

## DAILY MARKET SUMMARY

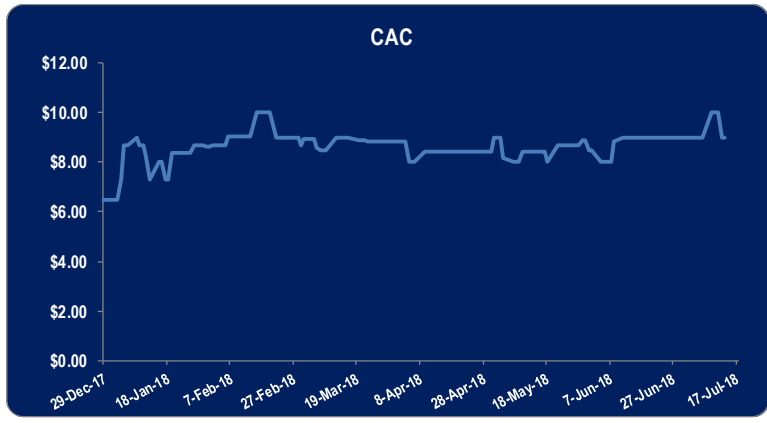


### LOCAL STOCK MARKET: (JS) +

Stock Symbol	KW	GENAC	CAC	JBG	MDS
Current Price (\$)	50.85	3.04	9.00	24.00	5.09
Trailing EPS (\$)	1.16	0.23	0.79	1.64	0.42
P/E (times)	43.69	13.46	11.35	14.67	12.22
Projected P/E	40.01	11.69	10.85	14.36	11.17
Projected EPS (\$)*	1.27	0.26	0.83	1.67	0.46
Book Value per share (\$)	16.40	1.89	3.69	12.92	2.56
Price/Book Value (times)	3.10	1.60	2.44	1.86	1.99
Dividend Yield (2018 %)	0.39%	N/A	0.89%	0.71%	N/A
Volumes	350	NIL	NIL	11,550	423,467
Recommendation	SELL	BUY	BUY	HOLD	BUY

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	134.050	100.790	130.3886	142.310	100.000	131.9332
CAN	101.900	71.280	100.2249	114.360	93.000	101.3513
GBP	172.000	142.200	166.3685	200.760	163.000	175.9136
EURO	156.951	110.730	145.7934	177.180	143.000	151.4906



\*Rates as at July 17, 2018

### STOCK OF THE DAY: CAC 2000 Limited (CAC)

**For the six months ended April 30, 2018:**

CAC revenues for the six months ended April 30, 2018 increased 10% to \$623.44 million relative to \$567.51 million for the comparable period in 2017. Revenues for the second quarter increased by 45% to \$383.93 million compared to \$265.64 million for the same period the prior financial year.

Cost of Sales also increased by 3% for the period to \$374.27 million (2017: \$364.19 million). Consequently, Gross Profit for the period improved \$45.84 million or 23% to \$249.17 million (2017: \$203.33 million).

For the six months ended April 2018, The Company reported a 33% increase in Total Expenses to \$195.50 million (2017: \$146.87 million). This was as a result of a 39% increase in General Administration to \$178.53million (2017: \$128.16 million) and a 9% downward movement in Selling & Distribution Expenses to \$16.97million (2017: \$18.71 million). According to the company "the increases were primarily related to salaries, professional fees (including costs related to the recent preference share issue) and travel related expenses." For the quarter, the Company reported a 57% increase in Total Expenses closing at \$109.25 million compared to \$69.16 million in 2017.

Other Income of \$4.42 million was recorded for the period up from \$2.12 million reported for the same period the prior year. The Company noted this was "due to tax credits booked." Consequently, Profit before Taxation and Finance Cost fell by 1% to \$58.09 million (2017: \$58.57 million).

Net Finance Costs decreased significantly for the period in review to \$4.43 million (2017: \$7.15 million).

Profit Before Taxation increased by 4% for the six months to close at \$53.65 million (2017: \$51.43 million). No taxes were recorded for the period compared to a tax credit of \$222,812 reported in 2017. As such, Net Profit for the six months increased 4% to \$53.65 million (2017: \$51.65 million). Net Profit for the quarter was reported at \$55.88 million (2017: \$27.49 million), representing a 103% increase.

Earnings-per-share (EPS) for the six months amounted to \$0.42 compared to \$0.40 in 2017, while for the quarter the EPS amounted to \$0.43 (2017: \$0.21). The twelve months trailing EPS amounted to \$0.79. The number of shares used in our calculations is 129,032,258 units. Notably, CAC's stock price closed the trading period on June 12, 2018 at a price of \$8.00.

### MONEY MARKET

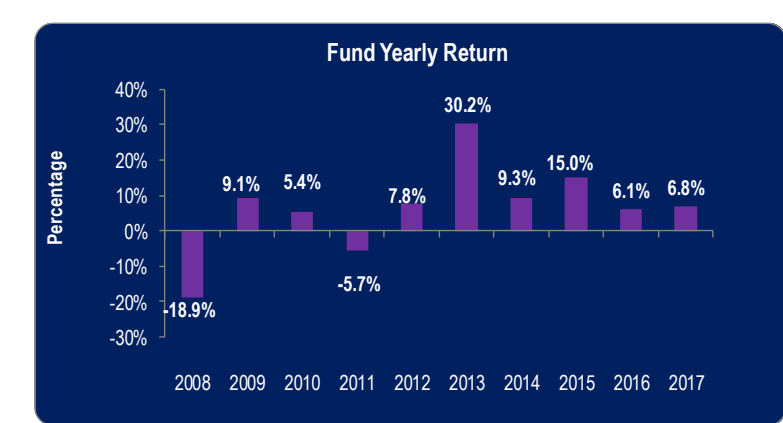
The Jamaican dollar fixed income market was liquid in to-day's (July 18, 2018) trading session. The over night rate stood at 0.85% to 1.00% while the 30-day rate ranged between 1.20% and 1.50%.

The US dollar fixed income market was also liquid during today's (July 18, 2018) trading session; The over-night market rates were quoted at 1.20% while the 30-day market rates stood at 1.50% to 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 6.0% and a 5 year return of 10.8% as at June 30, 2018. The Fund also has a 10 year return of 10.8%.



\*Prices are as at July 18, 2018 \*Projections are for the forward 12 months from the most recent quarter results

**U.S.: Morgan Stanley Dealmakers Post Biggest Gains on Wall Street**

Morgan Stanley is putting Ted Pick in charge of the firm's investment bank with momentum in his favour. The business posted the biggest second-quarter revenue increase on Wall Street Wednesday, and the firm's trading operation topped analysts' estimates. That drove a 39 percent jump in earnings that was also better than expected, and the shares surged the most in almost four months. Chief Executive Officer James Gorman named Pick, 49, head of the banking and trading division earlier this month after he led the equities business to a top rating for the past four years and helped turn around the fixed-income unit. The firm was the only one to post double-digit increases in both trading businesses for the second quarter and was the number one adviser on mergers in the first half. Advisory revenue of \$618 million jumped 23 percent from a year earlier on higher levels of completed mergers, the company said. Stock-trading revenue rose 15 percent to \$2.47 billion, compared with a \$2.3 billion estimate of eight analysts surveyed by Bloomberg. Fixed-income trading climbed 12 percent to \$1.39 billion.

<https://www.bloomberg.com/news/articles/2018-07-18/morgan-stanley-s-dealmakers-post-biggest-gains-on-wall-street>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at July 16, 2018	
	Percentage (%)
Yield to Maturity	5.78
Weighted Average Coupon	5.55
Current Yield	5.51

The platinum portfolio has an effective maturity of 13.45 years and duration of 4.67 years.

**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.

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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)

**Asia: Yuan Hits One-Year Low, Testing China's Tolerance for Weakness**

The yuan fell to the lowest since August as the dollar rallied, raising speculation that Chinese officials are comfortable with the currency's weakness. The yuan fell as much as 0.29 percent to 6.7229 per dollar, while the overseas-traded currency also weakened. Chinese stocks reversed earlier gains, with the Shanghai Composite Index and the Hang Seng China Enterprises Index closing at least 0.1 percent down. The yuan has slid 4.7 percent since mid-June to become Asia's worst performing currency as China's economy showed signs of slowing and as the trade spat with the U.S. escalated. While the currency will moderately depreciate amid ongoing trade tensions, the central bank is unlikely to set a line in the sand for the exchange rate as long as the moves are driven by fundamental factors, according to Pacific Investment Management Co. "Market concerns resulting from uncertainty such as trade war continue to weigh on sentiment," said Gao Qi, Singapore-based foreign exchange strategist at Scotiabank. "Investors will keep pushing the yuan to 6.8 per dollar. The PBOC will step in, if one-sided depreciation pressures are seen."

<https://www.bloomberg.com/news/articles/2018-07-18/yuan-hits-one-year-low-testing-china-s-tolerance-for-weakness>

**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.