

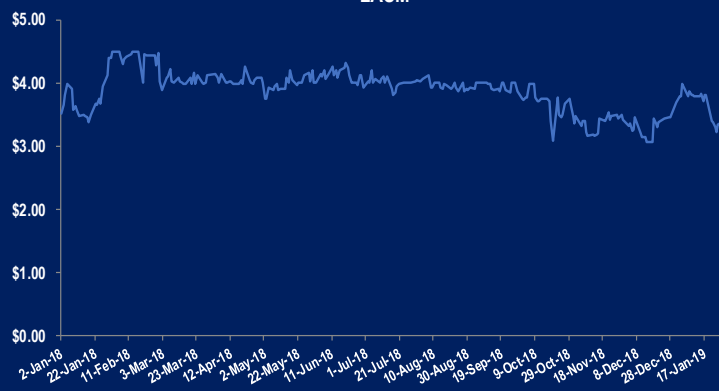
MAYBERRY INVESTMENTS LIMITED

DAILY RECOMMENDATION

LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	SEP	LASM	LASF	WISYNCO	EPLY
Current Price (\$)	45.12	3.16	4.83	11.88	13.00
Trailing EPS (\$)	1.84	0.18	0.24	0.69	0.56
P/E (times)	24.46	17.75	20.33	17.10	23.01
Projected P/E	14.89	16.36	17.98	15.28	21.23
Projected EPS (\$)*	3.03	0.19	0.27	0.78	0.61
Book Value per share (\$)	21.66	1.34	1.29	2.66	3.95
Price/Book Value (times)	2.08	2.36	3.73	4.47	3.29
Dividend Yield (2018 %)	3.17%	1.01%	N/A	1.13%	2.30%
Volumes	369,936	185,000	5,033	194,598	487
Recommendation	BUY	HOLD	HOLD	BUY	SELL

LASM



STOCK OF THE DAY: Lasco Manufacturing Limited (LASM)

For the nine months ended December 31, 2018:

Total revenue increased by 6% from \$5.28 billion in 2017 to \$5.61 billion in 2018. Revenue increased \$32.91 million or 2% to a total of \$1.81 billion in the third quarter, relative to the \$1.78 billion recorded for the comparable quarter in 2017.

Cost of sales amounted to \$3.68 billion (2017: \$3.61 billion) for the period, an increase of 2% year on year. However, for the third quarter cost of sales was recorded at \$1.20 billion in 2018 relative to \$1.22 billion in 2017, a 1% decline.

As a result, gross profit of \$1.93 billion was recorded for the period, 16% more than the \$1.66 billion booked for the corresponding period in 2017. Gross profit for the third quarter increased by 9% to \$611.24 million when compared to the \$561.12 million booked for the quarter ended December 3, 2017.

LASM posted other income of \$4.61 million relative to \$14.76 million for the prior year.

Operating expenses increased 5% to close the period at \$1.02 billion versus \$970.31 million booked for the corresponding period last year. The company mentioned the capital investments were primarily focused on the continued build out of the new 65,000 square feet warehousing facility which was completed in the period. Expenses for the quarter also moved up by 23% to close at \$368.31 million (2017: \$300.61 million).

Consequently, LASM recorded operating profits of \$919.19 million, 30% higher than the \$707.85 million booked in 2017.

Finance costs for the period fell 9% to \$90.03 million compared to \$99.26 million in the prior year's comparable period.

As such, profit before taxation amounted to \$829.15 million, an increase of 36% from the \$608.59 million recorded for the previous corresponding period. Taxes recorded for the period amounted to \$128.64 million compared to \$76.07 million incurred for the corresponding period in 2017. For the third quarter, profit before tax decreased \$2.46 million or 1% to \$225.65 million (2017: \$223.19 million).

Net profit for the nine months totaled \$700.51 million, a 32% uptick when compared to \$532.52 million in 2017, while for the quarter totaled \$197.44 million (2017: \$195.29 million).

⁺Prices are as at February 19, 2019 *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	135.200	100.000	132.1980	149.050	102.510	133.5964
CAN	121.250	76.560	95.6155	109.030	90.000	100.2089
GBP	173.300	128.000	164.9165	188.020	129.000	172.4025
EURO	155.000	108.770	140.1176	168.070	136.000	152.5345

*Rates as at February 18, 2019

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (February 19, 2019) trading session. The overnight rate stood at 1.50% to 1.90% while the 30-day rate ranged at 2.30% to 2.50%.

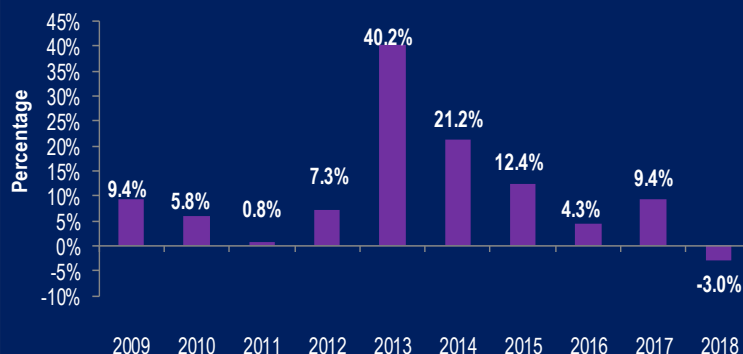
The US dollar fixed income market was also liquid during today's (February 19, 2019) trading session; The overnight market rates were quoted at 2.0% to 2.30% while the 30-day market rates stood at 2.40% to 2.60%.

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 6.7% and a 5 year return of 9.4% as at December 31, 2018. The Fund also has a 10 year return of 11.2%.

Fund Yearly Return



U.S: Warning Signs Flash for HSBC, Merrill in Emerging Market Rally

The backlash to the world's most-popular trade is underway -- the emerging market rally has now gone too far, according to HSBC Holdings Plc and Bank of America Merrill Lynch. A combination of potentially hawkish Federal Reserve surprises and already stretched performance has convinced HSBC strategists including Max Kettner to turn cautious on emerging-market assets, while Merrill Lynch strategist Ralf Preusser thinks developing-nation bonds are vulnerable to positive U.S. data releases. "Cross-asset emerging market performance looks stretched, particularly for EM local currency debt and EM equities," wrote Kettner and team in a note Monday. "Might now be the time to reduce EM exposure in portfolios tactically, that is over three months? We think it is indeed time for a breather." Emerging-market assets have rebounded since the end of last year, as a dovish turn from many of the world's central banks and growing optimism about U.S.-China trade talks boosted risk assets. The MSCI Emerging Market Index of shares is up over 7 percent year-to-date and its currency equivalent has risen 1.3 percent. The Bloomberg Barclays EM USD Aggregate Total Return Index has gained about 3.5 percent in the period. For HSBC, the asset class's performance now looks stretched if history is any guide. It also seems plausible that any Fed surprises in the coming months will be to the hawkish side, which would pressure EM, the strategists wrote. Even with a quick U.S.-China trade resolution, relative upside would be constrained, they added.

<https://www.bloomberg.com/news/articles/2019-02-19/warning-signs-flash-for-hsbc-merrill-in-emerging-market-rally>

Europe: ECB Heavy Hitters Lay Groundwork for Response to Slowdown

Some of the European Central Bank's heavy hitters are laying the groundwork for action. The top economist and the market chief at the Frankfurt-based institution have already signaled they're discussing options in case the current euro-area slowdown worsens, and the vice president echoed that on Tuesday. There have been similar hints from Francois Villeroy de Galhau, who is the Bank of France Governor and a potential contender to be next ECB president. The backdrop is a recession in Italy, stagnation in Germany, and a sharply changed outlook for the 19-nation euro area. Investors have also responded, with the euro near its weakest since mid-2017 and the yield on 10-year German bunds threatening to go negative for the first time since 2016. "It's clear the ECB is nervous," Steen Jakobson, chief economist at Saxo Bank, said on Bloomberg Television. After saying last year that the "policy of support had worked and Europe had turned a corner, here we are and they are almost in a panic mode in terms of what they need to do." While the ECB's current language -- that interest rates won't rise at least through the summer of 2019 -- leaves open the chance of a hike later in the year, the likelihood has very much faded. That's the message now coming from policy makers, and traders in money markets aren't pricing the first 10-basis-point hike until June 2020.

<https://www.bloomberg.com/news/articles/2019-02-19/ecb-heavy-hitters-are-laying-groundwork-for-response-to-slowdown?smd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at February 18, 2019

	Percentage (%)
Yield to Maturity	6.30
Weighted Average Coupon	5.539
Current Yield	5.56

The platinum portfolio has an effective maturity of 13.55 years and duration of 4.72 years.

STRUCTURED PRODUCT

Mayberry Gold

This portfolio is ideal for investors, both retail and corporate, seeking a conservative, short-term investment. The securities in the Gold are directly owned by the client and provide them with a safe investment option. Our Gold portfolio can also provide investors with coupon payments that can generate a positive income stream.

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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

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