

## DAILY MARKET SUMMARY



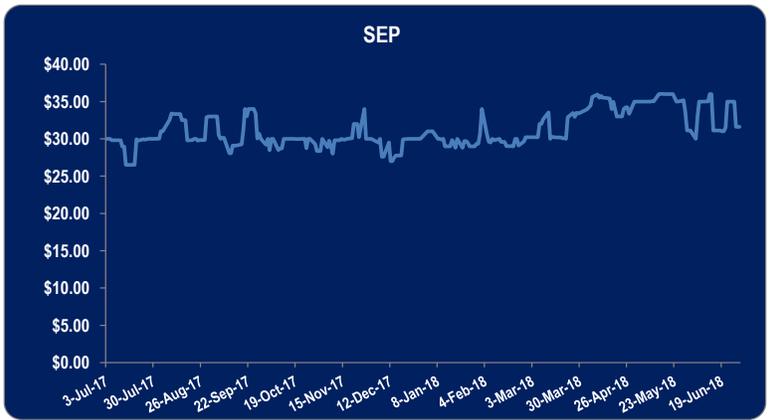
### LOCAL STOCK MARKET: (JS) +

Stock Symbol	ECL	SJ	SEP	PTL	CFF
Current Price (\$)	7.01	38.45	31.60	3.00	11.00
Trailing EPS (\$)	0.24	3.10	1.42	0.07	0.96
P/E (times)	29.43	12.39	22.22	43.26	11.51
Projected P/E	24.04	11.92	23.32	45.42	10.70
Projected EPS (\$)*	0.29	3.22	1.36	0.07	1.03
Book Value per share (\$)	0.34	17.10	18.04	0.48	4.32
Price/Book Value (times)	20.62	2.25	1.75	6.26	2.55
Dividend Yield (2018 %)	6.85%	1.72%	N/A	N/A	2.27%
Volumes	37,570	95,011	NIL	NIL	NIL
Recommendation	HOLD	HOLD	SELL	SELL	BUY

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	132.500	103.320	129.3765	141.750	104.140	130.0565
CAN	99.950	70.500	99.1819	112.800	93.000	99.9468
GBP	173.000	120.960	166.4001	198.840	146.000	173.9563
EURO	149.000	109.230	144.5818	175.200	145.650	152.2457

\*Rates as at June 28, 2018



### STOCK OF THE DAY: Seprod Limited (SEP)

**For the three months ended March 31, 2018:**

Revenue totalled \$4.95 billion compared to the \$4.25 billion recorded for the same period of the prior financial year; this represents a 16.47% increase year over year.

Cost of Sales increased by 8.81% from \$3.19 billion to \$3.47 billion resulting in Gross Profits increasing by 39.57% to close at \$1.48 billion (2017: \$1.06 billion).

Finance and Other Operating Income totalled \$126.36 million relative to \$182.77 million in 2017, a 30.86% decrease year over year.

Selling expenses decreased by 19.09% to close the first quarter of 2018 at \$155.03 million (2017: \$191.61 million). Administrative Expenses for the period climbed by 53.68% to total \$912.26 million relative to \$593.60 million. Contact was made with Seprod with regards to this jump in administrative expenses, the CEO was however unavailable at the time.

As such Operating Profit grew 17.64%, moving from \$456.57 million for the first quarter of 2017 to a total of \$537.12 million for comparable period in 2018.

Finance Costs totalled \$139.10 million (2017: \$69.85 million); a increase of 99.14% year over year. Share of Results of Joint Venture recorded a gain of \$2.93 million compared to a loss of \$17.75 million; this led to Profit before taxation increasing to \$400.95 million in comparison to \$368.97 million reported last year.

The company reported Net Profit of \$292.90 million, a growth of 3.51% relative to last year's corresponding period of \$282.96 million, following taxation of \$108.05 million (2017: \$86.01 million).

Net Profits attributable to shareholders amounted to \$337.73 million, an improvement year on year from the \$293.41 million recorded a year earlier.

Total comprehensive income attributed to shareholders amounted to \$351.73 million versus \$297.24 million recorded for the first three months of 2017.

Earnings per share for the quarter totalled \$0.65 (2017: \$0.57). The twelve months trailing EPS is \$1.51. The number of shares used in this calculation was 516,397,918 shares. As at May 15, SEP stock was trading at \$36.

### MONEY MARKET

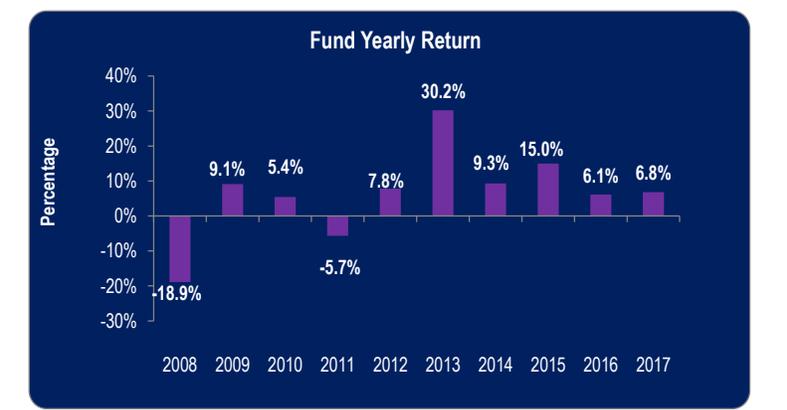
The Jamaican dollar fixed income market was liquid in today's (June 28, 2018) trading session. The over night rate stood at 0.85% while the 30-day rate ranged between 1.75% and 2.00%.

The US dollar fixed income market was also liquid during today's (June 28, 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 Global Value Fund**

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 4.9% and a 5 year return of 10.6% as at May 31, 2018. The Fund also has a 10 year return of 6.3%.



\*Prices are as at June 28, 2018 \*Projections are for the forward 12 months from the most recent quarter results

**U.S.: U.S. Consumer Sentiment Weaker Than Forecast on Tariffs**

Consumer sentiment weakened in the latter part of June on concerns about the economic impact of a trade war, according to a University of Michigan survey on Friday that also showed a pickup in inflation expectations. While sentiment remains high by historical standards, with survey respondents still upbeat about the job market and incomes, there's uncertainty surrounding U.S. tariffs on certain foreign imports and the threat of more. The survey showed that American households are worried about the future effect of trade tensions on prices and the pace of economic growth in general. The potential impact of tariffs on the economy was spontaneously cited by one-in-four consumers, with most anticipating a negative effect. The increase in inflation expectations was due both to rising energy costs and the impact of tariffs on goods, according to the survey. The longer-term outlook for prices was more subdued. Nonetheless, Americans anticipated an annual gain of 2.5 percent in their incomes, up from 1.6 percent in May and the highest since 2008, according to the University of Michigan.

<https://www.bloomberg.com/news/articles/2018-06-29/u-s-consumer-sentiment-weaker-than-forecast-on-tariff-concerns>

**Europe: Draghi Warns Risks From Trade War May Be Understated**

European Central Bank President Mario Draghi warned European Union leaders that an escalating trade war between the U.S. and the world's biggest economies may have a larger impact than policy makers and investors currently expect. Rising tensions could erode confidence to an extent that is difficult to gauge, Draghi told the 27 heads of government from the bloc at a summit in Brussels on Friday. The complexity of intertwined global supply chains could magnify the impact on the world economy, he said, according to a person familiar with the discussion, who asked not to be named as the debate wasn't public. Draghi's latest comments come days after U.S. president Donald Trump threatened to deal what could be a damaging blow to the German economy by imposing a 20 percent tariff on car imports from Europe. The risk prompted the EU to react with a joint statement on Friday, vowing an unwavering response "to all actions of a clear protectionist nature."

<https://www.bloomberg.com/news/articles/2018-06-29/draghi-is-said-to-warn-risks-from-trade-war-may-be-understated>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at June 25, 2018	
	Percentage (%)
Yield to Maturity	5.79
Weighted Average Coupon	5.55
Current Yield	5.73

The platinum portfolio has an effective maturity of 13.54 years and duration of 4.71 years.

**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.

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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

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

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