

MAYBERRY INVESTMENTS LIMITED

DAILY RECOMMENDATION



LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	JBG	BRG	MDS	KEX	JAMT
Current Price (\$)	31.83	21.52	6.40	11.54	4.97
Trailing EPS (\$)	1.80	0.86	0.43	0.36	0.26
P/E (times)	17.65	24.93	14.89	32.49	19.36
Projected P/E	18.95	20.86	14.43	30.44	16.02
Projected EPS (\$)*	1.68	1.03	0.44	0.38	0.31
Book Value per share (\$)	11.10	4.78	2.63	1.25	1.62
Price/Book Value (times)	2.87	4.50	2.43	9.21	3.06
Dividend Yield (2018 %)	0.53%	1.32%	1.63%	0.61%	0.60%
Volumes	42,294	NIL	52,230	1,960	232,117
Recommendation	HOLD	HOLD	BUY	SELL	HOLD



STOCK OF THE DAY: Jamaica Broilers Group (JBG)

For the three months ended July 31, 2018:

Jamaica Broilers Group (JBG) reported total revenues of \$12.16 billion, a 6% increase on the \$11.49 billion reported in 2017. Total revenue was broken down as follows. Of total revenues:

The Jamaica Operations contributed \$8.24 billion, a 5% increase compared to \$7.87 billion for the same period of 2017.

US Operations recorded an increase of 7% to total \$3.32 billion relative to \$3.09 billion last year. According to the company, "Our US Operations reported a segment result of \$300 million, which was a 6% decrease from the prior year's result of \$318 million. This decrease was primarily attributable to one-off staff cost elements and acquisition costs related to the recent feed mill purchase; these cost elements are not expected to recur. Total revenue for this segment increased by 8% over the prior year driven by increased sales of our main products – fertile eggs and baby chicks.

Haiti Operating contributed \$594.99 million, an increase of 13% when compared to \$526.77 million. Management highlighted, "Haiti Operations has increased their market share of table eggs to 34%, compared to 30% of the market at the end of the first quarter last year. The segment result for the first quarter amounted to \$60 million, which is \$15 million or 32% above last year's segment result of \$45 million. Total revenue increased by 13%."

Distribution costs declined 2% to close at \$436.09 million relative to \$443.78 million recorded for the prior year's comparable period, while administration and other expenses grew by 22% to \$2.27 billion (2017: \$1.86 billion). According to the company, "distribution costs and administrative costs, reflect an increase of 17% over the previous year primarily due to salary increases and exchange movements"

Profit before taxation increased for the period amounting to \$641.11 million (2017: \$296.42 million). Tax charges for the quarter totalled \$227.73 million (2017: \$83.84 million). As such, net profit amounted to \$413.38 million (2017: \$212.59 million).

Net profit attributable to shareholders amounted to \$398.84 million relative to \$197.69 million booking for the comparable period in 2017. Total comprehensive income for the first quarter amounted to \$712.74 million relative to \$228.60 million.

Consequently, earnings per share totalled \$0.33 relative to \$0.16 booked for the first quarter of 2017. The trailing twelve months EPS amounted to \$1.82. The total shares used in our calculation amounted to 1,199,276,400 units. Notably, JBG closed the trading period on September 5, 2018 at a price of \$26.88.

⁺Prices are as at September 20, 2018 *Projections are made to the company's financial year end

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	137.500	103.330	135.5874	147.930	126.000	136.5576
CAN	106.487	75.520	104.9746	121.200	100.700	105.7932
GBP	180.300	155.000	177.4962	205.910	167.000	180.6853
EURO	163.390	115.120	154.6458	163.390	153.000	159.8633

*Rates as at September 19, 2018

MONEY MARKET

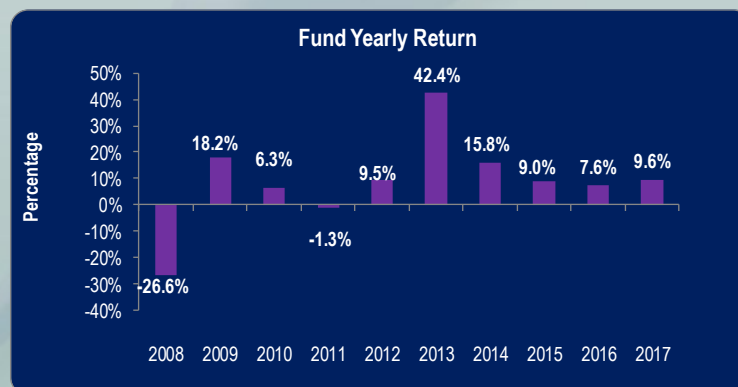
The Jamaican dollar fixed income market was liquid in today's (September 20, 2018) trading session. The overnight rate stood at 0.85% to 1.25%, while the 30-day rate ranged between 1.50% and 1.80%.

The US dollar fixed income market was also liquid during today's (September 20, 2018) trading session; The overnight market rates were quoted at 1.20% while the 30-day market rates stood at 1.60% to 1.80%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI American Managers Corporate Class

This fund's objective is to obtain maximum long-term capital growth. It invests primarily in equity and equity-related securities of companies believed to have good growth potential. These companies are located in countries that have signed the North American Free Trade Agreement (NAFTA), or its successor. These countries currently include the United States, Canada and Mexico, but may also include countries that become members of NAFTA in the future. The fund has a 3 year return of 10% and a 5 year return of 13.3% as at August 31, 2018. The Fund also has a 10 year return of 9.1%.



■ U.S.: Trump's Early Trade-War Advantage May Be Slipping by the Day

"President Donald Trump may find it harder to claim victory over China the longer his trade war runs, even as he points to America's ebullient economy and stock market as evidence he's winning for now. The president this week ordered his officials to slap tariffs on \$200 billion in Chinese goods on Sept. 24. In retaliation, Beijing said it would hit \$60 billion in U.S. products with duties. Yet even as the conflict escalates, the Trump administration signalled it would still be open to talks as soon as next week. In confronting China, Trump is using the same strong-arm tactics he employed as a real-estate mogul, taking care to snuff out any suggestion he's under pressure to strike a deal. But Trump's leverage may be short-lived. The president's political power will be curtailed if the Democrats win the House in congressional elections in November, as they are favoured to do. While the U.S. economy has so far appeared resilient to the trade war, the boost from this year's tax cuts is expected to fade. Meanwhile, China's economy is showing some signs of cooling, but it's still growing at a brisk pace, giving Beijing room to cushion the blow. President Xi Jinping, who cemented his hold on power in March with the repeal of term limits, has reason to be patient. "The issue of leverage varies with time. If you ask the same question tomorrow, the calculus will have shifted ever so slightly in favour of China," said Stephen Jen, CEO of Eurizon Slj Capital Ltd., an asset-management firm based in London."

<https://www.bloomberg.com/news/articles/2018-09-20/trump-s-early-trade-war-advantage-may-be-slipping-by-the-day?srnd=economics-vp>

■ PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at September 17, 2018

	Percentage (%)
Yield to Maturity	5.93
Weighted Average Coupon	5.60
Current Yield	5.79

The platinum portfolio has an effective maturity of 15.60 years and duration of 5.74 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, www.bloomberg.com, www.investopedia.com, www.tradewire.com

■ Asia: China Plans Broad Import Tax Cut as Soon as October

"China is planning to cut the average tariff rates on imports from the majority of its trading partners as soon as next month, two people familiar with the matter said, in a move that will lower costs for consumers as a trade war with the U.S. deepens. Premier Li Keqiang said Wednesday that China would further reduce the tariffs, without elaborating. The two people who spoke on the new reduction asked not to be named as the matter isn't public yet. It's not yet clear how the planned reduction would affect imports from the U.S., if at all. Those details may only emerge once the government outlines which products will enjoy lower tariffs. Any reduction of tariffs usually must be offered to all countries equally under WTO rules. By cutting duties on goods even as it retaliates against President Donald Trump's trade war with higher charges on some U.S. goods, China is following through on long-stated goals to boost imports. The move comes as the nation is trying to stimulate domestic consumption to support a slowing economy, and follows similar cuts to tariffs in July on a wide range of consumer goods. Government ministers have said that they will proceed with their own reform agenda, regardless of developments in the trade standoff with the U.S." The offshore yuan pared loss to rise briefly following the news, and then weakened to trade 0.07 percent lower at 6.8562 per dollar as of 1:02 p.m. in Hong Kong. The onshore rate was little changed at 6.8505."

<https://www.bloomberg.com/news/articles/2018-09-20/china-is-said-to-plan-broad-import-tax-cut-as-soon-as-october-jma3g8jg?srnd=economics-vp>

■ STRUCTURED PRODUCT

Mayberry Platinum

The Mayberry Platinum portfolio is ideal for investors seeking a short to medium-term investment with returns denominated in hard currency. The portfolio comprises Investment Grade corporate and sovereign bonds, which provide strong yield and performance. The primary objective of this product is to provide our clients with income as well as capital appreciation. The Platinum portfolio enables the client to take full advantage of a diversified bond portfolio and is ideal for persons who do not have the time to actively manage their own portfolio.

OVER 20 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH
= POSITIVE TRANSFORMATION FOR OUR CLIENTS

MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS



...BULLISH ON JAMAICA



MAYBERRY
INVESTMENTS LIMITED
A Member of the Jamaica Stock Exchange

1 1/2 Oxford Road, Kingston 5, Jamaica. ☎ (876) 929 1908 – 9
research@mayberryinv.com ☎ sales@mayberryinv.com ☎ www.mayberryinv.com