

## DAILY MARKET SUMMARY

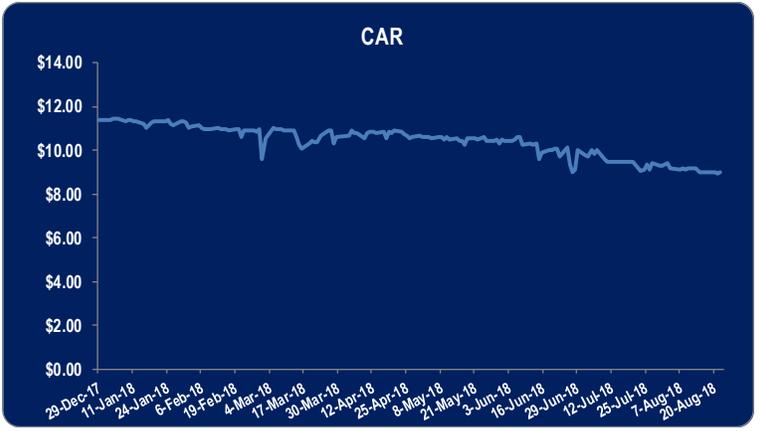


### LOCAL STOCK MARKET: (J\$) +

Stock Symbol	LASF	JMMBGL	ISP	PJAM	CAR
Current Price (\$)	5.54	28.61	16.00	52.04	9.00
Trailing EPS (\$)	0.23	2.42	0.48	3.97	0.73
P/E (times)	24.33	11.82	33.02	13.11	12.32
Projected P/E	20.56	11.08	31.47	12.39	11.95
Projected EPS (\$)*	0.27	2.58	0.51	4.20	0.75
Book Value per share (\$)	1.16	15.48	2.91	29.17	0.38
Price/Book Value (times)	4.77	1.85	5.49	1.78	23.43
Dividend Yield (2018 %)	N/A	0.94%	N/A	0.96%	6.33%
Volumes	225,431	21,816	1,087	142,835	654,882
Recommendation	HOLD	BUY	SELL	HOLD	BUY

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	138.610	100.000	136.4099	147.370	126.000	137.4773
CAN	106.500	75.600	102.4363	120.960	98.000	105.1320
GBP	179.000	152.150	171.4454	204.960	165.000	176.7033
EURO	156.200	114.000	152.2050	183.840	129.200	159.7436



\*Rates as at August 22, 2018

### STOCK OF THE DAY: Carreras Limited (CAR)

For the three months ended June 30, 2018:

Carreras Limited, for the three months, reported Operating Revenue of \$3.15 billion, 12% increase relative to \$2.82 billion booked in 2017. The company highlighted that, "This increase over the prior period is due mainly to an increase in sales volumes albeit over a lower volume base as well as effective management of costs."

CAR also noted that, "Based on the improved performance for the quarter, we remain cautious though optimistic regarding the outlook for the rest of the financial year. The company continues to reap the reward of continuous investment in our brands, particularly our core brands, Craven "A" and Matterhorn. The strength of our brands, people and relationships continue to position us for the future."

The company mentioned that, "The increase in sales for the period is on a lower volume bases as a result of the excise increase implemented last year. Overall, we continue to be negatively impacted by excise increases implemented in prior periods, which in turn has unintendedly resulted in the increased illicit trade in cigarettes."

Cost of Operating Revenue also climbed year over year by 12%, amounting to \$1.57 billion from \$1.39 billion. As such, Gross Operating Profit rose by 11% to total \$1.58 billion relative to the \$1.42 billion in 2017. Other Operating Income fell by 65% moving from \$121.37 million in 2017 to \$42.12 million.

Administrative, distribution and marketing expenses decreased 7% to total \$490.05 million (2017: \$529.41 million). Management noted that, "Continued cost-cutting, and containment initiatives are being reflected in the 7% reduction in overheads over the prior period. It is noteworthy, that this reduction was achieved despite a 2.8% increase in inflation."

Profit before Income Tax was recorded at \$1.13 billion relative to \$1.01 billion in 2017. Taxation of \$308.23 million was incurred for the period (2017: \$255.64 million).

Consequently, Net Profit for the three months increased 8% to \$821.09 million relative to \$758.34 million booked in 2017.

The Earnings per share (EPS) for the period was \$0.17 as compared to \$0.16 for the corresponding period of last year. The twelve-month trailing EPS amounted to \$0.73. The number of shares used in the computations amounted to 4,854,400,000 units. CAR's stock price last traded on August 13, 2018 at \$9.17.

### MONEY MARKET

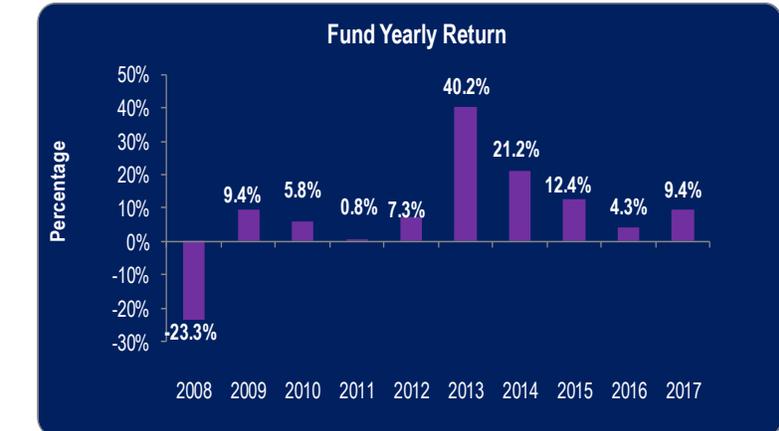
The Jamaican dollar fixed income market was liquid in today's (August 23, 2018) trading session. The over night rate stood at 0.85% while the 30-day rate ranged between 1.30% and 1.60%.

The US dollar fixed income market was also liquid during today's (August 23, 2018) trading session; The overnight 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 Value Corporate Class

This fund's objective is to provide superior returns with a limited level of risk by investing in a diversified portfolio of high quality undervalued companies. It invests primarily in equity and equity-related securities of companies in the United States. Any change to the investment objective must be approved by a majority of votes cast at a meeting of shareholders held for that reason. The fund has a 3 year return of 7.1% and a 5 year return of 13.7% as at July 31, 2018. The Fund also has a 10 year return of 9.4%.



\*Prices are as at August 23, 2018 \*Projections are for the forward 12 months from the most recent quarter results

**U.S.: U.S. Home Price Gains Slow in Second Quarter, With 6.5% Increase**

U.S. home prices climbed 6.5 percent in the second quarter from a year earlier, a slower pace that adds to signs of a cooldown in the market. Prices rose 1.1 percent on a seasonally adjusted basis from the previous three months, the smallest quarterly gain in four years, the Federal Housing Finance Agency said in a report Thursday. In June, prices climbed 0.2 percent from May, less than the 0.3 percent average of 13 economists surveyed. The six-year-old housing recovery is finally showing its age as affordability starts to constrain purchases. Buyers are not only contending with price increases that have far outpaced incomes, as well as higher mortgage rates that have added to monthly costs. Price gains slowed from the first quarter's 7.3 percent increase from a year earlier, the FHFA said. "We've sort of transitioned into a lower plane of growth," Sam Khater, chief economist for Freddie Mac, said in a phone interview before the FHFA report was released. "We're in a mature, late-stage expansion and housing is becoming overvalued. At some point, you lose customers on the margin as the market gets less affordable."

<https://www.bloomberg.com/news/articles/2018-08-23/u-s-home-price-gains-slow-in-second-quarter-with-6-5-increase>

**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.

**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)

**Europe: Euro-Area Growth Stays Strong as ECB Plans to Ease Stimulus**

The euro-area economy showed it's still robust as the European Central Bank prepares to wind down its bond- purchase program. IHS Markit's composite index of manufacturing and services increased to 54.4 in August from 54.3. Economists surveyed by Bloomberg had predicted a reading of 54.5. Overall third-quarter growth could match the second quarter's 0.4 percent, and indicators of current activity, employment and prices were all elevated, the report showed. Still, the current rate of expansion is one of the weakest over the past year and a half, Markit said, and firms' expectations for future growth slipped to the lowest for almost two years. "The August survey sends a hawkish signal to policymakers," said Chris Williamson, an economist at IHS Markit. "But the forward-looking indicators suggest the business mood could cool as summer passes. The risks seem tilted to the downside." The ECB has cited the region's "solid and broad-based" expansion as a reason to continue with the plan to end asset purchases in December and lay the ground for a possible interest -rate hike in late 2019.

<https://www.bloomberg.com/news/articles/2018-08-23/euro-area-growth-stays-strong-as-ecb-plans-to-ease-stimulus>

**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.

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 = POSITIVE TRANSFORMATION FOR OUR CLIENTS  
 MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS

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