

DAILY MARKET SUMMARY



LOCAL STOCK MARKET: (J\$) +

Stock Symbol	HONBUN	NCBFG	JP	SEP	CPJ
Current Price (\$)	4.04	99.59	15.16	29.97	3.80
Trailing EPS (\$)	0.19	7.75	0.47	1.29	0.38
P/E (times)	20.82	12.86	32.25	23.26	9.93
Projected P/E	18.07	10.71	23.37	17.03	9.52
Projected EPS (\$)*	0.22	9.30	0.65	1.76	0.40
Book Value per share (\$)	1.14	47.02	9.89	20.15	2.64
Price/Book Value (times)	3.54	2.12	1.53	1.49	1.44
Dividend Yield (2017 YTD %)	0.99%	2.41%	0.66%	1.17%	1.58%
Volumes	NIL	534,714	6,480	7,781	111,700
Recommendation	HOLD	HOLD	SELL	HOLD	BUY



STOCK OF THE DAY: Honey Bun Limited (HONBUN)

For the Year ended September 30, 2017:

Honey Bun Ltd. reported revenue for the financial year totalling \$1.25 billion, an increase of 5% compared to the \$1.19 billion booked for the prior financial year. For the fourth quarter revenue saw a 2% decline to total \$281.70 million relative to \$286.76 million the prior year.

Cost of sales rose by 7% to \$706.92 million relative to \$659.09 million for the same period last year. As such, gross profit grew 2% compared to the previous year, increasing from \$531.12 million to \$544.20 million.

The company reported other gains of \$3.14 million, this compares with the gain of \$8.68 million that was reported the year prior. Finance income grew from \$1.07 million for the 2016 financial year to \$1.62 million for the corresponding period in 2017. Consequently, profit before expenses rose by 1% or \$8.08 million to \$548.96 million (2016: \$540.88 million).

Honey Bun experienced an increase in administrative expenses by 8%, up from \$244.86 million in 2016 to \$264.35 million. Selling, distribution and promotion expense incurred to the company rose by \$32.32 million or 23% to close the year at \$173.46 million (2016: \$141.14 million).

As a result Total Expenses increased by 13% to total \$437.81 million (2016: \$386 million). Profits from operations declined 28% to total \$111.14 relative to \$154.88 million reported in 2016. Finance costs totalled \$5.88 million, up 14% compared to the prior year's total of \$5.13 million.

Pre-tax profit declined to \$105.27 million, a 30% decline year over year compared to the \$149.74 million reported the year prior. HONBUN incurred tax expenses of \$11.36 million for this period relative to \$10.18 million last year. Profit after taxation declined 33% from \$139.56 million for the year ended September 30, 2016 to \$93.90 million. Profit after tax for the quarter totalled \$9.25 million relative to \$6.80 reported in 2016.

Consequently earnings per share for the financial year totalled \$0.20 relative to \$0.30 in the corresponding period of 2016. Earnings per share for the quarter amounted to \$0.0196 relative to \$0.0144 in 2016. The number of shares used in this calculation was 471,266,950 shares.

Additionally, The company closed at \$4.70 as at the end of trading on November 24, 2017. With an unrealized loss on investment of \$491,828 the company reported total comprehensive income of \$93.41 million (2016: \$127.17 million).

*Prices are as at December 20, 2017 *Projections are for the forward 12 months from the most recent quarter results

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	125.850	100.010	124.4509	135.250	121.300	125.4701
CAN	99.070	72.770	96.4026	108.430	93.500	97.4931
GBP	169.900	121.500	163.4154	187.440	138.130	167.3683
EURO	145.700	107.180	143.3913	164.840	142.900	150.3914

*Rates as at December 19, 2017

MONEY MARKET

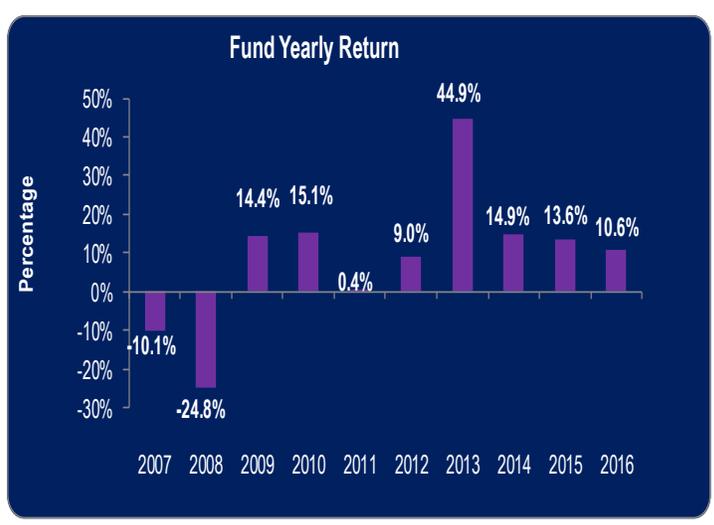
The Jamaican dollar fixed income market was liquid in today's (December 20, 2017) trading session. The overnight rates were quoted around 2.50% to 2.85% while the 30-day rates were between 3.75% to 4.00%.

The US dollar fixed income market was also liquid during today's (December 20, 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 Small Companies Fund

This fund's objective is to seek above-average capital growth. It invests primarily in equity and equity-related securities of small to mid-capitalization North American companies. The fund has a 3 year return of 12.2% and a 5 year return of 18.5% as at November 30, 2017. The Fund also has a 3 month return of 14.0%.



US: McCarthy Says House Will Have to Vote Again: Tax Debate Update

“Congressional Republicans kicked off the final leg of their six-week legislative sprint to overhaul the U.S. tax code and deliver a major policy victory for President Donald Trump before year’s end. The House approved the bill Tuesday and Senate leaders intend to vote on it Tuesday evening. House Majority Leader Kevin McCarthy said the House will have to take another vote on the tax bill Wednesday morning, after the Senate removes or changes relatively minor provisions that don’t comply with the chamber’s budget rules. The issue is seen as a procedural hiccup, rather than anything that could jeopardize the legislation’s passage. The House passed the bill earlier Tuesday on a vote of 227-203. The Senate parliamentarian has determined that several provisions in the Republican tax bill would run afoul of Senate rules, according to a statement Tuesday from Senator Bernie Sanders, a Vermont independent. One of the provisions in question would have allowed parents to use tax-advantaged 529 accounts to cover expenses of home-schooling their children, the statement said. Another is related to the schools that would be excluded from a new excise tax on private universities’ endowments above a certain threshold.”

<https://www.bloomberg.com/news/articles/2017-12-19/house-plans-early-vote-democrats-plan-drama-tax-debate-update>

Europe: May Says EU Will Learn It Needs City of London: Brexit Update

“Theresa May is giving evidence to Parliament’s most powerful panel of politicians: the Liaison Committee. This group is made up of the chairs of all the specialist select committees in the House of Commons and has the ability to ask May any question about her remit as head of the U.K. government. The prime minister has spent the early part of the session explaining her plans for the next phase of Brexit talks. Earlier in the day, Bank of England Governor Mark Carney addressed lawmakers before the Treasury Committee, and EU chief Brexit negotiator Michel Barnier held a press conference. May said the next phase of Brexit talks will convince the EU that it needs the City of London financial district to remain strong as she committed to fighting to protect its status as a global finance center. “The City of London is actually the banker for Europe. It’s a significant provider of capital finance for Europe,” May told the committee, citing an argument made by Carney. “As we come into discussion there will be greater recognition of the role that the City plays.” May also insisted she can finalize the free trade agreement she wants with the EU before the U.K. leaves the lock in March 2019. Despite warnings from Brussels that this is unrealistic, May said she’s confident a quick deal can be done because the U.K. and the EU already share the same regulations and tariff regimes.”

<https://www.bloomberg.com/news/articles/2017-12-20/u-k-s-brexit-transition-will-end-dec-31-2020-brexit-update>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at December 18, 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

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

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