

DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$) +

Stock Symbol	PJAM	SALF	JP	GENAC	HONBUN
Current Price (\$)	44.95	15.89	16.57	3.43	4.76
Trailing EPS (\$)	3.87	1.00	0.83	0.23	0.17
P/E (times)	11.61	15.90	19.96	15.19	28.49
Projected P/E	11.40	12.25	9.81	13.20	23.87
Projected EPS (\$)*	3.94	1.30	1.69	0.26	0.20
Book Value per share (\$)	28.91	8.00	10.22	1.89	1.27
Price/Book Value (times)	1.55	1.99	1.62	1.81	3.74
Dividend Yield (2018 %)	0.56%	3.15%	N/A	N/A	0.42%
Volumes	22,820	4,000	561,745	NIL	106,100
Recommendation	HOLD	BUY	HOLD	HOLD	SELL

HONBUN



STOCK OF THE DAY: Honey Bun (1982) Limited (HONBUN)

For the six months ended March 31, 2018:

Revenue dipped by 1% amounting to \$674.74 million, down from \$680.34 million reported a year ago. The Company had an 5% decrease in Cost of Sales to \$366.10 million and consequently, Gross Profit increased by 4% or \$296.71 million year-to-date to \$308.65 million. For the quarter, Gross Profit increased by 4% to \$164.69 million.

The Company had Other Losses totaling \$5.35 million relative to the loss of \$93,163 for the same period the prior financial year. Finance income declined 61% from \$971,471 to \$383,545. Once considered, Profit before Expenses increased by 2% to \$303.69 million.

Administrative Expenses has decreased by 5% to \$126.30 million (2017: \$133.24 million) while Selling, Distribution & Promotion Expenses increased by 41% to \$103.30 million (2017: \$73.46 million). As a result, Total Expenses increased by 11% or \$22.90 million to \$229.60 million. For the quarter, Total Expenses increased by 5% to \$118.34 million.

The increased expenses resulted in Profit from Operations declining by 18% from \$90.88 million for the period under review to \$74.09 million year-to-date. Finance Costs increase by 16% to \$2.71 million and once considered, Profit before Taxation has declined by 19% or \$17.17 million to \$71.38 million.

Taxation has decreased by \$2.10 million or 19% to \$8.98 million. Once considered, Net Profit after Taxation amounted to \$62.39 million, a 19% decline relative to the \$77.46 million reported in the similar period for the prior financial year. For the quarter, Net Profit after Taxation has declined by 12% to \$34.8 million.

Consequently, earnings per share (EPS) amounted to \$0.13 (2017: \$0.16) year to date, while EPS for the quarter closed at \$0.07. The twelve months trailing EPS amounted to \$0.167.

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	131.430	100.000	124.7532	137.250	100.000	127.3150
CAN	104.780	69.110	93.6675	110.580	73.960	99.5430
GBP	169.175	119.220	163.4805	189.990	160.800	168.1174
EURO	145.000	105.750	139.3010	169.800	108.750	149.6532

*Rates as at May 28, 2018

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (May 29, 2018) trading session. The over night rates were quoted around 1.40% while the 30-day rates stood at 2.50%.

The US dollar fixed income market was also liquid during today's (May 29, 2018) trading session; The overnight market rates were quoted 1.00% while the 30-day market rates stood between 1.40%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI Global Value Corporate Class

This fund's objective is to obtain maximum long-term capital growth by identifying securities that the portfolio advisor believes are undervalued and have the potential for future growth. It invests primarily in equity and equity-related securities of companies around the world. The fund may make large investments in any country, including emerging markets or emerging industries of any market. The fund has a 3 year return of 5.8% and a 5 year return of 11.0% as at March 31, 2018. The Fund also has a 6 month return of 1.9%.

Fund Yearly Return



President Donald Trump is running out of time to deliver a revamp of the North American Free Trade Agreement (NAFTA) he promised for this year and people involved in the talks say the crunch is largely of his administration's own making. Negotiators, industry lobbyists, trade experts and lawmakers briefed on the talks described how precious months passed before the U.S. team presented its proposals and how the talks stalled because the demands far exceeded what Canada and Mexico had expected and Washington signaled no readiness to compromise. In the end, an unusually tight timetable allowed little space to bridge differences on the core issues, such as U.S. and regional content requirements for the auto industry. Talks started last August with a goal to conclude in just four months, but as a May 17 notification deadline to allow the current Republican-led U.S. Congress to approve a new agreement before year end passed, U.S. Trade Representative Robert Lighthizer warned a deal was "nowhere near close." Up until a few weeks ago, Lighthizer thought Mexico faced the biggest time pressure to wrap up the talks before its July 1 presidential elections, a Mexican source close to the talks told Reuters. Suddenly, it was the United States running against the looming congressional deadline, the Mexican source said.

<https://www.reuters.com/article/us-trade-nafta-trump-analysis/delays-and-poison-pills-team-trump-runs-out-of-road-in-nafta-talks-idUSKCN1IU0E2>

Chinese and U.S. envoys sparred at the World Trade Organization on Monday over U.S. President Donald Trump's claims that China steals American ideas, the subject of two lawsuits and a White House plan to slap huge punitive tariffs on Chinese goods. U.S. Ambassador Dennis Shea said "forced technology transfer" was often an unwritten rule for companies trying to access China's burgeoning marketplace, especially if they were partnering with a state-owned or state-directed Chinese firm. China's licensing and administrative rules forced foreign firms to share technology if they wanted to do business, while government officials could exploit vague investment rules to impose technology transfer requirements, he said. It was a lose-lose proposition for foreign investors, he said, and not just Americans. All countries would see their competitiveness eroded if China's policies were left unchecked. China flatly rejected the criticism, which has spawned WTO disputes from both sides and a \$50 billion tariff threat from Trump. The U.S. Trade Representative's office had failed to produce a single piece of evidence, and some of its claims were "pure speculation", he said, adding that the USTR saw Chinese M&A activity as a Chinese government conspiracy. But since the dispute erupted, U.S.-China trade policy has been the subject of high-level bilateral talks.

<https://www.reuters.com/article/us-usa-trade-china/u-s-and-china-clash-over-technology-transfer-at-wto-idUSKCN1IT11G>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at May 28, 2018	
	Percentage (%)
Yield to Maturity	5.75
Weighted Average Coupon	5.529
Current Yield	5.58

The platinum portfolio has an effective maturity of 13.59years and duration of 4.58years.

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

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, www.bloomberg.com, www.investopedia.com, 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