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NCB CAPITAL MARKETS LIMITED

Weekly Market GUIDE

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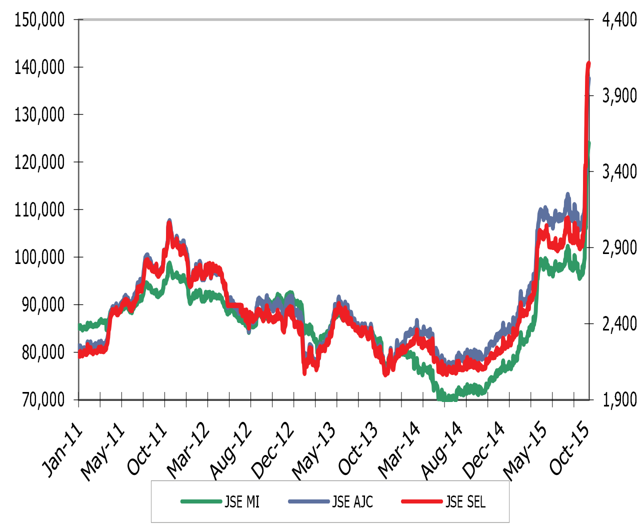
Jamaican Stock Market



Weekly Movement in Indices

Indices	Closing Levels	Change
JSE Combined Index	145,209.20	+5,008.14
JSE Market Index	138,442.38	+4,253.59
All Jamaican Composite	153,673.46	+4,753.63
Jamaica Select Index	4,610.96	+113.99
JSE Cross Listed Index	499.06	-

Most Active Stocks

	Units Traded	%
CPJ	190,883,149	76.42%
LIME	20,033,818	8.02%
JBG	9,779,018	3.91%

Top Winners & Losers This Week

	$ Change	% Change
Winner: PUL	+$0.66	+50.77%
Winner: LIME	+$0.47	+46.08%
Loser: GENAC	-$0.09	-4.50%
Loser:PROVEN	-$0.01	-4.35%

Inflationary Impulses Remain Subdued

According to the Statistical Institute of Jamaica (STATIN), the Consumer Price Index increased by 0.4% in September when compared to the previous month when the inflationary outturn was 0.8%. The division with the highest movement for the month was 'Education' increasing by 5.3%. This was due to the increase in tuition fees at the beginning of the new school year. The second highest movement recorded was for the division 'Food and Non-Alcoholic Beverages' which moved up by 1.1%, due to continued high prices for vegetables and starchy foods. Two divisions that registered declines in their indices were 'Housing Water, Electricity, Gas and Other Fuels', of 1.2% and the 'Transport' division down by 1.0%. These declines moderated the overall movement in the inflation rate for the month. It is likely that these two divisions will continue to post declines for the remainder of the year as oil prices are expected to remain subdued. This should help to slow the pace of inflation, making it more likely that inflation will fall towards the lower end of the BOJ's target range of 5.5% to 7.5% for FY2015/16.

The calendar year-to-date movement was 2.6%, while the point -to-point inflation rate stood at 1.8%, and the fiscal year-to-date movement went up by 3.3%.

Strong Remittance Persists

Net remittances continue to outperform relative to previous years. For the month of July 2015, net remittances increased by 4.3% year-on-year to $167.9Mn. The modest growth was largely driven by the strong inflows from the US which was able to offset inflow declines from both the UK and Canada. Despite improvement in UK's unemployment rates from 6.2% in the May to July 2014 period to 5.5% in the corresponding 2015 period, and indications that wages were inching up, remittance inflows from the UK for the month of July 2015 were US$2.6Mn lower.

Meanwhile on a year-to-date basis (January – July 2015), total remittance inflows moved up by US$48.5Mn (+3.8%) to US$1,283.2Mn. Inflows were at a 10 year high and were above the 5-year average of US$1,173.5Mn registered by the country. The continued growth in inflows led to net remittances of US$1,153.5Mn. This represents a 4.1% year-on-year growth. Net remittances have been on a high since the economic recovery in heavyweight markets such as the US and the UK. Continued growth in inflows from the US, the largest source country, will be necessary for more favourable outturns in net remittances given the that the two years of relatively rapid economic growth in the

UK appears to be coming to an end. According to recently released data, Britain's economic recovery lost momentum in the three months to September due to a slump in both construction and manufacturing. These sectors are large employers of migrant workers and any slowdown in these sectors could have an adverse impact on remittance inflows from the UK. The fact that unemployment rates in the US continue to hold steady at approximately 5% bodes well for inflows.

Net International Reserves October 2015

Net international reserves (NIR) as at October 2015 was US$2,454.3Mn. This is US$12.4Mn higher than the level recorded in the previous month. Though foreign assets were relatively flat, a 1.8% decline in IMF related liabilities supported the month over month increase. Of note, the October 2015 outturn was US$81Mn below the 3.5 year high recorded in August 2015. The IMF completed its 10th review under the Extended Fund Facility (EFF) on November 13, 2015. If Jamaica passes this review the country could register a boost of SDR 28.3Mn (about US$39Mn) to its NIR coffers by December upon approval.

NCBJ- "Earnings Hold Firm"

For the financial year ended September 2015, NCBJ reported earnings of $12,301Mn (EPS:$5.00) which represented only a 0.2% decline due to higher tax expenses. The group saw positive performances in its core business, net interest income (NII), as well as growth in non-interest income. NII rose by 5.3% to $25,964Mn which was primarily due to growth in loans, up 4.9%. While net fee and commission rose by 12.9% due to increased transaction volumes in the group's Payment Services business related to card usage as well as increased earnings from growth in its loan book, Unit Trust portfolios and corporate financing activities.

Operating expenses amounted to $31,471Mn (+7.3%) which reflected asset tax charges, marketing and advertising costs and professional service fees incurred in implementing the group's strategic initiatives. These expenses were partly offset by policyholders' and annuitants' benefits and reserves, down 11.9%, resulting from changes in actuarial assumptions. As such, there was a negligible deterioration in the cost to income ratio, from 62.2% in the prior year to 62.3%. With operating income increasing at a faster pace relative to operating expenses, there was a 15.0% expansion in operating profit to $16,001Mn.

The improvement the group's performance despite operating in a challenging economic environment and competitive industry has been acknowledged by the market, where the stock price has increased by 87.1% to $35.00 since the start of January to date. The stock is currently trading at a P/E of 7.00X.

JMD Money Market

JMD liquidity levels received a boost on Tuesday from interest inflows of J$2.1B on the GOJ 7.50% 2017 FR bonds. While demand was slightly abated by these inflows, liquidity levels continued to by constrained through last week with significant increases in call rates.

USD market liquidity continued to be moderate with no significant changes in broker market rates.

Foreign Exchange Market

Selling	Close: 06/11/15	Close: 13/11/15	Change
J$/US$1	119.85	119.82	-$0.03
J$/CDN$1	89.43	88.94	-$0.49
J$/GBP£1	182.50	181.14	-$1.36

Weak JMD liquidity coupled with lower end user demand resulted in a slowdown in the pace of depreciation during the trading week. On Friday, the dollar closed at a weighted average selling rate of J$119.82:US$1.00.

GOJ Global Bonds

The Jaman 28 dominated trading activity once more trading as high as 102.25 during the week. There were some trades on NROCC at 115.50 and 17s at 108.50 as well.

Indicative Bond Prices

	Bid	Offer	Offer Yield*
2017	108.500	110.500	3.75%
2019	108.750	110.750	3.61%
2021	107.750	109.000	5.37%
2022	125.500	127.500	6.18%
2025 (N)	108.500	110.500	6.04%
2025	118.250	120.250	6.45%
2028	101.500	103.000	6.39%
2036	111.000	113.000	7.26%
2039	107.000	109.000	7.18%
2045	100.500	101.500	7.74%

International News

Euro-area economic growth unexpectedly slowed in the third quarter, underscoring the vulnerability of the region's recovery as the European Central Bank examines the need for fresh stimulus. Gross domestic product in the 19-nation bloc rose 0.3%, down from 0.4% in the previous period. The euro zone's two largest economies, Germany and France, each grew 0.3%, while Italy's expanded 0.2%. With a slowdown in emerging markets testing the strength of the pick-up in the currency union, the data will provide ECB President Mario Draghi with more visibility heading into December's monetary policy meeting. The central banker has signaled additional stimulus is in the pipeline, citing renewed downside risks for growth and the region's inflation outlook, which risks becoming entrenched well below the ECB's goal of 2%.

Britain's economic recovery was lower than anticipated in the three months to September after a slump in construction, raising the prospect that more than two years of relatively rapid economic growth is coming to an end. The economy grew 0.5% in the third quarter, a respectable rate by historic standards but below the 0.7% seen in the second quarter. Year-on-year growth fell to a two-year low of 2.3%, after recording its fastest growth since 2005 last year at 2.9%, outstripping all other major advanced economies. Earlier this month the International Monetary Fund forecast growth for 2015 overall would slow to 2.5%. Growth was almost entirely driven by Britain's dominant services sector, which picked up pace from the second quarter, while manufacturing shrank for a third quarter in a row and construction suffered its biggest contraction in three years. Some private-sector data have suggested the economy is facing stronger headwinds in the final three months of the year, particularly export-focused sectors vulnerable to sterling's strength and a slowdown in emerging markets.

Limited economic fallout from Paris terror attacks, say analysts ("Financial Times")

Paris, France and the global economy will withstand Friday's terrorist attacks with few adverse effects, economists predicted on Monday as financial markets avoided sharp swings in morning trading.

In late-morning trading, European equity markets, measured by the FTSE Eurofirst 300 was little changed compared to Friday's close. The French stock market index, the CAC 40, was fractionally down having recovered from a 1 per cent drop

*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.

at its opening. But some senior European Central Bank policymakers warned of increased chances of risk aversion both in markets and among households and companies.

Most economists suggested that although the effects of a terrorist attack cannot be predicted with any accuracy, the experience of the 2004 Madrid bombs and 2005 London bombs was minimal for the Spanish and UK economies.

Economic uncertainty, supply glut weigh on oil after Paris attacks ("Reuters")

Oil prices edged lower on Monday as investor concern about the economic impact from Friday's deadly attacks in Paris, claimed by Islamic State, and a global glut of crude supplies kept prices in check.

France carried out large-scale air strikes against Islamic State sites in Syria overnight and lingering fear after Friday's attacks increased uncertainty over the outlook for the euro zone economy.

Front-month Brent crude prices were down 71 cents, or 1.6 percent, at $43.76 a barrel at 1002 ET. U.S. futures fell 33 cents to $40.41 a barrel after touching an intraday high of $41.88.

Oil prices last week racked up their biggest weekly losses in eight months, pressured by swelling storage of crude on both land and sea.

An OPEC delegate from a Gulf oil-producing nation said he believed that oil prices could gain some support in the medium term from rising tensions, particularly if the international community steps up measures to reduce oil smuggling and hits oil facilities under Islamic State's control in Syria and Iraq.

Many analysts also believe that prices will remain subdued because of abundant stocks of oil and slowing economic growth.

Oil prices have dropped more than 60 percent since June last year as high production and inventories have coincided with an economic slowdown in Asia, particularly in China but also Japan, which slipped back into recession in the third quarter.

Baker Hughes data showed the first rise in the U.S. oil rig count in 11 weeks last Friday, while the International Energy Agency said there were a record 3 billion barrels of crude and oil products in tanks worldwide.

The oil in storage is comparable to a month's global oil consumption.

Russia's Putin says offers Ukraine better terms to restructure debt

President Vladimir Putin said on Monday Russia had made a surprise offer to restructure Ukraine's debt, telling Kiev it would accept an annual debt repayment of $1 billion over three years if the West provided guarantees.

Russia has until now refused to restructure the $3 billion Eurobond on Ukraine's terms, saying the debt cannot be considered commercial. It has threatened to take Ukraine to court if it fails to repay the bond in full and on time next month.

But Putin, speaking to reporters on the sidelines of the Group of 20 (G20) summit in Turkey's Antalya, said Russia had made Ukraine an offer that was "better" than what the International Monetary Fund had been suggesting.

Moscow had made the proposal to try to ensure full repayment and "not to put Ukraine in a difficult situation," said Putin, adding he had asked Western partners and the IMF itself to guarantee debt repayment.

"If the West cannot give a guarantee, it means they do not believe in the future of the Ukrainian economy," Putin said, adding that the matter should be decided by December.

He said he had held talks "in passing" with U.S. President Barack Obama and Treasury Secretary Jack Lew on the debt deal on Monday.

"The proposal was received with interest," Putin said.

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