

## DAILY MARKET SUMMARY



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

Stock Symbol	GK	BPOW	JMMBGL	SJ	KREMI
Current Price (\$)	43.84	42.18	22.39	35.58	4.81
Trailing EPS (\$)	4.03	1.92	1.82	3.31	0.33
P/E (times)	10.87	22.00	12.32	10.73	14.49
Projected P/E	9.35	20.24	12.08	9.78	13.48
Projected EPS (\$)*	4.69	2.08	1.85	3.64	0.36
Book Value per share (\$)	44.68	12.68	17.37	15.32	1.75
Price/Book Value (times)	0.98	3.33	1.29	2.32	2.75
Dividend Yield (2017 YTD %)	1.71%	0.45%	1.92%	3.60%	N/A
Volumes	118,915	NIL	1,255,076	136,913	2,001,000
Recommendation	HOLD	SELL	HOLD	BUY	HOLD

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	126.000	100.010	124.0571	134.580	115.000	125.0936
CAN	99.500	73.710	98.1684	109.410	91.000	99.8684
GBP	169.000	121.130	163.9663	186.290	161.500	164.2001
EURO	150.000	107.250	142.2312	164.950	121.550	146.7489

\*Rates as at December 28, 2017

### MONEY MARKET

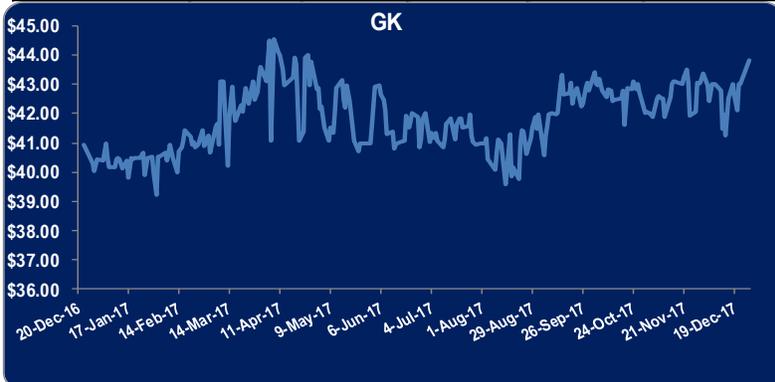
The Jamaican dollar fixed income market was liquid in today's (December 29, 2017) trading session. The overnight rates were quoted around 2.50% to 2.85% while the 30-day rates were between 3.75% to 4.00%.

The US dollar fixed income market was also liquid during today's (December 29, 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 9.4% and a 5 year return of 16.6% as at November 30, 2017. The Fund also has a 3 month return of 7.6%.



### STOCK OF THE DAY: Grace Kennedy Limited (GK)

For the Nine Months ended September 30, 2017:

Revenue totalled \$69.30 billion for period (2016: \$66.65 billion), a year over year increase of 4%. For the quarter the company increased revenue by 1.75% to total \$22.93 billion (2016: \$22.53 billion). The biggest contributor to the group's overall revenue for the nine months was income from the 'Food Trading' segment which contributed a total of \$54.34 billion (2016: \$52.21 billion), an increase of 4% relative to the prior year's corresponding period. Management noted, "revenue was primarily driven by higher sales from our Jamaican foods business".

Among the other segments contributing to revenue, 'Banking & Investments' increased 8% to total \$4.53 billion.

Revenue from 'Insurance' amounted to \$4.38 billion, a decrease of 3%, while 'Money Services' brought in \$6.04 billion, 5% more than the \$5.75 billion reported in September 2016.

Total Expenses amounted to \$66.26 billion relative to \$63.75 billion booked for the comparable period in 2016, a 4% growth. Other Income declined 13% to total \$1.69 billion (2016: \$1.95 billion). As such, 'Profit from Operations' amounted to \$4.73 billion, a 3% decline year over year from \$4.86 billion booked in September 2016.

Interest income from non-financial services rose 3% to total \$287.65 million compared to \$280.21 million reported a year earlier. Interest expenses from non-financial services amounted to \$500.17 million versus \$510.52 million booked for the corresponding period in 2016, a 2% reduction.

Share of results of associated companies increased by 12% amounting to \$417.70 million, compared to \$373.76 million reported for September 2016.

Pre-tax profits decreased 1% to approximately \$4.94 billion, compared to pre-tax profit of \$5.00 billion documented for the first nine months of 2016. GK incurred taxation expenses amounting to approximately \$1.18 billion compared to \$1.30 billion in September 2016. Consequently, net profit increased by 1% to \$3.75 billion from \$3.70 billion booked for the first nine months of 2016. Net profit for the quarter increased 57% to total \$1.57 billion relative to \$998.25 million reported in 2016.

Net Profits attributable to shareholders amounted to \$3.314 billion compared to \$3.306 billion a year earlier, reflecting a 0.24% increase. Earnings per share (EPS) for first nine months amounted to \$3.33 (2016: \$3.32), while for the EPS for quarter was \$1.43 (2016: \$0.86). The twelve months trailing earnings per share amounted to \$4.03. The number of shares used in our calculations is 994,886,892 units.

**US: Trump Takes On Amazon Again, Urging 'Much More' in Postage Fees**

"The post office "should be charging MUCH MORE" for package delivery, the president tweeted Friday from his Mar-a-Lago estate in Florida, where he's spending the holidays. "Why is the United States Post Office, which is losing many billions of dollars a year, while charging Amazon and others so little to deliver their packages, making Amazon richer and the Post Office dumber and poorer?" Trump told his 45 million followers. Trump regularly criticizes Amazon and its chief executive officer, Jeff Bezos, who also owns the Washington Post newspaper and is currently the world's richest man. In August, Trump accused the company of causing "great damage to tax paying retailers," even though the internet giant began collecting sales tax on products it sells directly in April. As with prior missives targeting the company, Trump's message appeared to concern investors. Amazon's stock had gained the past three days, but dropped 0.6 percent to \$1,178.68 at 12:41 p.m. in New York. A sudden increase in postal service rates would cost Amazon about \$2.6 billion a year, according to an April report by Citigroup. That report predicted United Parcel Service Inc. and FedEx Corp. would also raise rates in response to a postal service hike."

<https://www.bloomberg.com/news/articles/2017-12-29/trump-says-u-s-post-office-should-charge-amazon-much-more>

**Europe: Italy's President Dissolves Parliament, Triggering Elections**

"Italy's all-too-familiar postwar brew of government dysfunction, economic stagnation and toxic debt has investors worried again, even as the specter of populist revolt recedes elsewhere in Europe. The next parliamentary elections in the euro region's third-biggest economy, now scheduled for March 4, will test stress points including the country's ambivalent relationship with the single currency, its towering debt and a troubled banking system still trying to dispose of decade-old poisonous holdings. What will the vote decide? It will be a crucial test for the anti-establishment, euroskeptic Five Star Movement, especially since a new electoral law encourages parties to build alliances. Five Star is challenging the ruling center-left Democratic Party of Prime Minister Paolo Gentiloni. So is a possible center-right coalition of the Forza Italia party of ex-premier Silvio Berlusconi, the euroskeptic and anti-migrant Northern League and the small, far-right Brothers of Italy; that bloc won regional elections in Sicily in November. But polls have shown that none of these three groups may have the support to win a parliamentary majority on its own. So the elections could end up with a hung parliament, lingering uncertainty, and a reappointment of Gentiloni until fresh elections."

<https://www.bloomberg.com/news/articles/2017-12-29/why-much-is-at-stake-in-italy-s-march-4-elections-quicktake-q-a>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at December 27, 2017	
	Percentage (%)
Yield to Maturity	4.80
Weighted Average Coupon	4.985
Current Yield	4.90

The platinum portfolio has an effective maturity of 3.36 years and duration of 4.90 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.

**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)

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 1/2 Oxford Road, Kingston 5, Jamaica. ☎ (876) 929 1908 – 9  
 research@mayberryinv.com • sales@mayberryinv.com • www.mayberryinv.com

