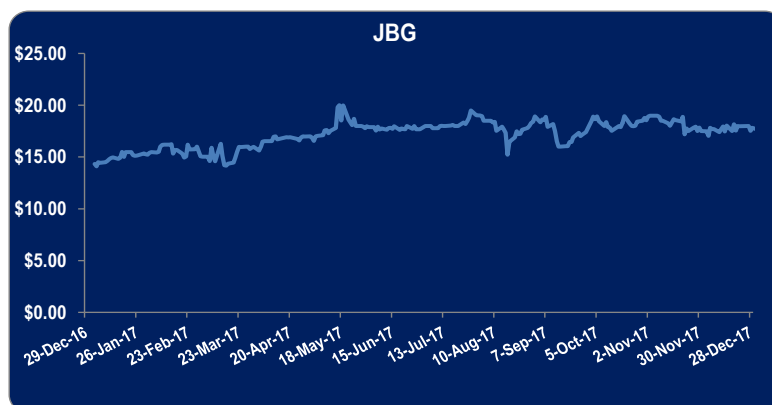


## DAILY MARKET SUMMARY

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

Stock Symbol	PJAM	ISP	JP	JBG	JETCON
Current Price (\$)	41.50	12.50	16.68	18.04	4.57
Trailing EPS (\$)	3.86	0.46	0.47	1.69	0.28
P/E (times)	10.74	27.12	35.48	10.65	16.26
Projected P/E	9.77	22.78	25.72	11.34	16.55
Projected EPS (\$)*	4.25	0.55	0.65	1.59	0.28
Book Value per share (\$)	26.91	2.52	9.89	12.39	0.70
Price/Book Value (times)	1.54	4.96	1.69	1.46	6.52
Dividend Yield (2017 %)	2.53%	N/A	0.60%	1.94%	0.51%
Volumes	13,715	NIL	9,000	18,482	157,481
Recommendation	HOLD	SELL	SELL	HOLD	HOLD



## STOCK OF THE DAY: Jamaica Broilers Group (JBG)

Revenues totalled \$23.02 billion, a 13% increase on the \$20.43 billion reported in 2016. Revenue for the second quarter amounted to \$11.53 billion compared to \$10.41 billion booked for the corresponding quarter of 2016.

The Jamaica Operations contributed \$16.04 billion, an 8% increase compared to \$14.85 billion for the same period of 2016. US Operations recorded an increase of 23% to total \$5.95 billion relative to \$4.85 billion last year. Other Caribbean Operations contributed \$1.03 billion, an increase of 42% when compared to \$725.14 million.

Cost of Sales grew by 14% to \$17.39 billion from \$15.22 billion in 2016. Gross profit for the first six months reflected an increase of 8% to close at \$5.63 billion versus \$5.20 billion booked for the corresponding period in 2016.

Other income rose 95% from \$72.33 million for the first six month of 2016 to \$140.81 million in 2017. Distribution costs rose 31% to close at \$859.05 million relative to \$654.39 million recorded for the prior year's comparable period, while administration and other expenses grew by 7% to \$3.72 billion (2016: \$3.47 billion). According to the company, "distribution and administrative cost of the Group, reflected an increase of 11% over the previous year due primarily to inflation and increased development costs associated with the improvement of the Group's information systems and IT security. These expenses include one-off cost elements which are not expected to recur. Additionally, finance income decreased by \$253.0 million or 95% from the prior year due to foreign exchange losses when compared to foreign exchange gains in the prior year."

Operating profit improved by 4%, totalling \$1.20 billion relative to \$1.15 billion last year. JBG reported finance income of \$13.84 million (2016: \$266.47 million) a decrease of 95%, while finance costs increased marginally to \$310.53 million relative to \$309.77 million in 2016.

Profit before taxation decreased for the period amounting to \$898.70 million (2016: \$1.11 billion). Tax charges for the period totalled \$240.26 million (2016: \$269.27 million). As such, net profit amounted to \$658.44 million (2016: \$841.17 million). Net profit for the quarter amounted to \$445.86 million relative to \$439.11 million booked last year.

Net profit attributable to shareholders amounted to \$633.47 million relative to \$834.59 million booking for the comparable period in 2016. Net profit attributable to shareholders for the quarter totalled \$435.78 million versus \$434.57 million booked for the second quarter of 2016.

Consequently, earnings per share totalled \$0.53 relative to \$0.70 booked for the first six months of 2017. EPS for the second quarter amounted to \$0.36 versus \$0.36. The trailing twelve months EPS amounted to \$1.69. The total shares used in our calculation amounted to 1,199,276,400 units.

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	125.750	100.010	123.0831	134.420	100.010	124.5476
CAN	101.190	74.370	96.4563	110.160	92.000	98.0059
GBP	170.050	121.500	164.2958	186.870	160.000	166.7001
EURO	146.420	107.100	142.6555	165.530	142.800	152.8487

\*Rates as at January 08, 2018

## MONEY MARKET

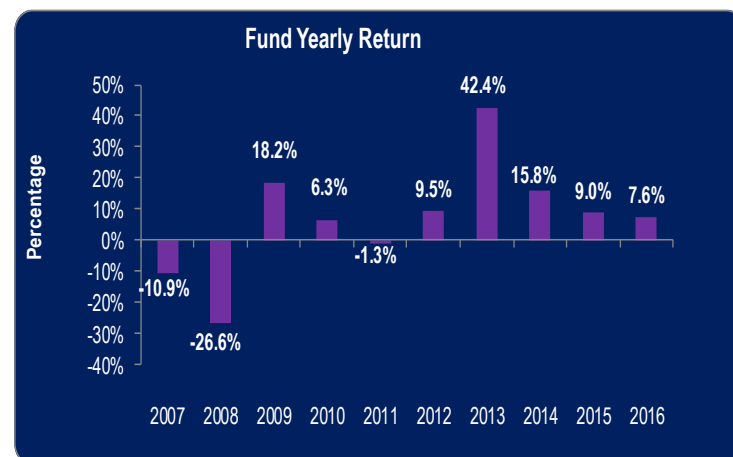
The Jamaican dollar fixed income market was liquid in today's (January 09, 2017) trading session. The overnight rates were quoted around 2.20% to 2.50% while the 30-day rates were between 3.70% to 4.00%.

The US dollar fixed income market was also liquid during today's (January 09, 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%.



**US: U.S. Treasury Yields Are Surging and Bond Traders Are Starting**

“The 10-year U.S. Treasury yield climbed to the highest level in more than nine months, leading Bill Gross at Janus Henderson Group to declare a bond bear market just ahead of a deluge of sovereign debt sales. The benchmark U.S. yield rose as much as six basis points to 2.54 percent, a level last seen in March, and the Treasury curve steepened the most in three weeks, as a looming glut of bond supply from the U.S., the U.K., Japan and Germany coincided with a surprise cut in purchases of long-dated Japanese government bonds by the Bank of Japan. Even though central bank watchers said the BOJ’s actions aren’t interpreted as an imminent shift from ultra-accommodative policy by Japan’s monetary authority, it’s yet another sign of central banks stepping back from global bond markets -- just as the U.S. is about to sell the most debt in eight years. Add to that rising market expectations around inflation, and traders are starting to wager that Treasuries are about to break out of their tightest range in a half-century.”

<https://www.bloomberg.com/news/articles/2018-01-09/u-s-10-year-yield-climbs-as-boj-action-spurs-exit-speculation>

**Europe: EU may treat some UK financial rules as equivalent after Brexit: Barnier**

“The European Union could treat some British financial regulation as equivalent to EU law after Brexit, but would not give financial firms a general “passport” to do business in the single market, the EU’s chief Brexit negotiator said on Tuesday. In a speech at a Belgian business event, Michel Barnier reiterated that once Britain left the EU on March 29, 2019, its firms would lose the benefits of doing business across a market of 440 million people. “We will have the opportunity to treat some UK rules as equivalent, based on a proportionate and risk-based approach, including financial stability, which remains our primary concern,” Barnier said. The City of London would like to retain the easy access to the EU market it has now, but Barnier said this was not possible. “Its (Britain’s) financial services cannot benefit from a passport in the single market nor from a system of generalized equivalence of standards,” Barnier said. Jeremy Browne, the City’s EU envoy, said on Monday the EU’s “one-way” system of equivalence, whereby the EU grants market access to foreign banks if they operate under similar rules to those of the bloc, was a non-starter for most in the City. “People are quite hardline about not having equivalence as the final state,” Browne said. Barnier, however, said the integrity of the single EU market was sacrosanct and that much depended on the scope of regulatory divergence between the EU and Britain after Brexit.

<https://www.reuters.com/article/us-britain-eu-barnier/eu-may-treat-some-uk-financial-rules-as-equivalent-after-brexit-barnier-idUSKBN1EY2C6>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at January 8, 2018	
	Percentage (%)
Yield to Maturity	4.89
Weighted Average Coupon	4.928
Current Yield	4.89

The platinum portfolio has an effective maturity of 21.06 years and duration of 5.07 years.

**STRUCTURED PRODUCT**

**Mayberry Managed Equity Portfolio (MMEP)**

We offer a managed equity portfolio for both institutions and individuals. The MMEP is a full discretionary managed portfolio of a diversified group of stocks. The stocks included in the portfolio represent Mayberry’s top recommended stocks. Persons who find it difficult to manage their equity portfolios on a day to day basis should consider the MMEP. Further, the MMEP is for individuals and institutions who would like to pursue a medium to long term equity strategy.

**DISCLAIMER**

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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)

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