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NCB CAPITAL MARKETS LIMITED

Weekly Market GUIDE

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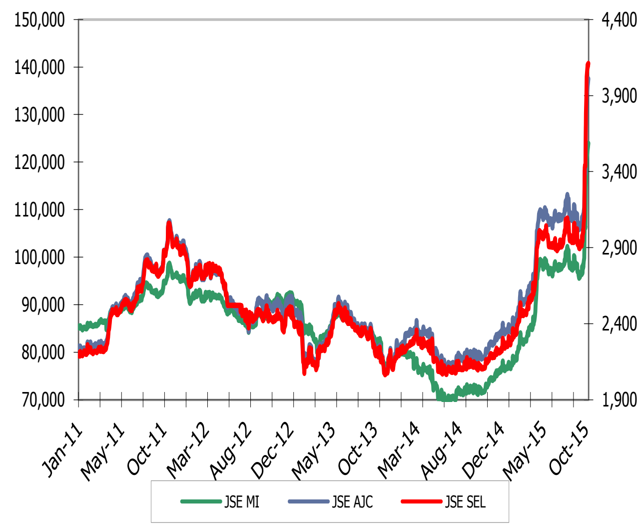
Jamaican Stock Market



Weekly Movement in Indices

Indices	Closing Levels	Change
JSE Combined Index	140,201.06	+4,418.02
JSE Market Index	134,188.79	+2,904.75
All Jamaican Composite	148,919.83	+3,246.22
Jamaica Select Index	4,496.97	+184.96
JSE Cross Listed Index	499.06	-

Most Active Stocks

	Units Traded	%
LIME	8,496,896	19.84%
SGJ	3,771,084	8.81%
MIL	2,728,672	6.37%

Top Winners & Losers This Week

	$ Change	% Change
Winner: PUL	+$0.46	+54.76
Winner: BIL	+$0.92	+33.45%
Loser: LIME	-$0.25	-19.69%
Loser: X FUND	-$1.65	-14.22%

GraceKennedy Posts 14.2% Decline in Earnings

GraceKennedy (GK) posted a 14.4% increase in revenues during the nine month period to September, however this failed to filter through to the Group's bottom-line. GK reported a 14.2% decline in earnings which was attributable to costs associated with the integration of its expanded US Food operations through GraceKennedy Foods (USA), recognition of the total asset tax liability in the first quarter, lower foreign exchange gains and higher finance costs.

From an operating segment standpoint, all segments, with the exception of Food Trading, saw improvements in pre-tax earnings relative to the corresponding prior year period. The Money Services segment recorded increased revenues and profits. This was due to a combination of factors, namely higher remittance transactions and increased market share in Jamaica, higher revenues from cambio operations in Trinidad, and cost containment initiatives implemented by the segment. Segment pre-tax earnings stood at $1,736Mn which represented 5.6% increase. The Banking and Investments segment reported a 35.5% increase in segment earnings due to growth in First Global Bank's net interest income and non-interest income. The growth in net interest income was bolstered by year over year growth in loans and deposits of 28% and 21% respectively.

While the group's flagship segment, GK Foods, continue to make strides in widening the distribution network and the accessibility of the products to the Diaspora, this was met with higher integration costs. Notably, the Food Trading segment saw a 17% increase in revenues which benefited from "Grace on the Move" promotional campaign. GK also managed to reach a wider market through the launch of the Grace product-line on Amazon.com in July 2015. We are pleased with the progress that GK is making in widening its revenue stream, however greater focus will have to be made in controlling costs so that the benefits to bottom-line earnings are seen.

Since the start of the year the stock price has increased by 10.1% to $68.11. The stock is currently trading at a PB of 0.58X and a PE 7.69X.

MIL's Earnings Hit Hard

Mayberry's earnings plummeted during the nine month period, down 44.5% to $154Mn relative to the corresponding prior year period. The blow to earnings came as a result of lower operating revenue due to unrealized losses on investments relative to the gain last year, lower FX gains and a decline in "other" income. The general decline in EM bond prices following speculation about the timing of an interest rate hike in the US contributed to losses within the company's bond portfolio.

Operating expenses were kept fairly tight, having increased by 6.0% to $562Mn. However the weakness in its operating revenues overshadowed the slow pace of increase in expenses, which contributed to a 15.0% decline in operating profit. The increase in the rate of the asset tax from 0.14% to 0.25% coupled with the recognition of the asset tax as a levy and being fully recorded in Q1 also negatively impacted year-to-date performance.

Sagicor Group Jamaica Continues to Benefit from RBC Acquisition

The consolidation of RBC's Jamaican banking operations continues to yield positive results for Sagicor Group Jamaica Ltd (SG). SG registered an impressive 42.1% year-on-year increase in net profit for the nine month period ended September 2015 to $5.83Bn (EPS: $1.49). The outturn was supported by robust revenue growth as the Group recorded the full nine months of revenues from its RBC acquisition, rather than just three months in 2014. Consequently revenues from the commercial banking segment moved from $2.67Bn to $5.82Bn. The Group also placed significant focus on growing its individual insurance business line. However, net premium revenue remained relatively flat as the 15.8% increase in the individual lines segment was partially eroded by a decline in Employee Benefits business. Meanwhile, significant capital gains on the sale of investments and the continued growth in fees thanks to the expanding unit trust portfolio supported total revenue growth of 16.1% to $39.7Bn.

Despite the integration of the RBC banking operations, Sagicor was able to keep benefits and expenses relatively contained. The highest cost movements were from the administrative and asset tax expense items. Total benefits and expenses were $32.9Bn. This resulted in the efficiency ratio increasing slightly from 26% in 2014 to 27% in 2015. This is commendable in light of the fact that extensive post-acquisition and integration costs tend to weigh on the financial performance of the acquirer.

At its current price of $14.60, SG's trailing P/E is 5.53X while its P/B is 1.30X.

X Fund Increases Holdings & Increases Profits

The Sagicor Real Estate X Fund Ltd (XFUND) recorded its most robust financial performance to date. Net profit for the nine month period ended September 2015 was $1.06Bn (EPS: $0.63 adjusted for rights issue) which represents a 56.2% growth in earnings. Following the acquisition of the 489-room Hilton Rose Hall in January and the subsequent acquisition of the 742-room Doubletree Hotel in September 2015, XFUND has registered the related boost in both revenues and earnings. As such, revenues moved from just $681.2Mn in 2014 to $4.36Bn in 2015 with hotel revenue accounting for roughly 83% of the 2015 outturn. Along with the acquisitions came the ensuing hotel expenses and resulted in XFUND going from a zero-cost operation to recording $3.18Bn in expenses. The net profit margin was 23.7%.

JMD Money Market

JMD market liquidity continued to be constrained last week causing market rates to rise across all tenures. Liquidity levels are expected to improve this week due to interest inflows from the GOJ 7.50% 2017 FR BMIs of J$2.1B on Tuesday, November 10th.

The USD market received a liquidity boost last week from the early repayment of US$99M in BOJ CDs. As a result, USD broker market rates declined.

Foreign Exchange Market

Selling	Close: 30/10/15	Close: 06/11/15	Change
J$/US$1	119.83	119.85	+$0.02
J$/CDN$1	90.58	89.43	-$1.15
J$/GBP£1	182.58	182.50	-$0.08

The BOJ intervened in the market twice this week in an effort to shore up USD supplies. The Central Bank intervened at a rate of J$119.88:US$1.00 on Wednesday and Thursday, pumping approximately US$20M into the market. The dollar closed at a weighted average selling rate of J$119.85:US$1.00, which represented a $0.02 depreciation during the course of the week.

GOJ Global Bonds

Jaman global bond trading activity was dominated by the 28s as has become the norm since its issue. It started the week trading above 102 however on Friday it fell to 101.50 as the US employment numbers came out better than expected. There were also offers on 19s at 109.90 while small volumes of 39s traded at 107.

Indicative Bond Prices

	Bid	Offer	Offer Yield*
2017	109.000	111.000	3.54%
2019	109.000	111.000	3.55%
2021	107.750	109.000	5.15%
2022	125.000	127.500	6.20%
2025 (N)	108.500	110.500	6.05%
2025	118.500	120.500	6.43%
2028	101.500	103.000	6.39%
2036	111.250	113.250	7.24%
2039	107.250	109.250	7.16%
2045	100.500	101.500	7.74%

International News

Pessimism dissipated for many investors given the favorable October U.S. jobs report, but much of the global economy, including China, remains vulnerable. The U.S. jobs report not only revealed more hiring than even the most optimistic forecasts, but the unemployment rate fell to 5.0% and average pay growth accelerated to a 2.5% annual pace. That pushed the dollar sharply higher against the euro on optimism the U.S. economy may be coming out of an uneven expansion into something more vigorous. Analysts and Fed officials had mused beforehand about how to clearly explain that a slowing labor market is still capable of generating inflation, but that obstacle to a putative December rate hike has now been substantially removed. Some analysts believe that the average monthly payroll growth of more than 180,000 since August is more than enough for the Fed to be satisfied that the job market is tightening at a strong enough pace. Such optimism has its consequences, mainly a stronger U.S. dollar, which itself has kept a lid on growth, particularly among manufacturers who are more vulnerable to rising prices on a competitive international market. That dollar strength also has wreaked havoc on emerging markets, sending freely floating currencies plummeting, and even forcing China to modestly devalue the yuan.

While China's growth rate has slowed, other data suggest its central bank has been right to cut interest rates six times in a year, with more stimulus seen in the pipeline. Investment is projected to have weakened to the lowest in many years in October with a cooling in bank lending. Inflation is expected to slow to just 1.5%, extremely weak for a developing economy with such a high reported growth rate.

European Stock Rally Runs Out of Steam Amid China Growth Concern("Bloomberg")

European stocks fell, after rising four times in the past five days, as investors weighed the outlook for global economic growth and stimulus.

Shares of exporters fell after worse-than-forecast Chinese trade data. Continental AG led a drop in carmakers, losing 5.3 percent, after its sales missed analysts' projections. Renault SA slid 3.5 percent after France, the company's biggest shareholder, said it would oppose a merger with Japanese partner Nissan Motor Co. Personal and household-goods shares slid, with Hermes International SCA and Christian Dior SE down at least 2.1 percent.
The Stoxx Europe 600 Index lost 1.1 percent at the close

*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.

of trading. Portugal's PSI 20 Index slid 4.1 percent, the most among western-European markets. The nation's opposition parties agreed to join forces to oust the current administration, boosting prospects of a new government that's against spending cuts linked to an international bailout.

ECB, Fed
The Stoxx 600 rose 1.2 percent last week after President Mario Draghi reiterated that the European Central Bank will consider increasing stimulus at its December meeting, and the euro fell against the dollar as stronger American data raised the odds of a U.S. rate hike next month.

Bank of America Has Five Reasons Why Fed Liftoff Won't Cause the Global Economy to Sputter

Payrolls and wage growth soared in October, prompting the market to fortify its resolve that the Federal Reserve will deliver its first interest rate hike in roughly nine and a half years in December.

The probability of liftoff before yearend spiked to 68 percent as traders and economists digested how the latest jobs report will influence the central bank.

Continued improvements in the labor market and the pickup in earnings give monetary policymakers more confidence that inflation will trend higher, especially as the impact of the plunge in crude prices begins to fade from the headline rate in the coming months.

1. Fed policy has bolstered the economy's fundamentals. The portion of disposable income spent paying debt is near its lowest level on record, while consumer credit growth surged to $28.9 billion in September, far exceeding expectations.

2.Lawmakers will stop abjectly stifling growth. As monetary policy is set to remove accommodation, government spending is poised to at least partially offset any ensuing drag on the economy.

3. Concerns over China are proving to be overblown. Worries about China were palpable in the third quarter, evidenced by the crash in the Shanghai Composite index following its parabolic surge, and the notion that policymakers would further weaken the currency after the surprise August devaluation.

4. The economy has weathered Fed-induced drags fairly well. Neither the taper tantrum nor the lofty greenback irreparably derailed U.S. growth, the economist observes.

5. Central banks aren't diverging by that much.

Greece Needs More Time for Aid Deal as Bank Restructuring Looms

Greece and its European Union creditors need a few more days to reach an agreement that would release an aid payment of 2 billion euros ($2.2 billion), EU Economic Affairs Commissioner Pierre Moscovici said.

Euro-area finance ministers are meeting Monday in Brussels to review the implementation of Greece's latest bailout program and whether the nation is meeting certain milestones required for disbursing aid and recapitalizing its banks. Failure to meet the requirements could put the solvency of the sovereign and of its financial system in doubt.

The Greeks are seeking a system that would shield about 70 percent of homeowners from foreclosure, according to two European officials. Auditors from the International Monetary Fund, the European Commission, the European Stability Mechanism and the European Central Bank say the Greek limit is overly generous and are seeking a stricter framework that would only cover the most vulnerable.

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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.