

DAILY MARKET SUMMARY



LOCAL STOCK MARKET: (J\$) +

| Stock Symbol | PJAM | ISP | JP | JBG | JETCON |
|---------------------------|--------|-------|-------|-------|--------|
| Current Price (\$) | 41.41 | 12.50 | 16.64 | 18.12 | 4.42 |
| Trailing EPS (\$) | 3.86 | 0.46 | 0.47 | 1.69 | 0.28 |
| P/E (times) | 10.72 | 27.12 | 35.39 | 10.70 | 15.73 |
| Projected P/E | 9.74 | 22.78 | 25.65 | 11.39 | 16.00 |
| 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 | 1.68 | 1.46 | 6.30 |
| Dividend Yield (2017 %) | 2.54% | N/A | 0.60% | 1.93% | 0.53% |
| Volumes | 73,255 | NIL | 3,030 | 5,148 | 61,220 |
| Recommendation | HOLD | SELL | SELL | HOLD | HOLD |

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

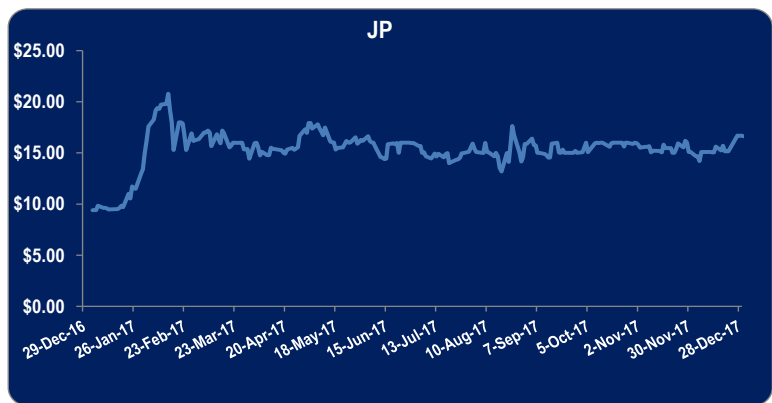
| | PURCHASE RATE | | | SALES RATE | | |
|------|---------------|---------|-----------------------|------------|---------|-----------------------|
| | Highest | Lowest | Weighted Average Rate | Highest | Lowest | Weighted Average Rate |
| USD | 125.600 | 100.010 | 123.6463 | 134.250 | 115.000 | 124.7621 |
| CAN | 102.500 | 74.090 | 98.0188 | 110.160 | 89.100 | 100.2116 |
| GBP | 170.000 | 121.500 | 164.0538 | 186.870 | 160.000 | 166.9172 |
| EURO | 145.500 | 107.100 | 143.7939 | 152.500 | 142.000 | 151.4511 |

*Rates as at January 09, 2018

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 10, 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 10, 2017) trading session; The overnight market rates were quoted at 1% while the 30-day market rates stood around 1.0% to 1.2%.



STOCK OF THE DAY: Jamaica Producers Group Limited (JP)

For the six months ended June 30, 2017:

For nine months ended September 30, 2017, Jamaica Producers Group Limited (JP) experienced a 39% increase in revenue to total \$11.38 billion compared to the \$8.20 billion reported in 2016. The company posted third quarter revenue of \$3.98 billion a 9.76% increase (2016: \$3.63 billion).

The Food & Drink Division had a \$179.29 million increase in revenue to total \$6.21 billion relative to the \$6.03 billion reported in 2016. Logistics and Infrastructure increased \$3.06 billion or 145% year over year to total \$5.18 billion (2016: \$2.11 billion). This increase was associated with the addition of Kingston Wharves to the Profit and Loss as a subsidiary.

The cost of sales for the nine months increased by 24% to total \$7.77 billion compared to \$6.29 billion reported for the comparable period in 2016. As a result, Gross Profits increased to total \$3.61 billion, a 90% growth on the \$1.90 billion documented in 2016. Other income year over year increased from \$131.69 million to \$122.23 million, a 8% increase.

JP's administration, selling and other operating expenses rose 23% to close at \$2.18 billion, this compares to \$1.77 million booked a year earlier. JP also recorded a share of profit in joint venture and associated company of \$155,000, relative to a profit of \$438.80 million in the previous year. Finance cost was reported at \$214.02 million for the period relative to the \$174.55 reported in 2016. This resulted in a profit before taxation of \$1.35 billion for the period (2016: \$3.64 billion). Of note, the company had recorded a one-off gain on recognition of subsidiary of \$2.46 billion in 2016.

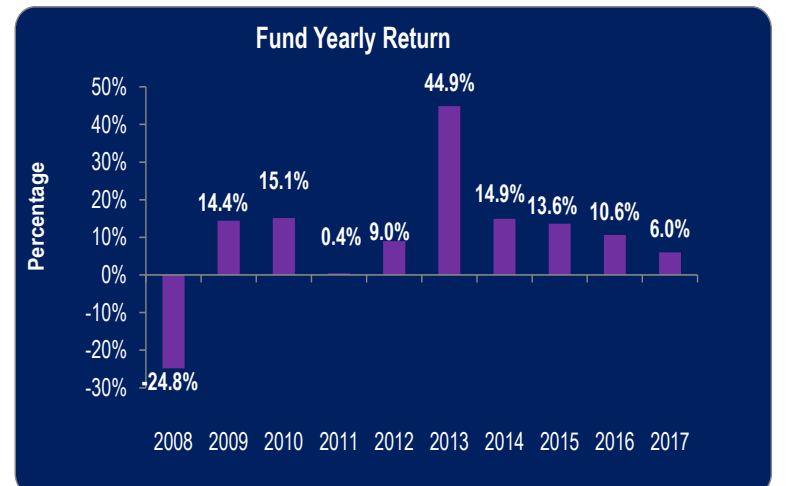
The company incurred tax charges of \$245.20 million (2016: \$142.08 million), resulting in Net Profit for the period declining 68% to \$1.11 billion (2016: \$3.49 billion). Notably, net profit attributable to stockholders totaled \$426.45 million; this compared to \$3.38 billion a 515% decline. Net Profit attributable to shareholders for the quarter declined 74% to total \$175.42 million relative to the \$676.01 million 2016.

Earnings per share for the period amounted to \$0.38 (2016: \$3.01), EPS for the quarter amounted to \$0.16 (2016: \$0.60), while the trailing earnings per share amounted to \$0.88. Additionally, JP's stock price closed at \$15.18 as at the end of trading on November 14, 2017. The number of shares utilized in the computations amounted to 1,122,144,036 units.

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 10% and a 5 year return of 17.3% as at November 30, 2017. The Fund also has a 3 month return of 6.5%.



*Prices are as at January 10, 2018 *Projections are for the forward 12 months from the most recent quarter results

U.S.: China Weighs Slowing or Halting Purchases of U.S. Treasuries

China added to bond investors' jitters on Wednesday as traders braced for what they feared could be the end of a three-decade bull market. Senior government officials in Beijing reviewing the nation's foreign-exchange holdings have recommended slowing or halting purchases of U.S. Treasuries, according to people familiar with the matter. The news comes as global debt markets were already selling off amid signs that central banks are starting to step back after years of bond-buying stimulus. Yields on 10-year Treasuries rose for a fifth day, touching the highest since March. China holds the world's largest foreign-exchange reserves, at \$3.1 trillion, and regularly assesses its strategy for investing them. It isn't clear whether the officials' recommendations have been adopted. The market for U.S. government bonds is becoming less attractive relative to other assets, and trade tensions with the U.S. may provide a reason to slow or stop buying American debt, the thinking of these officials goes, according to the people, who asked not to be named as they aren't allowed to discuss the matter publicly. China's State Administration of Foreign Exchange didn't immediately reply to a fax seeking comment on the matter.

<https://www.bloomberg.com/news/articles/2018-01-10/china-officials-are-said-to-view-treasuries-as-less-attractive>

Europe: Germany to Demand U.K. Pay for Post-Brexit Bank Access

"Germany will demand the U.K. pay for the privilege of its financial firms having access to European Union markets after Brexit as Chancellor Angela Merkel's government maintains a hard-line stance against a bespoke trade deal. The U.K. cannot hope for a trade agreement that includes financial services unless Britain agrees to make substantial contributions to the EU budget and adheres to European law, according to German officials from two key government departments in Berlin. Both asked not to be named discussing internal government strategy. Even before the negotiations start on Britain's future relationship with the EU, Germany's position risks thwarting the U.K.'s aim of securing a tailor-made deal. Prime Minister Theresa May's government regards Germany's stance as crucial -- both Chancellor of the Exchequer Philip Hammond and Brexit Secretary David Davis are due in Germany on Wednesday to meet business groups and make the case for a wide-ranging Brexit deal. In a joint article for German newspaper Frankfurter Allgemeine Zeitung published the same day, Hammond and Davis said they want a trade accord covering financial services to ensure that after the 2008 crash, "we do not put that hard-earned financial stability at risk." But Germany will reject any attempt to include financial services in a post-Brexit trade deal unless Britain drops its opposition to substantial budget payments, the government officials said. Otherwise, the U.K. is simply "cherry-picking" its favored aspects of EU membership without having to share any responsibility -- something Germany has explicitly rejected from the outset.

<https://www.bloomberg.com/news/articles/2018-01-10/germany-is-said-to-insist-u-k-pay-for-post-brexit-bank-access>

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

USD Money Market

This portfolio is a full discretionary managed bond portfolio, ideal for clients who have short-term USD liquidity needs. Assets within the portfolio can be used as collateral for loans. The product provides a solid short term investment option in hard currency and allows the individual to hedge against the prevailing devaluation in the local currency.

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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

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 = POSITIVE TRANSFORMATION FOR OUR CLIENTS
 MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS

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