

DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	GK	CAR	GENAC	SGJ	CFF
Current Price (\$)	43.00	10.19	2.53	51.42	11.00
Trailing EPS (\$)	4.03	0.78	0.15	3.91	0.90
P/E (times)	10.66	13.04	17.16	13.14	12.26
Projected P/E	9.17	12.48	12.94	12.11	12.88
Projected EPS (\$)*	4.69	0.82	0.20	4.24	0.85
Book Value per share (\$)	44.68	0.42	1.84	32.92	3.58
Price/Book Value (times)	0.96	24.10	1.38	1.56	3.07
Dividend Yield (2017 YTD %)	1.74%	7.46%	7.67%	2.63%	2.27%
Volumes	2,000	116,842	600	4,623	NIL
Recommendation	HOLD	BUY	HOLD	HOLD	HOLD

CAR



STOCK OF THE DAY: Carreras Limited (CAR)

For the six months ended September 31, 2017:

Carreras Limited reported Operating Revenue of \$6.06 billion, 5% less than the \$6.37 billion booked in 2016. Revenue for the quarter increased by 7% compared to the corresponding Quarter in 2016 moving from \$3.03 billion in 2016 to \$3.25 billion in 2017. Although second quarter performances increased, according to the company "there was a lower trade demand for cigarettes for both the first and second quarter of the 2017/2018 financial year. We reiterate the point that there is a direct relationship between high taxes and its adverse impact on legal volumes, Governments revenues and the rise of the illicit trade."

Cost of Operating Revenue also declined year over year by 8%, amounting to \$3.00 billion from \$3.27 billion. As such, Gross Operating Profit declined by 1% to total \$3.06 billion relative to the \$3.10 billion in 2016. Other Operating Income increased 15% moving from \$141.32 million in 2016 to \$162.04 million.

Administrative, distribution and marketing expenses increased 2% to total \$989.68 million (2016: \$970.07 million). The company stated that this was attributable to "one-off expenses associated with the recent stock split and the modernisation of the Articles of Incorporation. Overheads continue to be rigorously monitored and controlled by management.

Profit before Income Tax was recorded at \$2.23 billion relative to \$2.27 billion in 2016. Taxation of \$558.22 million was incurred for the period (2016: \$585.71 million).

Net Profit for the six months declined 1% to \$1.67 billion relative to \$1.69 billion booked in 2016. Net Profit for the second quarter saw a 11% increase amounting to \$914.39 million compared to the \$826.12 million reported in the second quarter 2016 period. Total Comprehensive Income attributable to shareholders for the period closed at \$914.01 million compared to \$825.61 million reported for the corresponding quarter in 2016.

The Earnings per share (EPS) for the period was \$0.34 as compared to \$0.35 for the corresponding period of last year, while EPS for the quarter amounted to \$0.50 (2016: \$0.49). The twelve month trailing EPS amounted to \$0.78. The number of shares used in the computations amounted to 4,854,400,000 units.

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	126.500	100.010	124.9970	135.250	120.500	125.8062
CAN	98.050	70.240	97.3120	109.250	93.000	98.0498
GBP	171.920	121.880	164.6635	186.870	162.000	168.5124
EURO	153.561	107.180	144.2017	165.830	142.000	150.1661

*Rates as at December 7, 2017

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (December 08, 2017) trading session. The overnight rates were quoted around 2.50% to 2.85% while the 30-day rates were between 3.85% to 4.00%.

The US dollar fixed income market was also liquid during today's (December 08, 2017) trading session; The overnight market rates were quoted at 1% while the 30-day market rates stood around 1.0% to 1.2%.

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. The fund has a 3 year return of 9.7% and a 5 year return of 16.1% as at October 31, 2017. The Fund also has a 3 month return of 5.4%.

Fund Yearly Return



US: Trump Backs Keeping State Income Tax Break With Cap, Cohn Says

"The White House supports tweaking final tax legislation to appease lawmakers who want to let constituents deduct state income taxes, according to National Economic Council Director Gary Cohn. His comments marked the first time the White House has publicly weighed in on a potential compromise for state and local tax deductions that emerged this week. But Cohn declined to say whether the White House supports setting the corporate income tax rate above 20 percent to help pay for the revenue cost of that change. The White House has sent mixed signals on where the corporate tax rate should be set. After insisting it should be cut to 20 percent from 35 percent, President Donald Trump said last weekend that it might be 22 percent. Republican tax writers' plans for state and local tax deductions have been a source of controversy. Current House and Senate bills would preserve an individual deduction for state and local property taxes -- capped at \$10,000 -- but not for income taxes. "No one really wants tax increases here," Cohn said Friday during a Bloomberg Television interview. "The White House is fine with that if that's where the conferees go and the conference committee goes."

<https://www.bloomberg.com/news/articles/2017-12-08/trump-backs-keeping-state-income-tax-break-with-cap-cohn-says>

Europe: Brexit Breakthrough Risks Leaving Brits in Europe 'Landlocked'

"The 1.5 million Brits living in Europe face being "landlocked" after Brexit because Friday's deal doesn't clarify whether they can move freely between European Union countries after the U.K.'s departure from the bloc. The U.K. and the EU struck a deal to unlock divorce negotiations overnight after months of stalemate. The agreements include a 45 billion-euro (\$53 billion) divorce bill, protecting citizens' rights at home and in the EU, plus promises on the sensitive issue of the Irish border. But while the deal protects the rights of expat Brits in their host EU member state "it would appear there won't be new freedom of movement," according to Liz Barratt, an immigration lawyer at Bindmans in London. "A U.K. citizen living in France isn't going to have the right to move to Italy under European law once the U.K. leaves." It's possible that some other agreement could be reached that would allow this, she says, but the current agreement doesn't. The effect of the provision is set to prompt more Britons to seek citizenship where they currently live. "Nearly everybody I know is on course now to take on citizenship," said Fiona Godfrey, a British national who has lived and worked in Luxembourg for two decades and is co-founder of BRILL -- British Immigrants Living in Luxembourg. She will start a course in January to learn the local language and will attempt to acquire dual British-Luxembourgish nationality before Brexit."

<https://www.bloomberg.com/news/articles/2017-12-08/brexit-breakthrough-risks-leaving-brits-in-europe-landlocked>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at December 04, 2017	
	Percentage (%)
Yield to Maturity	4.70
Weighted Average Coupon	4.966
Current Yield	4.91

The platinum portfolio has an effective maturity of 15.39 years and duration of 4.88 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