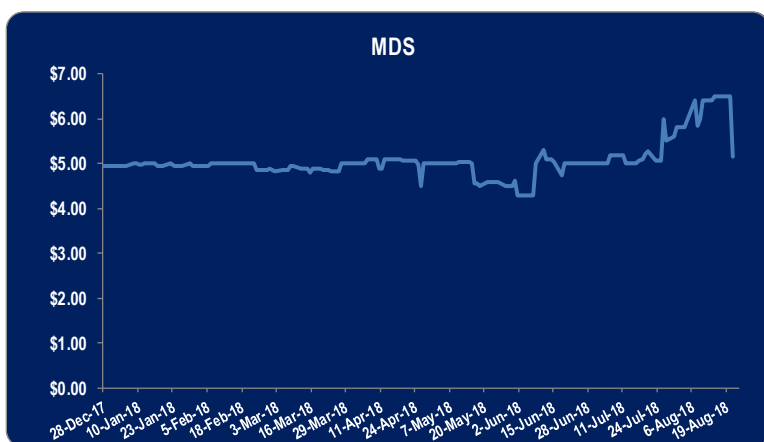


## DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$) <sup>+</sup>

Stock Symbol	SVL	DTL	BPOW	FOSRICH	MDS
Current Price (\$)	14.98	23.77	47.00	2.95	5.16
Trailing EPS (\$)	0.50	0.82	1.81	0.19	0.43
P/E (times)	29.70	29.16	25.97	15.21	12.00
Projected P/E	19.31	17.47	21.28	13.89	11.63
Projected EPS (\$)*	0.78	1.36	2.21	0.21	0.44
Book Value per share (\$)	1.08	4.06	13.50	1.33	2.63
Price/Book Value (times)	13.85	5.86	3.48	2.21	1.96
Dividend Yield (2018 %)	4.34%	0.29%	0.40%	N/A	2.02%
Volumes	10,388	9,810	NIL	36,802	450,000
Recommendation	HOLD	HOLD	SELL	HOLD	BUY



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

## For the three months ended June 30, 2018:

Revenue amounted to \$541.11 million, an increase of 13% compared to the \$480.59 million booked in 2017. This according to Management, "reflected continued growth in sales. This performance was mainly attributable to growth in the consumer business segment and prices increases."

Cost of Sales increased \$46.25 million to total \$424.33 million relative to \$378.09 million in 2017, a 12% increase. As a result, Gross Profit grew by 14% or \$14.28 million to total \$116.78 million in 2018 compared to \$102.50 million in 2017.

Total Operating Cost rose 7% to close at \$86.71 million (2017: \$81.03 million). Of this total, Selling and Promotional costs slid 2% to \$32.25 million relative to \$33.02 million in 2017. Administrative Expenses went up by 17% to close the three month period at \$48.64 million (2017: \$41.42 million). MDS recorded Other Operating Expenses of \$689,248 for the first quarter of 2017 relative to an income of \$284,831 for the comparable period of 2018. Depreciation increased by 4% to close the quarter at \$6.11 million (2017: \$5.91 million). Management noted the increase in expenses were mainly due to a growth in business activities and staff complement in the warehouse and sales department and infrastructural improvements. MDS also indicated, "General insurance increased by \$0.8M or 47% consistent with the increased levels of inventories and other assets."

As a result, Operating Profit closed the first quarter at \$31.43 million relative to \$22.55 million in 2017, this represents a 39% increase. MDS reported Loss on Foreign Exchange of \$4.20 million versus a gain of \$1.18 million twelve months earlier. This according to MDS was due mainly to, "the devaluation of the Jamaican Dollar in relation to the United States currency."

Finance Cost for the three months amounted to \$8.04 million relative to the \$8.05 million reported in 2017, a marginal decline year over year.

Pre-tax profit totalled \$19.21 million, up from the \$15.69 million booked for the corresponding quarter of 2017, a 22% increase. Profit for the quarter amounted to \$19.21 million relative to \$15.66 million booked for the first three months of 2017 after taxation of \$30,000 relative to nil for the first quarter of 2018.

Earnings per Share for the first quarter amounted \$0.07 (2017: \$0.06). The trailing earnings per share amounted to \$0.43. The number of shares used in the calculation was 263,157,895. MDS stock price closed the trading period on August 03, 2018 at \$5.80.

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	138.450	100.000	135.5055	146.250	100.000	137.4537
CAN	106.200	75.220	104.0665	120.600	95.000	105.8426
GBP	176.500	140.000	172.1248	202.200	151.650	174.9399
EURO	154.600	113.250	150.8434	181.200	144.000	156.2972

\*Rates as at August 20, 2018

## MONEY MARKET

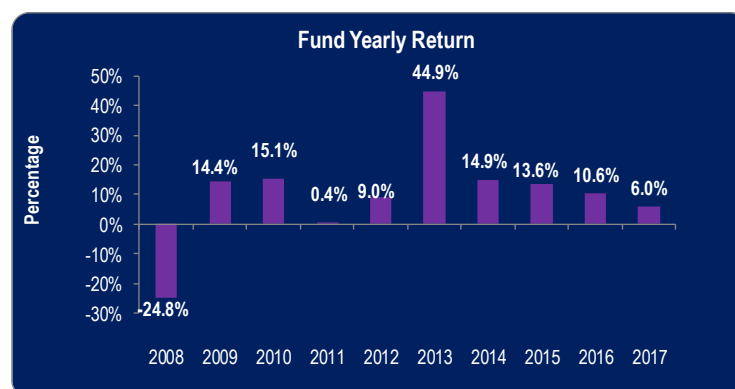
The Jamaican dollar fixed income market was liquid in today's (August 21, 2018) trading session. The over night rate stood at 0.85% to 1.00% while the 30-day rate ranged between 1.25% and 1.65%.

The US dollar fixed income market was also liquid during today's (August 21, 2018) trading session; The over-night market rates were quoted at 1.20% while the 30-day market rates stood at 1.40% to 2.10%.

## 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 6.3% and a 5 year return of 12.7% as at July 31, 2018. The Fund also has a 10 year return of 10.5%.



## U.S.: U.S. Heads for Best Growth Since 2005 on Robust Domestic Demand

The U.S. economy looks set to forge ahead as fresh reservoirs of domestic demand carry it past turbulence overseas, keeping the Federal Reserve on course for further interest-rate hikes. Households have more cash to spend than thought, thanks to newly discovered pools of savings and President Donald Trump's big tax cuts. Firms are ramping up production and rebuilding inventories after running them down by the most since 2009. And government spending finally looks set to swell, after Congress opened the floodgates in March with a \$1.3 trillion package. The result, some economists say: Growth in the second half of 2018 could clock in at 3 percent or more. While that would be slower than the second quarter's 4.1 percent pace, it would be enough to make the entire year's performance the best since 2005, when gross domestic product climbed 3.5 percent. "It's a green 'go'" for the economy, said Allen Sinai, president of Decision Economics Inc. in New York, who sees GDP expanding 3.1 percent this year. The solid outlook should prompt Fed Chairman Jerome Powell and his colleagues to press ahead with plans to raise rates two more times this year despite criticism from Trump.

<https://www.bloomberg.com/news/articles/2018-08-21/reservoirs-of-demand-set-to-lift-u-s-to-best-growth-since-2005>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at August 20, 2018

	Percentage (%)
Yield to Maturity	5.78
Weighted Average Coupon	5.548
Current Yield	5.57

The platinum portfolio has an effective maturity of 13.33 years and duration of 4.60 years.

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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)

## Europe: U.K. Manufacturing Growth Resilient on Pound Weakness, CBI Says

U.K. manufacturing continues to benefit from the weaker pound, the Confederation of British Industry said in a report published on Tuesday. While overall growth eased slightly in August, output and orders expanded at a pace above the long-term average. Exporters, aided by the currency's depreciation since the Brexit vote, are doing especially well. Export orders "remained strong," the CBI said. Manufacturing expanded in 13 sectors out of 17, with food, drink and tobacco giving the biggest boost to growth. Industry expectations of output prices for the next three months rose. While price prospects are "comfortably below" January's peak, they remain historically high, the CBI said. Bank of England policy makers decided to unanimously to raise the benchmark interest rate to 0.75 percent at the beginning of August. The central bank estimates that the economy is growing fast enough to generate inflation pressures and that a series of limited and gradual rate hikes will be needed to keep prices in check.

<https://www.bloomberg.com/news/articles/2018-08-21/u-k-manufacturing-growth-resilient-on-pound-weakness-cbi-says>

## STRUCTURED PRODUCT

### USD Money Market

This portfolio is a full discretionary managed bond portfolio, ideal for clients who have short-term USD liquidity needs. Assets within the portfolio can be used as collateral for loans. The product provides a solid short-term investment option in hard currency and allows the individual to hedge against the prevailing devaluation in the local currency.

OVER 20 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH  
= POSITIVE TRANSFORMATION FOR OUR CLIENTS

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