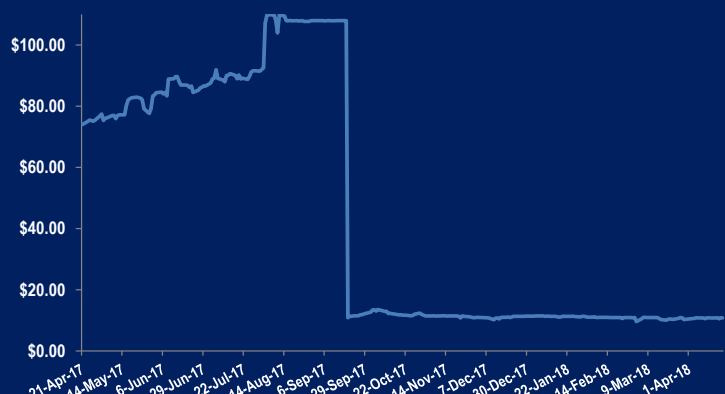


## DAILY MARKET SUMMARY

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

Stock Symbol	HONBUN	ISP	JBG	WISYNCO	CAR
Current Price (\$)	4.40	15.01	20.40	10.95	10.86
Trailing EPS (\$)	0.18	0.46	1.70	0.63	0.73
P/E (times)	24.83	32.57	11.99	17.50	14.94
Projected P/E	21.79	29.18	11.27	16.69	14.57
Projected EPS (\$)*	0.20	0.51	1.81	0.66	0.75
Book Value per share (\$)	1.22	2.52	12.92	2.09	0.42
Price/Book Value (times)	3.62	5.96	1.58	5.24	26.08
Dividend Yield (2018 %)	0.45%	N/A	0.83%	N/A	1.84%
Volumes	4,961	NIL	570,105	95,232	1,171,484
Recommendation	SELL	SELL	BUY	HOLD	BUY

CAR



## STOCK OF THE DAY: Carreras Limited (CAR)

## For the nine months ended December 31, 2018:

Carreras Limited reported Operating Revenue of \$9.53 billion, 9% lower than the \$10.48 billion booked in 2016. Revenue for the quarter contracted 16% to close at \$3.47 billion versus \$4.11 billion booked for the comparable quarter of 2016. According to CAR, "the Company has experienced a decline in its sales volume since the excise lead price increase implemented on March 13, 2017 of \$3 per stick of 21.4%. the legal sales volume lost is being channelled directly to the illicit trade which continues to expand as a result of the continuous and excessive excise increase levied on the legal industry over the past 3 years."

Cost of Operating Revenue also decline year over year by 13%, amounting to \$4.74 billion from \$5.23 billion. As such, Gross Operating Profit declined by 5% to total \$4.79 billion (2016: \$5.05 billion). Gross profit for the third quarter amounted to \$1.73 billion relative to \$1.95 billion for the corresponding quarter in 2016.

Other operating income decreased by 67% to \$56.61 million from \$171.07 million in the corresponding period in 2016. Total Operating Expenses rose marginally by 1% to total \$1.50 billion (2016: \$1.49 billion).

Profit before Income Tax was recorded at \$3.35 billion relative to \$3.74 billion in 2016. Following taxation of \$837.52 million for the period (2016: \$945.31 million), Net Profit Attributable to Shareholders amounted to \$2.51 billion down 10% from the \$2.79 billion booked last year. Profit attributable to shareholders for the third quarter amounted to \$842.16 million compared to \$1.10 billion booked in 2016.

CAR noted, "the Company remains positive in its outlook and has continued to invest mainly in its core brands, Craven "A" and Matterhorn Mojito Vybz, have so far provided innovation and enthusiasm among our consumers, and have resulted in an overall strengthening of our brands." "The strength of our brands, people and relationships continue to position us for the future."

The earnings per share (EPS) for the period was \$0.52 as compared to \$0.58 for the corresponding period of last year. the EPS for the quarter amounted to \$0.17 relative to \$0.23 in 2016. The twelve month trailing EPS amounted to \$0.73.

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	125.800	100.020	123.9996	134.020	102.000	125.1885
CAN	100.090	73.050	97.8862	110.050	92.000	99.0606
GBP	176.500	123.980	171.7167	195.910	167.000	175.9350
EURO	157.310	110.370	149.8916	158.792	144.500	156.2266

\*Rates as at April 20, 2018

## MONEY MARKET

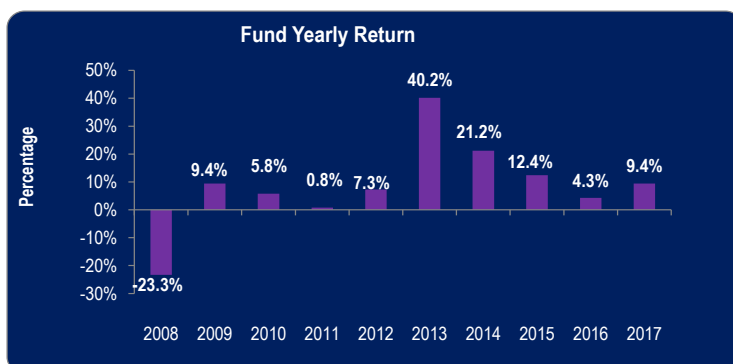
The Jamaican dollar fixed income market was liquid in today's (April 23, 2018) trading session. The over night rates were quoted around 1.50% while the 30-day rates stood at 2.30%.

The US dollar fixed income market was also liquid during today's (April 23, 2018) trading session; The overnight market rates were quoted 1.00% while the 30-day market rates stood around 1.20%.

## OVER THE COUNTER FUNDS (CI FUNDS)

## CI American Value Corporate Class

This fund's objective is to provide superior returns with a limited level of risk by investing in a diversified portfolio of high quality undervalued companies. It invests primarily in equity and equity-related securities of companies in the United States. Any change to the investment objective must be approved by a majority of votes cast at a meeting of shareholders held for that reason. The fund has a 3 year return of 6% and a 5 year return of 14.4% as at March 31, 2018. The Fund also has a 6 month return of 6.4%.



Investors' fears of an all-out trade war between the United States and China is prompting U.S. stock fund managers to hunt for companies that can easily pass on higher costs to their consumers. So far, domestic small-to-mid-cap companies that get most of their revenues at home have weathered prospects of higher trade costs the best, with the Russell 2000 index of smaller companies up 2.8 percent for the year, nearly double the 1.5 percent gain in the larger-cap and more internationally-exposed S&P 500 index over the same time. Yet fund managers from firms including Villere & Co, Hodges Capital and BMO Global Asset Management say that a trade war would likely push inflation higher, eating into the margins of even those domestic companies that get no revenues overseas. Instead of focusing on the geographic source of revenues, these managers say that they are targeting firms that have dominant niches or intellectual property that will allow them to protect or even expand their margins at a time of rising costs. Marshall has been adding to his position in Texas Instruments Inc (TXN.O), for example, because the firm's chips are used in high-end, high-demand products such as iPhones and self-driving cars. Shares of the company are flat for the year after its most recent earnings report failed to beat Wall Street estimates for the first time in two years, but Marshall said that he expects its revenue to continue to grow at above-market rates.

<https://www.reuters.com/article/us-usa-funds-trade/u-s-fund-managers-brace-for-trade-war-with-focus-on-pricing-power-idUSKBN1HU0F8>

## ☐ PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at March 26, 2018	
	Percentage (%)
Yield to Maturity	5.65
Weighted Average Coupon	5.463
Current Yield	5.49

The platinum portfolio has an effective maturity of 15.12years and duration of 5.73years.

## ☐ 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)

China's efforts to reduce its reliance on debt and find a more sustainable route to grow its economy may be derailed by the simmering trade dispute with the United States, economists warn. This was the year that Beijing was expected to step up its controls on unfettered lending, particularly in the so-called shadow banking area, as it seeks to contain a dangerous build up in debt across much of the economy. But there have been signs in the past few weeks that as U.S. President Donald Trump has ratcheted up the pressure on China over its trade policy – including a series of threats to impose punitive tariffs on Chinese goods coming into the United States – that a backsliding on deleveraging may be close. The most obvious sign of this came last Tuesday when China's central bank unexpectedly announced it was cutting the amount of cash that banks must keep in reserves. Then on Thursday, China's state planner said it aims to cut commercial and industrial electricity prices by an average of 10 percent, a move that aligns with a years-long effort to reduce corporate costs, though the size and timing of the cut again surprised financial markets. China has also this year vowed to lighten the tax burden on individuals and businesses and on May 1 will lower the value-added tax rate for the manufacturing, transportation, construction, telecommunication and agricultural sectors.

<https://www.reuters.com/article/us-usa-trade-china-analysis/china-may-backslide-on-deleveraging-if-trade-war-looms-idUSKBN1HU16G>

## ☐ STRUCTURED PRODUCT

### Mayberry Gold

This discretionary managed portfolio consisting of fixed income securities seeks to provide the best return to investors commensurate with level of risk. When compared to similar type products such as Savings accounts or Fixed Deposit, the return provided is more attractive. Currently Mayberry Gold provides a return of approximately 5.0% before deducting fees. The portfolio is professionally managed, with all investment parameters being considered before a security is bought for a customer.

