

DAILY MARKET SUMMARY



LOCAL STOCK MARKET: (J\$) +

Stock Symbol	SALF	JAMT	PURITY	JETCON	JMMBGL
Current Price (\$)	10.00	3.82	2.64	4.50	19.01
Trailing EPS (\$)	0.86	0.20	0.06	0.22	2.03
P/E (times)	11.59	19.34	41.98	20.59	9.36
Projected P/E	8.76	11.38	29.29	11.59	9.47
Projected EPS (\$)*	1.14	0.34	0.09	0.39	2.01
Book Value per share (\$)	7.49	1.38	2.48	1.66	15.89
Price/Book Value (times)	1.33	2.78	1.06	2.72	1.20
Dividend Yield (2016 YTD %)	5.18%	N/A	N/A	N/A	2.76%
Volumes	NIL	139,044	62,875	1,000	8,144
Recommendation	HOLD	BUY	SELL	BUY	HOLD

FOREIGN EXCHANGE MARKET TRADING SUMMARY

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	128.650	92.630	127.5308	148.200	92.630	128.2973
CAN	100.250	71.630	99.4735	107.910	94.000	100.0422
GBP	167.200	120.380	161.4207	192.600	159.000	164.2295
EURO	144.500	105.750	141.0071	149.780	143.000	146.2755

*Rates as at July 12, 2017

MONEY MARKET

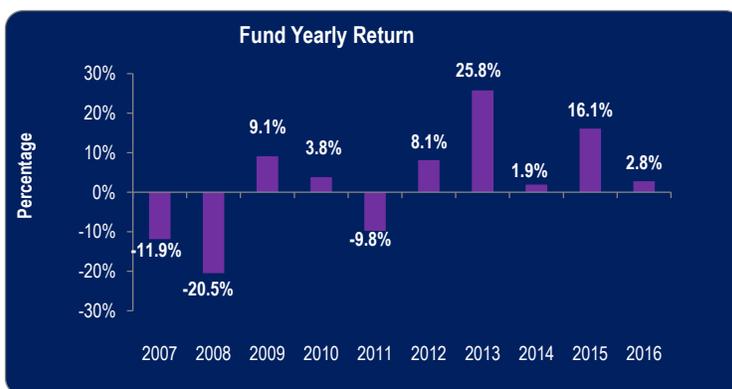
The Jamaican dollar fixed income market was illiquid in today's (July 13, 2017) trading session. The overnight rates were quoted around 4.00% to 4.50% while the 30-day rates were between 5.5% to 5.9%.

The US dollar fixed income market was also liquid during today's (July 13, 2017) trading session; The overnight market rates were quoted at 1% while the 30-day market rates stood around 1.2% to 1.4%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI American Value 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 whose primary operations are outside of North America. The fund has a 6 month return of 10.7% and a 5 year return of 12.8% as at June 30, 2017. The Fund also has a three months return of 4.6.



JAMT



STOCK OF THE DAY: Jamaica Teas (JAMT)

For the 6 months ended March 2017:

Jamaica Teas reported Operating revenue for the second quarter ended March 2017 of \$386.11 million, an increase of 37% compared to the \$281.30 million booked for the corresponding period in 2016. Year to date the company reported a 21% increase in Revenue to total \$760.01 million (2016: \$625.91 million). According to the company, "Export sales increased by \$40 million, while our residential property sales recorded an increase of \$60 million for the quarter." Other Income increased by 48% for the quarter moving from \$14.94 million in 2016 to \$22.09 million in 2017.

Cost of sales increased 24% to \$589.90 million (2016: \$474.20 million). As a result, Gross Profit grew 12% to \$170.11 million, while for the quarter JAMT posted a 13% improvement to \$84.02 million (2016: \$74.26 million). Notably, Other income reported a 38% growth year over year to \$38.98 million relative to \$28.30 million a year earlier.

Administrative Expenses increased by 14% to \$62.82 million for the six months ended March 2017 relative to \$55.25 million for the same period of 2016. Sales and Marketing cost declined by 1% for the period relative to 2016 closing at \$17.91 million (2016: \$18.07 million). There was a 19% reduction in finance cost moving from \$20.25 million for the same period last year to \$16.31 million in 2017. Total expenses closed with an overall 4% increase, JAMT noted that it was mostly due to an increase in staff costs. Pre-tax profits climbed by 38% for the 6 months ended March 2017 from the prior year, increasing from \$81.33 million to \$112.05 million. JAMT incurred tax expenses of \$13.56 million compared to \$10.90 million during the 2016 comparable period. Despite the increase in taxes, Net Profit after discontinued operations increased by 33% for the quarter totalled \$39.50 million (2016: \$29.64 million). For the six months Net Profit after discontinued operation increased by 21% to close the period with \$85.33 million (2016: \$70.43 million). This follows Non-operating Expenses for the period of \$8.60 million (2016: Nil) and Loss from Discontinued Operations of \$4.56 million (2016: Nil).

Consequently earnings per share increased to \$0.25 compared to \$0.21 in the six months ended March 31, 2016, while for the second quarter JAMT book an EPS of \$0.12 (2016: \$0.09). The trailing twelve month eps was \$0.21.

U.S.: Yellen Leaves Markets With the Wrong Impression

“Federal Reserve Chair Janet Yellen’s prepared testimony for her semi-annual report to Congress made clear that central bankers are struggling to understand the recent downward trend in inflation. Still, it is important to remember that the path of monetary policy depends not just on inflation, but also on unemployment. Yellen knows this, and it would be a mistake to interpret her comments as a dovish turn that puts in doubt the Fed’s expected policy path for the remainder of this year and in 2018. Here’s the key passage in Yellen’s prepared testimony where she highlighted the inflation issue in the context of the Fed’s forecasts: Of course, considerable uncertainty always attends the economic outlook. There is, for example, uncertainty about when -- and how much -- inflation will respond to tightening resource utilization. The Fed currently attributes low inflation readings to transitory factors”.

<https://www.bloomberg.com/view/articles/2017-07-13/yellen-leaves-markets-with-the-wrong-impression>

Europe: Britain Is Shamed and Brussels Triumphant. But Is That Good for Europe?

A few capital cities acquire political personalities of their own, not always lovable ones. Donald Trump ran against “Washington” as much as he did against Hillary Clinton. For many people in Europe, “Brussels” is a political character—a bureaucrat plotting an ever-closer European union. That caricature has just staged a recovery that would put Lazarus to shame. On the eve of the Brexit vote in June 2016, many people sensed that Brussels’ pulse was fading. Two of the European Union’s great projects from the 1990s—the euro and the Schengen Area of free movement—were in different forms of chaos, even as the third, the single market, was still incomplete. Businesspeople, especially from the Anglo-Saxon world, fumed at the EU’s unaccountable bureaucracy. Mismanagement had left the continent with a sluggish economy, too many insolvent banks, and no major tech companies.

<https://www.bloomberg.com/news/articles/2017-07-13/britain-is-shamed-and-brussels-triumphant-but-is-that-good-for-europe>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at July 10, 2017	
	Percentage (%)
Yield to Maturity	4.65
Weighted Average Coupon	4.947
Current Yield	4.94

The platinum portfolio has an effective maturity of 9.97 years and duration of 4.40 years.

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.

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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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