

## DAILY MARKET SUMMARY

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

Stock Symbol	SEP	BIL	NCBFG	DTL	MDS
Current Price (\$)	31.11	12.00	99.51	11.50	5.03
Trailing EPS (\$)	1.42	0.44	8.16	0.98	0.42
P/E (times)	21.87	27.54	12.19	11.70	12.08
Projected P/E	22.95	22.47	11.50	9.09	11.03
Projected EPS (\$)*	1.36	0.53	8.65	1.26	0.46
Book Value per share (\$)	18.04	6.41	50.65	3.82	2.56
Price/Book Value (times)	1.72	1.87	1.96	3.01	1.97
Dividend Yield (2018 %)	N/A	2.50%	0.70%	N/A	N/A
Volumes	NIL	NIL	766,949	1,500	126,888
Recommendation	SELL	SELL	HOLD	BUY	BUY

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	133.600	102.090	129.8963	140.340	102.270	132.0635
CAN	99.940	71.250	97.9030	114.480	93.920	100.7977
GBP	177.200	126.040	169.8529	199.800	162.000	176.2578
EURO	168.470	109.270	145.7303	175.800	142.000	155.7168

\*Rates as at June 14, 2018

## MONEY MARKET

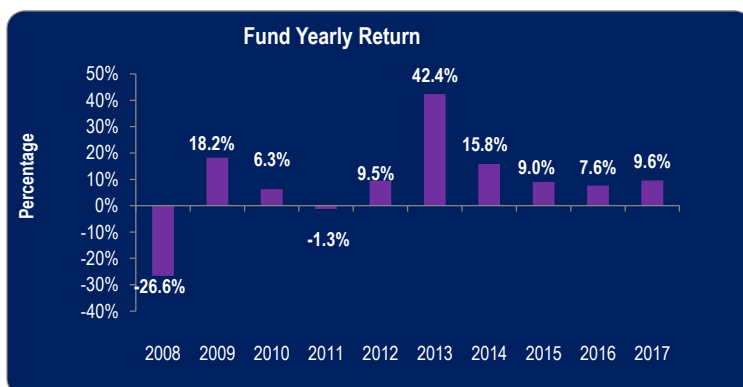
The Jamaican dollar fixed income market was liquid in today's (June 15, 2018) trading session. The over night rate stood at 1.35% while the 30-day rate stood 2.40%.

The US dollar fixed income market was also liquid during today's (June 15, 2018) trading session; The overnight market rates were quoted at 1.00% while the 30-day market rates stood at 1.70%.

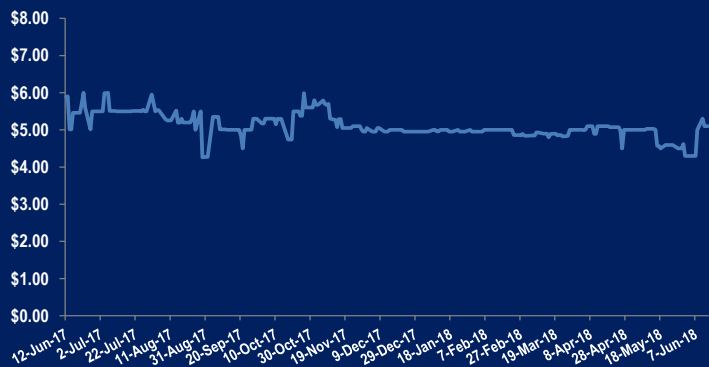
## OVER THE COUNTER FUNDS (CI FUNDS)

## 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. These countries currently include the United States, Canada and Mexico, but may also include countries that become members of NAFTA in the future. The fund has a 3 year return of 6.1% and a 5 year return of 12.4% as at May 31, 2018. The Fund also has a 10 year return of 8.1%.



MDS



## STOCK OF THE DAY: Medical Disposables &amp; Supplies Limited (MDS)

## For the year ended March 31, 2018:

Revenue amounted to \$2.04 billion, an increase of 19% compared to the \$1.71 billion booked in 2017. Cost of Sales increased \$280.63 million to total \$1.58 billion relative to \$1.30 billion in 2017, a 22% increase. As a result, Gross Profit grew by 12% or \$50.79 million to total \$461.52 million in 2018 compared to \$410.73 million in 2017. Revenue for the fourth quarter amounted to \$559.46 million up 23% (2017: \$455.65 million).

Total Operating Cost rose 16% to close at \$324.10 million (2017: \$279.42 million). Of this total, Selling and Promotional costs rose by 25% to \$127.85 million relative to \$102.58 million in 2017. Administrative Expenses went up by 12% to close the year at \$171.09 million (2017: \$152.22 million). Other Operating Expenses decreased by 15% to close the year at \$2.12 million (2017: \$2.48 million), while depreciation increased by 4% to close the year at \$23.05 million (2017: \$22.13 million). For the fourth quarter Total Operating Cost amounted \$76.47 million (2016: \$68.31 million).

Operating Profit closed at \$141.80 million relative to \$135.58 million in 2017 this represents a 5% increase. The company reported Finance Income of \$23,204 for the period, this compares with the \$95,404 booked for 2017.

Finance Cost for the year amounted to \$35.31 million relative to the \$34.30 million reported in 2017.

Foreign Exchange Gains of \$2.65 million were reported for the year relative to a loss of \$743,304 in 2017.

Pre-tax profit totalled \$109.65 million, up from the \$100.63 million booked the year prior, a 9% increase. After taxation of \$60,000, Profit after Tax rose 9% amounting to \$109.59 million compared to \$100.57 million in 2017. For the fourth quarter Net Profits totalled \$46.13 million (2017: \$33.77 million).

Earnings per Share for the year amounted \$0.42 (2016: \$0.38), while EPS for the quarter totalled \$0.18 relative to \$0.13 last year.

**U.S.: Trade War's Battle Lines Drawn as U.S., China Set Tariff Lists**

The Trump administration moved the U.S. to the edge of a trade war with China by announcing tariffs on \$50 billion in Chinese imports and pledging additional investment restrictions, which Beijing immediately vowed to retaliate against. The response from China signaled a rapid escalation of the dispute. The world's No. 2 economy will impose tariffs with "equal scale, equal intensity" on imports from the U.S. and all of the country's earlier trade commitments are now off the table, the Commerce Ministry said in a statement on its website late Friday. U.S. goods slated for levies include farm products such as soybeans and corn, a potential blow to rural states that backed Donald Trump's election in 2016. Trump on Friday pledged more tariffs if China follows through on the retaliation threats, without specifying an amount. In April, he asked officials to consider an additional \$100 billion in levies. Meanwhile, U.S. Trade Representative Robert Lighthizer said an announcement on U.S. investment restrictions on China will follow in the next two weeks. The first wave of 25 percent tariffs will hit \$34 billion in goods and take effect July 6, with another \$16 billion still to be reviewed, the U.S. Trade Representative said in a separate statement. The USTR's final list includes 1,102 product lines, down from about 1,300 initially, mainly focused on China's Made In 2025 plan to become dominant in high-technology industries such as robotics, aerospace, industrial machinery ...

<https://www.bloomberg.com/news/articles/2018-06-15/trump-targets-50-billion-in-china-goods-vows-more-if-needed>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at June 11, 2018	
	Percentage (%)
Yield to Maturity	5.76
Weighted Average Coupon	5.529
Current Yield	5.65

The platinum portfolio has an effective maturity of 13.58 years and duration of 4.72 years.

**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)

**Euro: Euro Falls as ECB Signals Rates to Be Frozen Through Summer 2019**

The euro slumped, European stocks rose and German bunds rallied after the European Central Bank countered the tapering of its bond-buying program with a plan to hold down interest rates through at least the summer next year. Bunds rallied across the curve as money markets priced in a 10-basis point increase to the deposit rate in September 2019, compared with 15 basis points on Wednesday. Policy makers, however, set a December end date for their 2.6 trillion euro (\$3.1 trillion) asset-purchase program in the latest sign that years of loose monetary policy are coming to an end. The euro slumped, European stocks rose and German bunds rallied after the European Central Bank countered the tapering of its bond-buying program with a plan to hold down interest rates through at least the summer next year. Bunds rallied across the curve as money markets priced in a 10-basis point increase to the deposit rate in September 2019, compared with 15 basis points on Wednesday. Policy makers, however, set a December end date for their 2.6 trillion euro (\$3.1 trillion) asset-purchase program in the latest sign that years of loose monetary policy are coming to an end. German bonds have been among the biggest beneficiaries of the ECB's purchases since the inception of the program in 2015, with yields dropping to record lows and even briefly falling below zero percent in 2016. The central bank has held its deposit rate at minus 0.40 percent for more than two years, having not raised it since 2011

<https://www.bloomberg.com/news/articles/2018-06-14/euro-falls-as-ecb-signals-rates-to-be-frozen-through-summer-2019>

**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.