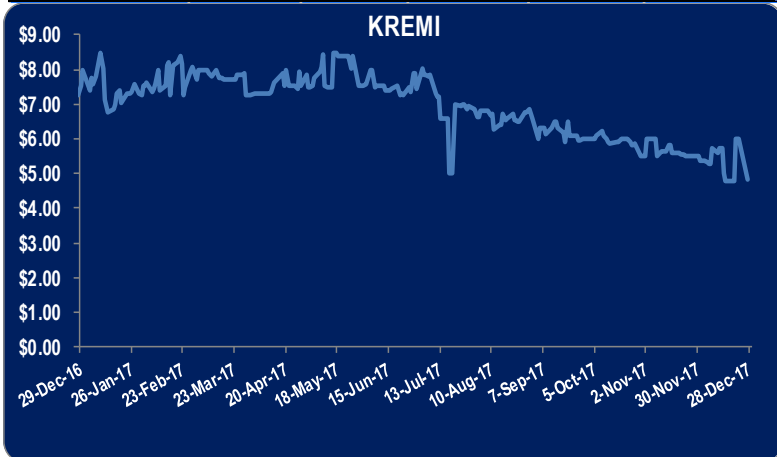


## DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$) <sup>+</sup>

Stock Symbol	NCBFG	DCOVE	CAR	SGJ	KREMI
Current Price (\$)	99.93	16.00	11.40	53.02	6.00
Trailing EPS (\$)	7.75	1.13	0.78	3.91	0.33
P/E (times)	12.90	14.12	14.59	13.55	18.08
Projected P/E	10.75	10.43	13.97	12.49	16.81
Projected EPS (\$)*	9.30	1.53	0.82	4.24	0.36
Book Value per share (\$)	47.02	9.19	0.42	32.92	1.75
Price/Book Value (times)	2.13	1.74	26.96	1.61	3.43
Dividend Yield (2017 %)	2.40%	5.00%	6.67%	3.45%	N/A
Volumes	50,823	NIL	234,822	104,683	800
Recommendation	HOLD	SELL	BUY	HOLD	HOLD



## STOCK OF THE DAY: Caribbean Cream Ltd. (KREMI)

## For six months ended August 31, 2017:-

KREMI reported a 9% increase in revenue during the period totaling \$673.26 million compared to \$614.90 million in the corresponding period last year. Revenue for the second quarter rose 18% to close at \$354.17 million compared to \$299.64 million for the comparable quarter of 2016.

Costs of Sales amounted to \$453.14 million (2016: \$360.07 million), an increase of 26%. Management indicated, "the escalation over last year is due to increased costs of foreign exchange, utilities, labour and storage."

Nevertheless, Gross Profit fell 14% or \$34.71 million to \$220.12 million compared to \$254.83 million for the period ended August 31, 2016. The company booked gross profit of \$112.77 million for the second quarter versus \$117.05 million reported for the similar quarter of 2016.

Administrative Expenses climbed 10% to close at \$125.43 million (2016: \$113.70 million), while Selling and Distribution Costs slid 4% from \$22.27 million to \$21.42 million. Consequently, operating profit for the six months period amounted to \$74.42 million, down 38% relative to \$120.13 million book in 2016.

Finance Cost rose 28% year over year to amount to \$6.26 million relative to \$4.90 million recorded in the second quarter of 2016. Interest income for the period reflected a marginal decline from \$2.35 million to \$2.34 million for the six months.

No taxes were charged for the period, as such Net Profit Attributable to Shareholders decreased by 40% from \$117.57 million in 2016 to \$70.49 million. Profit for the quarter amounted to \$35.64 million (2016: \$46.40 million), down 23% year over year. According to KREMI, "this impact was primarily a result of the lower gross profit. Overheads were largely in line with expectations."

Consequently, Earnings per Share for the period amounted to \$0.19 (2016: \$0.31), while the EPS for the quarter totaled \$0.09 (2016: \$0.12). The trailing twelve months earnings per share amounted to \$0.33. The number of shares used in these calculations were 378,568,115 units.

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	126.000	100.010	123.6078	134.580	115.000	125.0004
CAN	108.430	73.320	95.2073	108.430	92.000	97.3947
GBP	169.000	120.600	165.3512	186.870	160.700	167.0275
EURO	148.148	106.800	147.0961	164.260	142.000	147.5235

\*Rates as at December 29, 2017

## MONEY MARKET

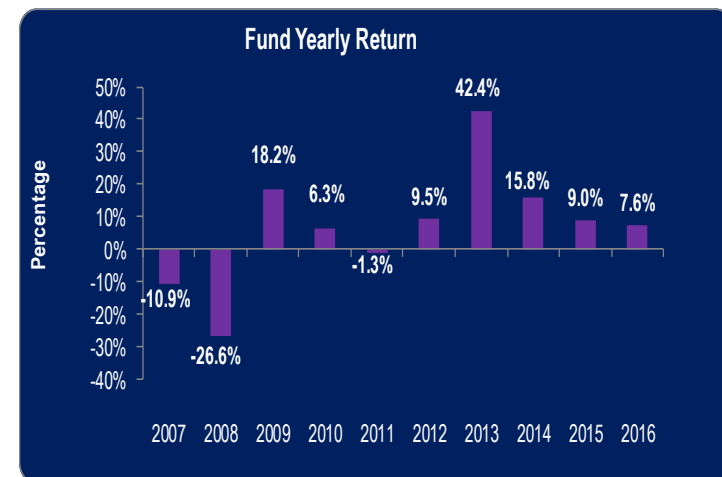
The Jamaican dollar fixed income market was liquid in today's (January 2, 2018) trading session. The overnight rates were quoted around 2.50% to 2.85% while the 30-day rates were between 3.75% to 4.00%.

The US dollar fixed income market was also liquid during today's (January 2, 2018) 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%.



## US: Trump's Demand for a Border Wall Splits GOP Lawmakers

“President Donald Trump is emphasizing his vow to build a wall at the U.S.-Mexico border and additional conditions for an immigration deal, as congressional leaders and White House officials plan a meeting Wednesday that will set terms for a coming debate on the issue. GOP lawmakers have largely avoided talking about the border wall, a central Trump campaign promise, in negotiations with Democrats on legislation to provide protection against deportation for 800,000 young undocumented immigrants while also bolstering border security and interior enforcement of immigration laws. House Majority Whip Steve Scalise, a Louisiana Republican, didn’t mention a wall during an appearance on Fox News Tuesday, saying only that “there is an agreement that can be reached,” but “it’s got to start with border security.” The president said in September that he would end the Obama-era program known as Deferred Action for Childhood Arrivals, or DACA, in early March. Trump has expanded his demands for what he wants in exchange for a DACA accord: eliminating family immigration preferences and ending a diversity lottery program that provides visas to people in countries with low rates of migration to the U.S.”

<https://www.bloomberg.com/news/articles/2018-01-02/trump-s-demand-for-border-wall-marks-divide-with-gop-lawmakers>

## Europe: Global Manufacturers Strain to Keep Up With Faster Economy

“Factories across the globe warned they are finding it increasingly hard to keep up with demand, potentially forcing them to raise prices as the world economy looks set to enjoy its strongest year since 2011. A slew of Purchasing Managers Indexes published on Tuesday from countries including China, Germany, France, Canada and the U.K. all pointed to deeper supply constraints. The U.S. reading from IHS Markit rose for the third month in the past four, reaching the highest since March 2015 amid “increased capacity pressures.” Such strains on potential output may mean companies have to hire or invest more to avoid overheating, yet it could also force them to push up prices, propelling inflation enough to squeeze the expansion. JPMorgan Chase & Co. is among the banks predicting global growth will be around 4 percent this year and on Tuesday said its composite of PMI reports from around the world had reached the highest since February 2011. “A key development to watch out for in 2018 is the potential advent of accelerating inflation,” said Larry Hatheway, chief economist at GAM. “It matters most because it is almost entirely unanticipated by markets, yet seems likely from the perspective of macroeconomic conditions.”

<https://www.bloomberg.com/news/articles/2018-01-02/global-demand-lifts-euro-area-factory-growth-to-a-record-pace>

## PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at January 2, 2018	
	Percentage (%)
Yield to Maturity	4.78
Weighted Average Coupon	4.928
Current Yield	4.37

The platinum portfolio has an effective maturity of 13.36 years and duration of 5.07 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](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)