

## DAILY MARKET SUMMARY

## LOCAL STOCK MARKET: (J\$) +

Stock Symbol	LASM	GK	SJ	GENAC	BPOW
Current Price (\$)	3.85	43.05	34.51	2.50	49.00
Trailing EPS (\$)	0.15	3.46	3.23	0.32	2.18
P/E (times)	25.51	12.46	10.69	7.88	22.53
Projected P/E	18.96	10.90	10.91	8.39	20.42
Projected EPS (\$)*	0.20	3.95	3.16	0.30	2.40
Book Value per share (\$)	1.12	44.43	15.32	1.99	12.56
Price/Book Value (times)	3.44	0.97	2.25	1.26	3.90
Dividend Yield (2017 YTD %)	N/A	0.70%	N/A	7.76%	0.39%
Volumes	107,299	1,307,292	7,095,313	852	450
Recommendation	HOLD	HOLD	HOLD	BUY	SELL

BPOW



## STOCK OF THE DAY: Blue Power Group Limited - (BPOW)

For the three months ended July 31, 2017:

Revenue increased by 12% to total \$380.54 million compared to \$338.7 million for the same period in 2016. Sales from the Lumber division climbed to \$271.69 million, 13% higher than \$240.64 million, while sale in the Soap division increased by 11% to close the period at \$108.85 million relative to \$98.06 million in 2016.

The company outlined that, "export sales continued to outpace increases in sales in the domestic market with an improvement of 27% over the same quarter in the previous year. Although small, particularly noteworthy was the increase in hotel size soaps of 87%." In addition the company indicated that, "We are working closely with one of our partners to produce two brands of laundry soaps, a project which we hope will commence in October. These brands are not presently sold in the local market but have good sales in the export market. We have the capacity to efficiently produce the product and hope that the negotiations will be successfully completed in September."

Cost of sales for the period showed an increase of 14%, moving from \$256.32 million to \$292.45 million. Despite this increase, gross profit amounted to \$88.09 million, an increase of 7% when compared to \$82.37 million recorded last year.

Administrative expenses saw a decline of 3%, to total \$47.41 million (2016: \$48.94 million). As such profit from operations totaled \$41.82 million, a 5% increase when compared to 2016's \$39.79 million.

Other income, for the period totaled \$1.14 million a significant decline when compared to the \$6.35 million recorded for the same period last year.

Finance costs of \$1.15 million was recorded for the period, an increase of 12% when compared to \$1.03 million in the year prior. While finance income totaled \$3.11 million relative to \$3.85 million in the corresponding period in 2016, a 19% decline.

Profit before tax totaled \$43.78 million compared to \$42.61 million last year. The company booked tax charges for the period of \$5.3 million (2016: \$5.2 million).

Net Profit for the period totaled \$38.48 million, a 3% increase compared to \$37.4 million the prior financial year. Earnings per share for the period totaled \$0.68 (2016: \$0.66). The twelve-month trailing EPS is \$2.18. The number of share used in our calculations amounted to 56,499,000 units.

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	130.500	98.800	128.4890	148.800	124.000	129.9127
CAN	105.480	75.000	104.2740	113.000	100.500	105.0988
GBP	179.677	126.380	172.8429	179.100	155.000	173.8791
EURO	149.800	110.250	147.3188	157.750	138.000	152.4545

\*Rates as at September 29, 2017

## MONEY MARKET

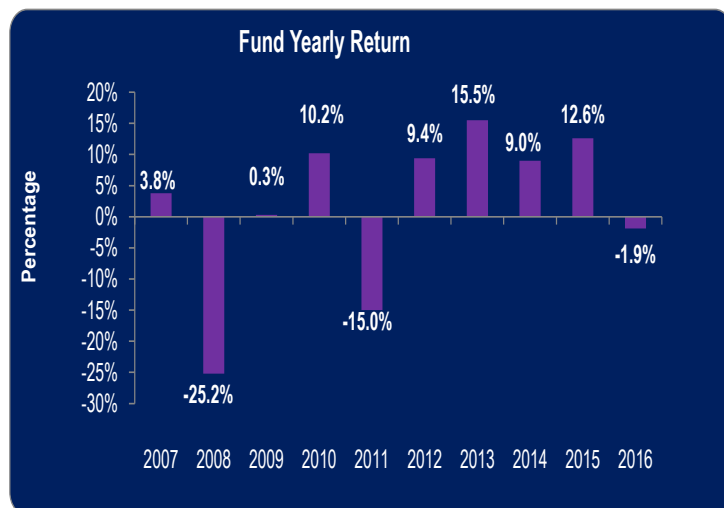
The Jamaican dollar fixed income market was illiquid in today's (October 2, 2017) trading session. The overnight rates were quoted around 2.30% to 3.25% while the 30-day rates were between 5.00% to 5.15%.

The US dollar fixed income market was also liquid during today's (October 2, 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 Small Companies Fund

This fund's objective is to obtain maximum long-term capital growth. It invests primarily in equity and equity-related securities of established companies that the portfolio advisor believes have good growth potential. The fund has a 3 year return of 7.2% and a 5 year return of 11.3% as at August 31, 2017. The Fund also has a 1 year return of 11.3%.



## US: Hurricanes Harvey, Irma lift U.S. factory activity index to 13-year

“WASHINGTON (Reuters) - A measure of U.S. manufacturing activity surged to a near 13-1/2-year high in September as disruptions to the supply chains caused by Hurricanes Harvey and Irma resulted in factories taking longer to deliver goods and boosted raw material prices. Still, details of the Institute for Supply Management’s (ISM) survey on Monday underscored the economy’s underlying momentum, with factories reporting stronger order growth last month. A measure of factory employment hit its highest level since 2011. “Much of the gain is presumably linked to the aftereffects of the hurricanes. Nonetheless, manufacturing growth is strong,” said John Ryding, chief economist at RDQ Economics in New York. ISM said its index of national factory activity surged to a reading of 60.8 last month, the highest reading since May 2004, from 58.8 in August. A reading above 50 in the ISM index indicates an expansion in manufacturing, which accounts for about 12 percent of the U.S. economy”.

<http://www.reuters.com/article/us-usa-economy-construction/u-s-manufacturing-activity-hits-13-year-high-construction-pending-up-idUSKCN1C71RJ>

## PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at October 02, 2017	
	Percentage (%)
Yield to Maturity	4.63
Weighted Average Coupon	4.938
Current Yield	4.80

The platinum portfolio has an effective maturity of 15.50 years and duration of 4.96 years.

## DISCLAIMER

**Analyst Certification** -The views expressed in this research report accurately reflect the personal views of Mayberry Investments Limited Research Department about those issuer (s) or securities as at the date of this report. Each research analyst (s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation (s) or view (s) expressed by that research analyst in this research report.

**Company Disclosure** -The information contained herein has been obtained from sources believed to be reliable, however its accuracy and completeness cannot be guaranteed. You are hereby notified that any disclosure, copying, distribution or taking any action in reliance on the contents of this information is strictly prohibited and may be unlawful. Mayberry may effect transactions or have positions in securities mentioned herein . In addition, employees of Mayberry may have positions and effect transactions in the securities mentioned herein.

### 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)

## EUROPE: Euro Factories Add Jobs in Struggle to Keep Up With Orders

“Euro-area factories are scrambling to add staff as burgeoning orders stretch capacity. A Purchasing Managers Index for the region’s manufacturing industry rose to 58.1 in September from 57.4 the previous month, London-based IHS Markit said on Monday. That compares with a preliminary reading of 58.2 and is the highest level in more than six and a half years. A gauge for employment rose at the fastest pace since the survey began in 1997. The currency bloc’s economy is on track to expand 2.2 percent this year, the strongest pace in a decade as global trade, central bank stimulus and political risks all combine to support growth. “The euro-zone manufacturing boom kicked into an even higher gear in September,” said Chris Williamson, chief economist at IHS Markit. “Surging order-book growth has encouraged manufacturers to take on extra staff at a rate never previously seen in the 20-year history of the PMI survey”

<https://www.bloomberg.com/news/articles/2017-10-02/euro-factories-add-jobs-in-struggle-to-keep-up-with-order-boom>

## 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 ½ Oxford Road, Kingston 5, Jamaica.

(876) 929 1908 – 9

research@mayberryinv.com

sales@mayberryinv.com

www.mayberryinv.com