

DAILY MARKET SUMMARY



LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	HONBUN	SGJ	CPJ	KREMI	JETCON
Current Price (\$)	7.80	43.17	3.80	7.50	13.25
Trailing EPS (\$)	0.26	3.74	0.03	0.46	0.51
P/E (times)	30.07	11.53	110.67	16.44	26.03
Projected P/E	21.40	10.56	26.07	13.81	15.16
Projected EPS (\$)*	0.36	4.09	0.15	0.54	0.87
Book Value per share (\$)	1.14	29.82	2.38	1.56	1.35
Price/Book Value (times)	6.82	1.45	1.60	4.80	9.85
Dividend Yield (2016 YTD %)	2.22%	4.57%	1.82%	0.67%	N/A
Volumes	205,327	1,639,765	5,092	29,500	NIL
Recommendation	HOLD	HOLD	SELL	BUY	BUY

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

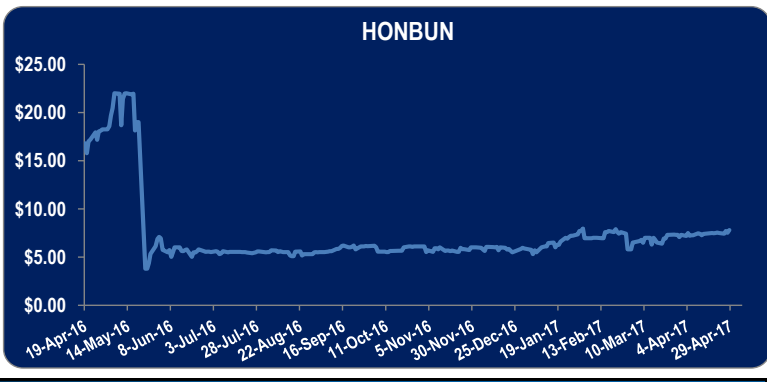
	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	130.700	93.150	129.2838	140.690	100.910	129.8497
CAN	95.800	68.630	94.8534	103.390	89.500	95.5763
GBP	169.500	136.090	165.5037	183.620	160.000	168.2025
EURO	144.121	102.530	138.9983	154.470	136.700	143.6229

*Rates as at May 4, 2017

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (May 5, 2017) trading session. The overnight rates were quoted around 4.50% to 5.00% while the 30-day rates were between 5.75% to 6.50%.

The US dollar fixed income market was also liquid during today's (May 5, 2017) trading session; The overnight market rates were quoted at 1% while the 30-day market rates stood around 1.30% to 1.35%.



STOCK OF THE DAY: Honey Bun (1982) Limited (HONBUN)

For the 3 months ended December 2016:

Honey Bun Ltd. reported revenue for the first quarter ended December 2016 of \$312.44 million, an increase of 7% compared to the \$292.61 million booked for the corresponding period in 2015.

Cost of sales rose by 12% to \$173.8 million for the first quarter ended December 2016 relative to \$154.74 million for the same period of 2015. As a result, gross profit climbed slightly by 1% for the 3 months ended December 2016, compared to same period for the 2015, increasing from \$137.87 million to \$138.64 million.

The company reported other gains of \$126,343, this compares with the gain of \$2.1 million that was reported for the 3 months ended December 2015. Finance income declined from \$654,095 for the 3 months ended December 2015 to \$196,416 for the corresponding period in 2016. Consequently, profit before expenses decreased slightly by 1% to \$138.71 million.

Honey Bun Limited experienced an increase in administrative expenses by 11%, up from \$54.92 million from the 3 months ended December 2015 to \$60.84 million for the corresponding period of 2016. Selling, distribution and promotion expense incurred by the company declined by 9% to close the period at \$33.47 million (2015: \$36.7 million).

Total expenses amounted to \$94.31 million relative to \$91.62 million in 2015, reflecting an increase of 3%.

Finance costs totalled \$1.11 million, down 33% compared to the prior year's total of \$1.66 million.

Pre-tax profits worsen to \$43.29 million, a 9% decline compared to the \$47.34 million reported for the 3 months ended December 2015. HONBUN incurred tax expenses of \$5.4 million for the 3 month period ended December 2016, relative to \$1.9 million for same period in 2015.

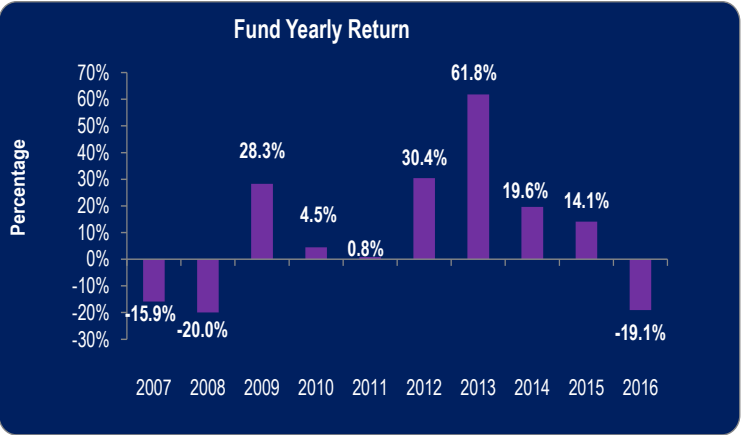
Profit after taxation dropped 17% from \$45.37 million for first quarter ended December 2015 to \$37.89 million for the same period of 2016.

Consequently earnings per share for the quarter totalled \$0.08 for the 3 months ended December 2016 relative to \$0.10 for the same period of 2015. The twelve month trailing EPS amounted to \$0.28. The number of shares used in this calculation was 471,266,950 shares.

OVER THE COUNTER FUNDS (CI FUNDS)

CI Global Health Sciences 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 around the world that specialize in the health care or medical industry. The fund has a 1 year return of 1.2% and a 5 year return of 17.2% as at March 31, 2017. The Fund also has a three months return of 3.1%.



⁺Prices are as at May 05, 2017 *Projections are for the forward 12 months from the most recent quarter results

U.S.: Solid U.S. Job Market May Be Undercutting Trump's Tax-Cut Case

“President Donald Trump’s economic team says it won’t be satisfied until Americans workers earn more -- and aggressive tax cuts are essential for those fatter paychecks. But with unemployment at its lowest rate since before the financial crisis, the world’s biggest economy may already be nearing top speed. That means a big fiscal boost resulting from tax changes could stoke inflation to levels that would prompt the Federal Reserve to raise borrowing rates faster than anticipated. If that happens, Trump’s ambitious growth goals could be jeopardized. The unemployment rate now sits at 4.4 percent after U.S. employers hired more workers than expected in April. But wages were a soft spot, climbing just 2.5 percent from a year earlier. In an interview Friday with Bloomberg TV after the figures were released, senior White House adviser Gary Cohn said the administration wants to see wages rise faster”.

<https://www.bloomberg.com/politics/articles/2017-05-05/solid-u-s-job-market-may-be-undercutting-trump-s-tax-cut-case>

Europe: Local polls boost May five weeks before UK national election

“Britain's Conservative Party made strong gains in local elections on Friday, suggesting Prime Minister Theresa May's Brexit strategy is winning over voters who should hand her an easy victory in a parliamentary poll next month. Partial results from the local elections, which voters often use to punish the ruling party, showed May's Conservatives had instead gained more than 500 council seats. The main opposition Labour Party lost control of councils in strongholds in Wales but the biggest losses were suffered by the anti-EU UK Independence Party, which after two decades of campaigning to leave the European Union has struggled to find a new raison d'etre since Britons voted for Brexit last June. By calling an early national election for June 8, May has made the local votes a gauge of her leadership, and many Conservative candidates have campaigned in recent days using her campaign mantra of "strong and stable leadership”.

<http://www.reuters.com/article/us-britain-election-local-idUSKBN1811GR>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at May 1, 2017	
	Percentage (%)
Yield to Maturity	4.69
Weighted Average Coupon	5.30
Current Yield	5.35

The platinum portfolio has an effective maturity of 11.58 years and duration of 4.10 years.

STRUCTURED PRODUCT

Mayberry Individual Retirement Plan (IRP)

IRP is a Retirement Scheme for all persons who are self employed or are employed in non-pensionable positions and do not otherwise contribute to an approved Superannuation Fund or another approved Retirement Scheme. The IRP will help some people make substantially greater contributions than they might otherwise do.

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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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MAYBERRY INVESTMENTS LIMITED
 A Member of the Jamaica Stock Exchange

1 ½ Oxford Road, Kingston 5, Jamaica. ☎ (876) 929 1908 – 9
 research@mayberryinv.com • sales@mayberryinv.com • www.mayberryinv.com