through a court approved scheme of amalgamation, will be a stock for stock deal where RJR will issue and exchange 1.2Bn shares on a one for one basis to shareholders of the Gleaner Company for 100% of a newly formed subsidiary Gleaner Company (Media) Limited (GCML) which will hold the assets of the media entities of the Gleaner Company.

The transaction will result in the shareholders of the Gleaner owning 50% of RJR's common stock and existing RJR shareholders owning the remaining 50% of the combined business. The merger will create a holistic media entity providing, print, online, radio, television, cable television and new media products and services

The transaction is subject to shareholder and court approval along with regulatory review and other customary procedures, and is expected to be completed by the end of 2015.

Since the announcement, the share price of Gleaner has increased by 16.9% to \$1.52, where the stock is trading at a P/E of 6.58X. Notable market interest has been seen in RJR share price which has increased by 13.0%. Currently, RJR's price book (PB) value is 1.06X, while Gleaner has a PB of 0.67X.

Sagicor Group Jamaica's Banking Acquisition Boosts Earnings for H1 2015

Sagicor Group Jamaica Ltd (SG) posted net profit of \$3.76Bn (EPS: \$0.96) for the six month period ended June 2015. This represents an increase of 31.2% when compared to earnings in the corresponding period. The growth was largely attributable to the acquisition and of RBC Royal Bank Jamaica operations and the integration under its banking brand, Sagicor Bank. Waning demand for insurance and pension type products as a result of the weakness in the economy, has placed pressure on growth from the premium revenue line and as such net premium revenues contracted by 4.6% to \$14.70Bn. However, thanks to growth in the Group's commercial banking business line following the acquisition, higher net investment income, fees and other revenues, the group managed to offset the decline in net premium revenue and resulted in a 15.6% increase in total revenue to \$26.64Bn. Higher insurance benefits paid out for the period coupled with a 52.4%

increase in administrative expenses reflecting the inclusion of the RBC portfolio resulted in total operating expenses moving from \$19.75Bn in H1 in 2014 to \$22.08Bn in H1 2015.

A higher equity base led to return on equity moving from 16% last year to 15% in H1 2015.

The sluggish growth in the Jamaican economy and lower demand for insurance and pension products may continue to weigh on growth from the net premium revenue line. Consequently, SG will likely have to focus on growing its banking subsidiary in an effort to support earnings in the short term.

At its current trading price of \$13, Sagicor's trailing P/E is 5.35X while P/B is 1.07X.

Sagicor Real Estate X Fund

Sagicor Real Estate X Fund Limited (X Fund) announced plans to undertake a pro rata non-renounceable rights issue of up to 598,134,700 new ordinary shares. That is, the rights issue will only be available to shareholders of the X Fund stocks as at the record date. The rights issue will exchange 2 new ordinary shares for every 5 ordinary stock units held as at the record date - August 17, 2015. The rights issue price will be J\$6.95 per share which indicates that the company's management expects to raise approximately J\$4.16Bn. The funds raised from the issue will be immediately converted to USD and are intended to be used to assist in the acquisition of a convention hotel in Orlando, Florida, which is affiliated with a major hotel chain. The resort has 742 rooms (inclusive of 17 suites) with over 62,800 square feet of meeting and convention space. It is located in Orlando at the entrance to the Universal Theme Park. The balance of the purchase price is expected to be funded by way of a loan. If the purchase of the hotel is completed before completion of the rights issue then the funds raised will go to liquidate, in part, any bridge financing obtained by X Fund.

The X Fund invests in the tourism sector and commercial real estate, through its investment in the Sagicor Sigma Real Estate Portfolio and by its direct ownership of the Hilton Rose Hall Resort and Spa in Montego Bay (the Hilton Rose Hall). As at the six month period ended June 2015, the Fund showed significant growth in its revenues and earnings reflecting the January 2015 acquisition of Hilton Rose Hall and the consequent diversion of revenue stream from solely interest income. As a result, total revenues increased by \$2.42Bn (+588.7%) to \$2.83Bn. However, the addition of the hotel to X Fund's portfolio also resulted

in large scale expenses with total operating costs moving to \$2Bn as at the end of the reporting period. Reported net profit moved from \$410.28Mn (EPS: 0.27) in H1 2014 to \$686.8Mn (EPS: \$0.46) in H1 2015. The acquisition of the property in the US will lead to further revenue diversification as its investment footprint will extend beyond the local landscape. At its current trading price of \$8.50, X-Fund has a trailing P/E of 10.49X and its P/B is 1.30X.

Carreras (CAR) Earnings

Carreras closed the first quarter (Q1) of its new financial year recording earnings of \$622.8Mn (EPS: \$1.28) which represented a 5.8% increase in earnings relative to the corresponding prior year period. This was primarily due to a marginal increase in revenue and lower costs. Given the increase in the price of Cigarettes in March 2015, in the company saw lower volumes sold during Q1.

Interest and other investment income decreased by 17% to \$42.2Mn, being impacted by lower interest rates in the market. Notwithstanding the challenges Carreras was able to focus on cost containment, resulting in a 6.4% decline in operating costs.

On August 3rd the company declared the payment of a dividend of \$1.20 per share unit out of accumulated profits, payable on September 3, 2015 to shareholders on record as at August 18, 2015. The ex-dividend date is August 14, 2015.

JMD Money Market

JMD market liquidity levels continued to be constrained this week, however, interest inflows are expected to boost liquidity conditions in the upcoming week. The GOJ 7.25% 2016 FR bonds will pay interest in excess of J\$1.0B on Monday, August 10, 2015.

Demand from the broker market for USD funding has levelled off relative to the prior week following the new GOJ bond issue in late July. While demand will continue to be slightly elevated, it is expected that liquidity levels will moderate in the upcoming weeks.

Foreign Exchange Market

Selling	Close: 31/07/15	Close: 07/08/15	Change
J\$/US\$1	117.42	117.36	-\$0.06
J\$/CDN\$1	90.37	88.90	-\$1.47
J\$/GBP£1	183.05	182.18	-\$0.87

GOJ Globals

Jaman global bond activity was centered on the new 2028 bond with trades occurring at 100.50. There were also smaller trades on 39s at 110.25. Trading activity in JMD bonds remains fairly subdued.

Indicative Levels - GOJ Globals

2017	113.500	115.500	2.12%
2019	111.250	112.250	3.47%
2021	108.750	109.750	5.14%
2022	127.500	129.500	6.03%
2025	122.000	124.000	6.06%
2028	100.000	101.000	6.63%
2036	116.000	117.500	6.89%
2039	110.500	112.500	6.90%

International News

U.S. employment rose at a solid clip in July and wages rebounded after a surprise stall in the prior month, signs of an improving economy that opened the door wider to a Federal Reserve interest rate increase in September. Nonfarm payrolls increased 215,000 last month as a pickup in construction and manufacturing jobs offset further declines in the mining sector. The unemployment rate held at a seven-year low of 5.3%. Payrolls data for May and June were revised to show 14,000 more jobs created than previously reported. In addition, the average workweek increased to 34.6 hours, the most since February. Wage growth has been disappointingly slow. But tightening labor market conditions and decisions by several state and local governments to raise their minimum wage have fueled expectations of a pickup. The U.S. central bank said its policy-setting committee anticipated it would be appropriate to raise lending rates when it has seen "some further improvement" in the jobs market. It has not raised rates since 2006. U.S. stocks fell after the jobs data as traders saw a greater chance of a rate hike next month. The dollar rose to near a four-month high against a basket of currencies before weakening. Prices for longer-dated U.S. Treasuries were up.

Wall St. rises on Berkshire deal, China stimulus hopes

Wall Street was up more than 1 percent on Monday, bouncing back sharply from last week's steep lows, buoyed by optimism around China and Greece, and as Warren Buffett's latest billion-dollar deal showed the M&A boom was alive and well.

Disappointing data out of China boosted hopes for additional stimulus from Beijing, while Greece and international creditors could wrap up a multi-billion euro bailout accord by Tuesday.

Buffett's Berkshire Hathaway (BRKa.N) (BRKb.N) said it would buy Precision Castparts (PCP.N) in a deal valuing the company at \$32.3 billion. Precision Castparts' shares jumped as much as 19.4 percent to \$231.47, while Berkshire Class B shares fell 1.4 percent to \$141.60.

"The market took their cues from China overnight, and the Berkshire deal is another factor driving investor sentiment today," said Aaron Clark, a portfolio manager at GW&K Investment Management, which oversees about \$25 billion.

With U.S. interest rates near zero for nearly a decade, debt has been cheap. But with the Federal Reserve widely expected

*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 (NCBCML) are adjusted to reflect the costs associated with completing the transaction on the respective client's behalf.

to hike rate later this year, merger and acquisition activity has increased.

July was the seventh strongest month for global deal activity since 1980. Up to the end of July, cross-border M&A activity totaled \$913.5 billion, up 23 percent from a year ago, according to Thomson Reuters data.

"M&A will continue to be robust because funding is still cheap (even with the proposed rate hike) and excess cash needs to be invested," said Clark. "We are also seeing a lot of activist investor activity."

At 12:56 a.m. ET the Dow Jones industrial average .DJI was up 223.03 points, or 1.28 percent, at 17,596.41. The S&P 500 .SPX was up 24.4 points, or 1.17 percent, at 2,101.97 and the Nasdaq composite .IXIC was up 53.59 points, or 1.06 percent, at 5,097.13.

Nine the 10 major S&P sectors were higher, led by the energy index's .SPNY 2.3 percent hike as oil prices edged up from six-month lows.

Apple (AAPL.O) 3.3 percent rise gave the biggest boost to all three major indexes.

In other deal news, ammonia maker CVR Partners' (UAN.N) deal to buy Rentech Nitrogen Partners (RNF.N) for about \$533 million sent Rentech soaring 26.6 percent to \$13.04.

U.S. stocks ended lower on Friday, with the Dow closing down for the seventh straight day, after solid July jobs data pried the door open a little wider for a potential rate hike in September.

The Fed has said it will raise rates only when it sees a sustained recovery in the economy. Though the labor market has rebounded, inflation rate stays below the 2-percent target.

Atlanta Fed President Dennis Lockhart said economic conditions have largely returned to normal and a decision to raise interest rates should come soon.

Twitter (TWTR.N) rose 6.8 percent to \$28.89 after the CEO Jack Dorsey joined other insiders in buying more shares and the company also clinched a multiyear partnership with the National Football League.

Fed 'close' to hiking rates, U.S. economy near normal - Lockhart

Economic conditions in the United States have largely returned to normal and a Federal Reserve decision to raise interest rates should come soon, Atlanta Fed President Dennis Lockhart said on Monday.

"I think the point of 'liftoff' is close," Lockhart said in prepared remarks for an address to the Atlanta Press Club. "The economy has made great gains and is approaching an acceptable normal ... conditions are no longer extraordinary."

Lockhart, regarded as a centrist on the U.S. central bank's policy-setting committee, did not in his prepared remarks repeat recent comments in which he said he is ready to vote for a rate hike next month.

But he made clear he feels the economy has cleared the major hurdles that he saw earlier in the year.

Risks from abroad, whether a Greek exit from the euro zone or a meltdown in China, have receded, he said. While oil prices have made it difficult to gauge inflation, he said the U.S. economy is now arguably "just a shade" from full employment, putting the Fed in reach off one of its key goals.

Lockhart said he is confident inflation will rise in the coming months as the economy continues to strengthen.

"Compared to earlier in the year, we know a lot more and can shelve some concerns," Lockhart said. "We are getting closer and closer to what feels like a healed state."

Since May, Lockhart has pointed to a likely September rate hike, and his comments have firmed alongside continued strong employment growth. Four of the current 10 voting members of the Fed's policy-setting committee have publicly put September in play - Lockhart, Fed Governor Jerome Powell, San Francisco Fed President John Williams and Richmond Fed President Jeffrey Lacker.

Chicago Fed President Charles Evans is the only committee member to have taken a public stand against a September increase, though others like New York Fed President William Dudley and Fed board member Lael Brainard have cited overseas risks and other issues that they feel could slow the U.S. recovery.

Fed Chair Janet Yellen has said she feels a rate hike will be appropriate later this year, without indicating a preference.

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