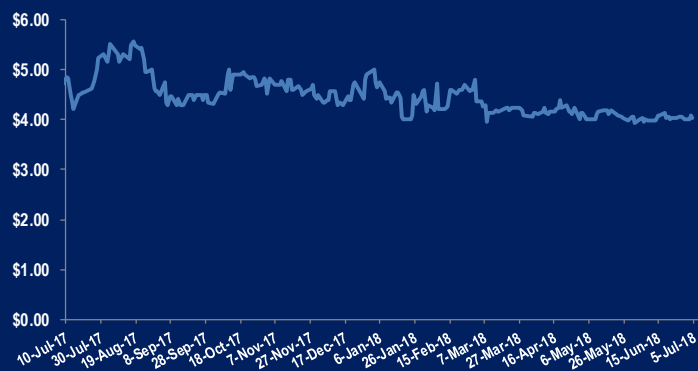


## DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$) <sup>+</sup>

| Stock Symbol              | SEP   | SJ     | JETCON | LASD      | DTL    |
|---------------------------|-------|--------|--------|-----------|--------|
| Current Price (\$)        | 35.14 | 38.95  | 4.04   | 4.08      | 19.16  |
| Trailing EPS (\$)         | 1.42  | 3.10   | 0.28   | 0.29      | 0.98   |
| P/E (times)               | 24.70 | 12.56  | 14.67  | 14.19     | 19.49  |
| Projected P/E             | 25.93 | 12.08  | 13.66  | 16.19     | 15.15  |
| Projected EPS (\$)*       | 1.36  | 3.22   | 0.30   | 0.25      | 1.26   |
| Book Value per share (\$) | 18.04 | 17.10  | 0.82   | 1.31      | 3.82   |
| Price/Book Value (times)  | 1.95  | 2.28   | 4.92   | 3.12      | 5.02   |
| Dividend Yield (2018 %)   | N/A   | 1.69%  | 0.87%  | 2.87%     | N/A    |
| Volumes                   | 4,916 | 47,785 | 40,594 | 3,477,500 | 13,766 |
| Recommendation            | SELL  | HOLD   | BUY    | HOLD      | HOLD   |

JETCON



## STOCK OF THE DAY: Jetcon Corporation Limited (JETCON)

## For the first quarter ended March 31, 2018:-

Revenue increased 18% to total \$305.94 million, up \$47.38 million from the \$258.57 million recorded in the prior year.

Costs of Sales amounted to \$241.55 million, an increase of 18% compared to \$204.87 million booked in the corresponding period for 2017. As such, Gross Profit moved from \$53.70 million to \$64.40 million an improvement of 20% year over year.

Jetcon recorded Other Operating Income of \$44,273 for the first three months of 2018 relative to \$268,101 in the prior year. As a result, Total Operating Income for the period amounted to \$64.44 million relative to \$53.97 million in 2017.

Total Expenses for the first quarter increase 18% year over year to \$19.97 million, relative to \$16.95 million. Of this, Selling & Marketing Expenses rose by 11% to \$5.91 million relative to \$5.34 million reported the prior year. Administrative and Other Expenses increased 34%, to \$11.06 million compared to \$8.22 million in March 2017.

Finance cost grew to a total of \$601,910 relative to \$19,866 for the prior year's corresponding period.

Consequently, Profit before Taxation improved to a total of \$44.48 million compared to \$37.02 million recorded for the first quarter of 2017.

Net Profit after Tax increased 20% to \$44.48 million relative to \$37.02 million booked for the comparable period in 2017.

Consequently, Earnings Per Share (EPS) for the first quarter amounted to \$0.08 (2017: \$0.06). The twelve months Trailing Earnings Per Share amounted \$0.28. The total number of shares used in this calculation were 194,500,000. Jetcon's stock price last traded on May 17, 2018 at \$4.20.

Jetcon noted, "The implementation of the pre-inspection initiative for the importation of all used cars has lengthened the delivery time for vehicles by a few weeks, but we do not expect any adverse effects on sales, as any delays in shipment is covered by current levels of inventory. There will possibly be opportunities to supply other dealers with stock, whose inventory may not be sufficient to outlast the delays."

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

|      | PURCHASE RATE |         |              | SALES RATE |         |              |
|------|---------------|---------|--------------|------------|---------|--------------|
|      | Highest       | Lowest  | Weighted     | Highest    | Lowest  | Weighted     |
|      |               |         | Average Rate |            |         | Average Rate |
| USD  | 131.800       | 100.000 | 128.7934     | 141.180    | 102.550 | 130.4658     |
| CAN  | 101.430       | 70.500  | 95.5646      | 112.800    | 93.000  | 99.4275      |
| GBP  | 173.000       | 120.660 | 167.8773     | 190.580    | 164.300 | 172.7445     |
| EURO | 149.000       | 108.750 | 146.7522     | 174.000    | 145.100 | 152.9438     |

\*Rates as at July 04, 2018

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (July 5, 2018) trading session. The over night rate stood at 0.85% to 1.10% while the 30-day rate ranged between 1.30% and 1.60%.

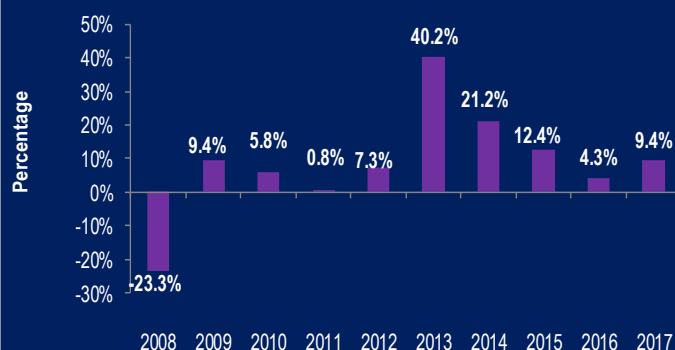
The US dollar fixed income market was also liquid during today's (July 5, 2018) trading session; The overnight market rates were quoted at 1.00% while the 30-day market rates stood at 1.30% to 1.60%.

## OVER THE COUNTER FUNDS (CI FUNDS)

## CI American Value Corporate Class

This fund's objective is to provide superior returns with a limited level of risk by investing in a diversified portfolio of high quality undervalued companies. It invests primarily in equity and equity-related securities of companies in the United States. Any change to the investment objective must be approved by a majority of votes cast at a meeting of shareholders held for that reason. The fund has a 3 year return of 7.3% and a 5 year return of 13.4% as at May 31, 2018. The Fund also has a 10 year return of 8.2%.

Fund Yearly Return



## Trump to Pull Tariff Trigger at Midnight in Trade-War Escalation

President Donald Trump is preparing to slap tariffs on Chinese goods early Friday, the first shot in a trade war between the world's two biggest economies. Tariffs on \$34 billion of Chinese goods are scheduled to take effect at 12:01 a.m. in Washington, the U.S. Trade Representative confirmed in an email Thursday. The milestone marks a new and damaging phase in a conflict that has roiled markets and cast a shadow over the global growth outlook. In Beijing, policy makers are digging in for what could be a protracted fight -- one in which they say they won't be the aggressor. Beijing has said retaliatory tariffs on U.S. goods ranging from soybeans to pork will go into effect immediately after the U.S. acts. With further tit-for-tat levies already threatened between the U.S. and China, some investors are concerned this week may mark the start of a trade war that spreads globally. Trump has already imposed tariffs on imported steel, aluminium, solar panels and washing machines.

<https://www.bloomberg.com/news/articles/2018-07-05/china-says-u-s-tariffs-to-backfire-damaging-the-whole-world>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at July 02, 2018

|                         | Percentage (%) |
|-------------------------|----------------|
| Yield to Maturity       | 5.80           |
| Weighted Average Coupon | 5.55           |
| Current Yield           | 5.74           |

The platinum portfolio has an effective maturity of 13.53 years and duration of 4.68 years.

## DISCLAIMER

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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](http://www.jamstockex.com), [www.bloomberg.com](http://www.bloomberg.com), [www.investopedia.com](http://www.investopedia.com), [www.tradewire.com](http://www.tradewire.com)

## Stronger U.K. Growth Shows Need for Higher Rate

The U.K. economy is showing signs of rebounding from a sluggish first quarter of the year, supporting the view that it will require higher interest rates, according to Bank of England Governor Mark Carney. Domestically, the incoming data have given me greater confidence that the softness of U.K. activity in the first quarter was largely due to the weather, not the economic climate, Carney said, speaking in Newcastle, north-east England, on Thursday. When the BOE made its last policy decision, statistics showed the economy nearly stopped growing in the first three months of the year. That figure has since been revised up to 0.2 percent by the Office for National Statistics, and incoming data for the current quarter have been stronger. Indicators of household spending and sentiment have bounced back strongly from what increasingly appears to have been erratic weakness in the first quarter, Carney said.

<https://www.bloomberg.com/news/articles/2018-07-05/u-k-economy-s-strength-shows-need-for-higher-rates-carney-says>

## STRUCTURED PRODUCT

### Mayberry Platinum

Mayberry Platinum is a managed fixed income portfolio that is denominated in US dollars consisting of corporate and sov-ereign bonds. The objective of the product is to provide in-come and capital appreciation over the medium to long term. Bonds in the portfolio will be directly owned by the customer and may be used as collateral for loans.

