

DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	CAC	RJR	KPREIT	SVL	JAMT
Current Price (\$)	9.00	1.03	5.35	15.65	4.30
Trailing EPS (\$)	0.79	-0.02	0.36	0.50	0.26
P/E (times)	11.35	n/a	14.92	31.03	16.75
Projected P/E	10.85	14.22	36.96	20.17	13.86
Projected EPS (\$)*	0.83	0.07	0.14	0.78	0.31
Book Value per share (\$)	3.69	0.99	5.52	1.08	1.62
Price/Book Value (times)	2.44	1.04	0.97	14.46	2.65
Dividend Yield (2018 %)	0.89%	N/A	1.41%	4.15%	0.70%
Volumes	NIL	389,089	NIL	33,971	12,298
Recommendation	BUY	SELL	SELL	BUY	HOLD

SVL



STOCK OF THE DAY: Supreme Ventures Limited (SVL)

For the six months ended June 30, 2018

Supreme Ventures Limited (SVL) reported a 13% increase in revenues for the period to total \$30.95 billion, up from \$27.37 billion in 2017. For the second quarter, revenues totaled \$15.66 million relative to \$13.98 million in 2017.

Revenues from the company's segments were as follows:

Lottery - \$22.13 billion (2017: \$20.22 billion), a 9% increase. According to SVL, "successful deployment of marketing and retail initiatives, the Cash Pot, Money Time and Pick 4 games, continue to increase in popularity and sales.

Sports Betting - \$544.90 million (2017: \$317.62 million), a 72% increase. The company highlighted that "The launch of JustBet Goal Rush campaign in Q2 provided further momentum in increasing customer awareness and promoting the brand. Also, positive trends in sales were noted as a result of the World Cup tournament."

Gaming & Hospitality - \$170.49 million (2017: \$193.61 million) a 12% decline.

Pin codes - \$4.81 billion (2017: \$4.87 billion), an 1% decrease.

Others soared to \$178.17 million (2017: \$3.88 million) whilst Unallocated - \$55.65 million (2016: \$7.66 million).

Operating expenses grew by 22% for the period to \$1.86 billion (2017: \$1.52 billion). This translated into profit from operations of \$1.41 billion in contrast to the \$1.22 million recorded last year, a 15% increase.

In addition, Interest income fell 10% to \$37.65 million (2017: \$42.07 million) while finance costs totaled \$34.88 million (2017: \$19.64 million). The company highlighted that "the primary component of finance costs comprised interest charges relating to the funding of the acquisition and development of the Caymanas Park operations, which includes a finance lease arrangement.

A net foreign exchange loss of \$9.14 million was recorded for the period relative to a loss of \$877,000 million in 2017. Thus, Profit before Taxation amounted to \$1.40 billion, up from \$1.24 million in 2017.

Net Profit after tax amounted to \$1.05 billion, a 14% increase from the \$917.83 million recorded in the first six months of 2017 with tax charges of \$349 million (2017: \$323.43 million). While net profit for the second quarter was \$432.42 million relative to \$501.92 million in 2017. SVL noted, "this was attributable to game behavior and design and the fluctuation which sometimes arises from the predictability of the payout ratios of the games offered, particularly Cash Pot".

Earnings per share totaled \$0.40 (2016: \$0.35) for the six months, while earnings per share for the quarter amounted to \$0.16 relative to a earning per share of \$0.19 in 2017. The twelve-month trailing EPS amounted to \$0.50. The number of shares used in our calculations 2,637,254,926 units. SVL last traded on July 25, 2018 at \$15.14.

⁺Prices are as at August 3, 2018 ^{*}Projections are for the forward 12 months from the most recent quarter results

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	138.500	100.000	133.2672	144.560	100.000	135.5359
CAN	106.000	73.500	103.2370	119.400	96.500	105.1468
GBP	178.570	143.730	170.7361	202.920	160.000	174.7830
EURO	158.600	112.500	148.9725	180.600	142.800	162.1851

*Rates as at August 02, 2018

MONEY MARKET

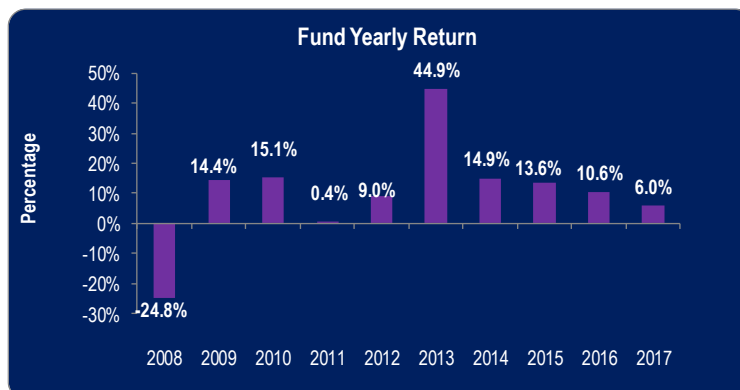
The Jamaican dollar fixed income market was liquid in today's (August 3, 2018) trading session. The over night rate stood at 0.85% to 1.00% while the 30-day rate ranged between 1.40% and 1.70%.

The US dollar fixed income market was also liquid during today's (August 3, 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 American Small Companies Fund

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 7.8% and a 5 year return of 13.5% as at June 30, 2018. The Fund also has a 10 year return of 10.4%.



U.S.: Fed Describes Economy as ‘Strong’ for the First Time Since 2006

So long, modest, moderate and solid. Strength is making a comeback. The Federal Reserve described economic activity as “strong” in Wednesday’s statement, the first time it’s done so since it called it “quite strong” in May 2006 -- in the late stages of the last economic expansion, shortly before the housing market drove the economy into meltdown. Morgan Stanley highlighted the change in a research note. “The Fed upgrading its language supports our late cycle view,” Hans Redeker and Gek Teng Khoo wrote in the bank’s FX Morning note. That will lead to “monetary authorities taking the liquidity punch bowl away, turning excess liquidity into a shortage, eventually driving cost of capital higher.” The central bank left interest rates unchanged Wednesday following the conclusion of a two-day meeting in Washington, though it stuck with a plan to gradually lift borrowing costs as growth looks good and joblessness has stayed low. Market participants and economists fully expect officials to raise rates for a third time this year at their September meeting, with a fourth move in December also on the cards.

<https://www.bloomberg.com/news/articles/2018-08-02/fed-sees-an-economy-hopping-like-2006-as-strong-resurfaces>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at July 30, 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

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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

Europe: U.K. Services Weaken to Three-Month Low on Brexit Worries

The U.K. services sector grew at a slower pace than forecast in July as the economy kicked off the third quarter on a “disappointing” note. IHS Markit said Friday its services Purchasing Managers Index slid to a three-month low of 53.5, down from 55.1 in June and less than the 54.7 forecast by economists. Companies said Brexit may be holding back projects, while the World Cup and the hot weather reduced consumer footfall. “The service sector moved back into the slow lane in July,” said Tim Moore, Associate Director at IHS Markit. “Service providers commented that Brexit uncertainty had held back new project wins, reflecting risk aversion and a wait-and-see approach to investment.” The report also showed that cost pressures in the services sector, which makes up the vast majority of the U.K. economy, had eased. The rate of job creation fell to the weakest since August 2016. “The combination of slower output growth and softer price pressures during July will reinforce expectations that any further Bank of England rate rises will be both gradual and limited,” Moore said.

<https://www.bloomberg.com/news/articles/2018-08-03/u-k-services-weaken-to-three-month-low-on-brexit-worries>

STRUCTURED PRODUCT

Mayberry Gold

This portfolio is ideal for investors, both retail and corporate, seeking a conservative, short-term investment. The securities in the Gold are directly owned by the client and provide them with a safe investment option. Our Gold portfolio can also provide investors with coupon payments that can generate a positive income stream.

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= POSITIVE TRANSFORMATION FOR OUR CLIENTS

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