

## DAILY MARKET SUMMARY



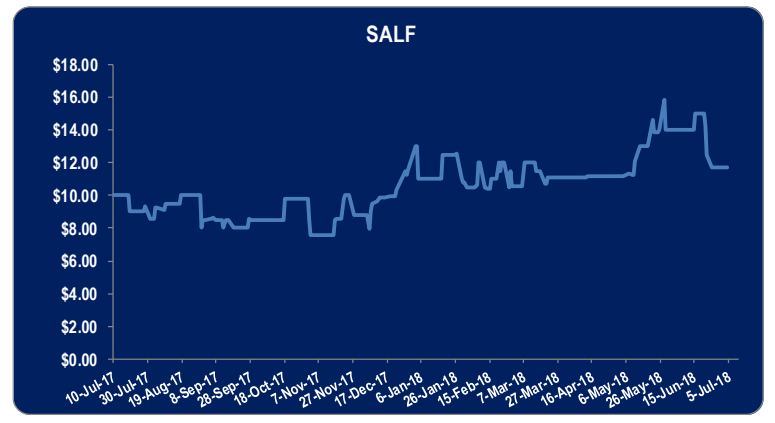
### LOCAL STOCK MARKET: (J\$) +

Stock Symbol	SEP	CCC	JETCON	LASD	SALF
Current Price (\$)	35.50	42.51	4.03	4.18	11.75
Trailing EPS (\$)	1.42	1.20	0.28	0.29	1.00
P/E (times)	24.96	35.42	14.64	14.54	11.76
Projected P/E	26.19	11.61	13.63	16.58	9.06
Projected EPS (\$)*	1.36	3.66	0.30	0.25	1.30
Book Value per share (\$)	18.04	10.93	0.82	1.31	8.00
Price/Book Value (times)	1.97	3.89	4.91	3.19	1.47
Dividend Yield (2018 %)	N/A	N/A	0.87%	2.80%	4.26%
Volumes	942	7,500	30,280	540,300	NIL
Recommendation	SELL	BUY	BUY	HOLD	HOLD

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	131.800	100.000	128.9418	141.180	100.000	130.5684
CAN	100.000	70.500	96.2955	113.580	73.230	98.1362
GBP	174.150	119.930	171.2362	197.160	165.000	172.7971
EURO	149.482	108.750	145.3712	174.000	141.900	152.2995

\*Rates as at July 05, 2018



### STOCK OF THE DAY: Salad Foods Jamaica Limited (SALF)

#### For the six months ended March 31, 2018:

Salada Foods, recorded a 19% increase in turnover for the six months to close at \$482.27 million (2017: \$404.38 million). For the second quarter revenues amounted to \$254.51 million (2017: \$209.10 million), a 22% rise.

Cost of sales for the six months increased by 12% to close the period at \$291.04 million relative to \$259.92 million in 2017. As such, gross profit amounted to \$191.23 million, a 32% increase year over year from the \$144.46 million booked in the prior year. Gross profit for the second quarter posted a 31% growth to close at \$106.76 million relative to \$81.67 million booked for the comparable quarter in 2017.

Their operating income for the first six months amounted to \$2.03 million relative to loss of \$2.11 million in 2017. Administrative expenses rose by 0.1% to \$61.06 million (2017: \$61.01 million), while selling and promotional expense fell 10% from \$27.55 million in 2017 to \$24.83 million. Consequently, this resulted in an operating profit of \$107.37 million, up 100% compared with the \$53.79 million reported for the corresponding six months for prior year. Operating profit for the second quarter recorded a 99% improvement to \$65.78 million (2017: \$33.06 million).

The company reported net finance loss of \$52,000 for the period; this compares to the net finance income of \$7.68 million for the same period in 2017. Profit before taxation increased by 75% to \$107.32 million versus \$61.47 million booked for the previous year's corresponding period.

For the six months ended March 31, 2018 net profit climbed significantly by 79%, from \$44.91 million in 2017 to \$80.28 million, whilst net profit for the quarter rose by 94% to \$53.51 million in 2018 relative to \$27.61 million in 2017. Earnings per stock unit for the six months amounted to \$0.78 (2016: \$0.45). The

### MONEY MARKET

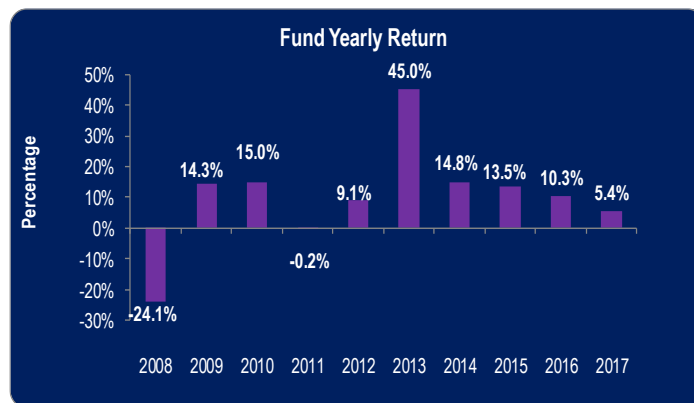
The Jamaican dollar fixed income market was liquid in to-day's (July 6, 2018) trading session. The over night rate stood at 0.85% to 1.00% while the 30-day rate ranged between 1.30% and 1.50%.

The US dollar fixed income market was also liquid during to-day's (July 6, 2018) trading session; The overnight market rates were quoted at 1.30% while the 30-day mar-

### OVER THE COUNTER FUNDS (CI FUNDS)

#### CI American Small Companies Corporate Class

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 7.0% and a 5 year return of 13.0% as at July 06, 2018. The Fund also has a 10 year return of 9.6%.



**Trump Eyes Even Higher Tariffs as China Trade War Escalates**

President Donald Trump threatened to impose tariffs on every single Chinese import into America as the world's two largest economies exchanged the first blows in a trade war that isn't set to end anytime soon. After months of rhetoric, a 25 percent levy on \$34 billion of Chinese goods entering the U.S. took effect just after midnight Washington time on Friday with farming ploughs and airplane parts among the products targeted. China hit back immediately via duties on U.S. shipments including soybeans and automobiles. Neither side shows any signs of backing down. Trump is already eyeing another \$16 billion of Chinese goods, and he indicated to reporters Thursday on Air Force One that the final tariff total could exceed \$500 billion, almost the same amount that the U.S. imported in 2017. China's Commerce Ministry accused the U.S. of "bullying" and igniting "the largest trade war in economic history."

<https://www.bloomberg.com/news/articles/2018-07-05/trump-s-trade-war-threat-to-tum-reality-as-china-tariffs-begin>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at July 02, 2018	
	Percentage (%)
Yield to Maturity	5.80
Weighted Average Coupon	5.55
Current Yield	5.74

The platinum portfolio has an effective maturity of 13.53 years and duration of 4.68 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)

**BOE Sees Reversal of Decade-Long Slump in U.K. Productivity**

Increasing investment by firms in technology means the U.K.'s abysmal productivity growth should soon start to recover, according to a Bank of England staff blog. A shortage of skills and labour is acting as a "catalyst" for firms to introduce productivity-boosting technology such as automation, said Will Holman and Tim Pike, who work in the central bank's division monitoring businesses across the country. But on the day the BOE published the analysis, data showed that a shortage of workers may be pushing up wages even though productivity is still in the doldrums. Productivity increased an annual 0.9 percent in the first quarter, less than half the average rate before the financial crisis. It fell 0.4 percent from the previous three months, figures published by the statistics office show.

<https://www.bloomberg.com/news/articles/2018-07-06/boe-sees-reversal-of-decade-long-slump-in-u-k-productivity>

**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.