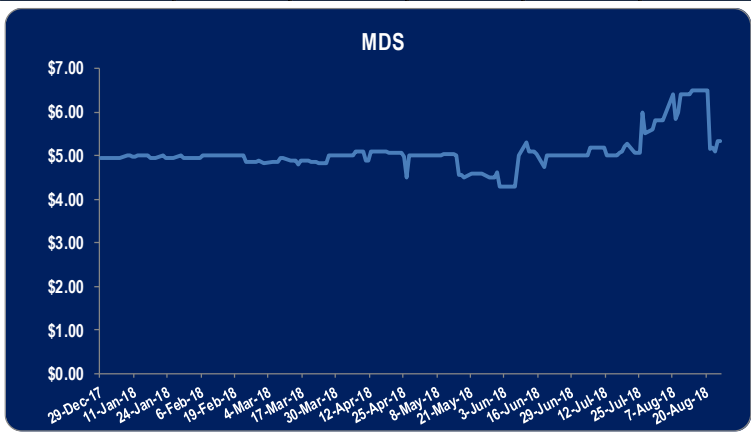


## DAILY MARKET SUMMARY



### LOCAL STOCK MARKET: (JS) +

Stock Symbol	MEEG	JMMBGL	PTL	CPJ	MDS
Current Price (\$)	7.00	28.93	3.00	6.90	5.32
Trailing EPS (\$)	0.36	2.42	0.04	0.37	0.43
P/E (times)	19.60	11.95	78.91	18.85	12.37
Projected P/E	17.48	11.21	69.50	16.14	11.99
Projected EPS (\$)*	0.40	2.58	0.04	0.43	0.44
Book Value per share (\$)	1.76	15.48	0.48	2.73	2.63
Price/Book Value (times)	3.98	1.87	6.25	2.52	2.02
Dividend Yield (2018 %)	N/A	0.93%	N/A	N/A	1.95%
Volumes	9,692	7,792	NIL	60,350	NIL
Recommendation	HOLD	BUY	SELL	HOLD	BUY



### STOCK OF THE DAY: Medical Disposables & Supplies (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 Average Rate	Highest	Lowest	Weighted Average Rate
USD	138.700	100.000	136.7349	147.370	104.750	137.9015
CAN	106.325	75.520	101.8380	120.960	93.000	106.2806
GBP	179.890	152.770	171.0732	204.840	165.000	176.3864
EURO	160.000	115.120	153.0593	162.500	152.000	157.0769

\*Rates as at August 24, 2018

### MONEY MARKET

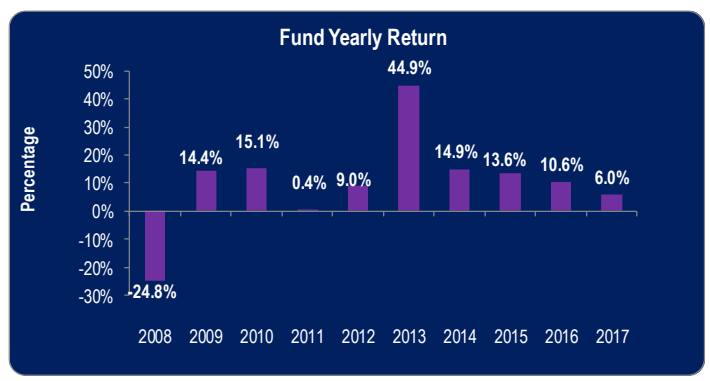
The Jamaican dollar fixed income market was liquid in today’s (August 27, 2018) trading session. The over night rate stood at 0.85% while the 30-day rate ranged between 1.30% and 1.60%.

The US dollar fixed income market was also liquid during today’s (August 27, 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 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%.



\*Prices are as at August 27, 2018 \*Projections are for the forward 12 months from the most recent quarter results

**U.S.: U.S., China Impose New Tariffs on Each Other as Talks Resume**

The U.S. and China imposed fresh tariffs on each other's goods in the middle of trade talks aimed at averting the worsening conflict between the world's two biggest economies. Both nations started levying the previously announced taxes on \$16 billion of imports from the other country shortly after noon Beijing time. China also said it would lodge a complaint about the new American tariffs to the World Trade Organization, according to a Chinese Ministry of Commerce statement on its website. The U.S. will collect an additional 25 percent in duties on Chinese imports ranging from motorcycles to steam turbines and railway cars, and the Chinese retaliation will see a similarly sized tax on items including coal, medical instruments, waste products, cars and buses. U.S. Treasury Undersecretary for International Affairs David Malpass and Chinese Vice Commerce Minister Wang Shouwen met Wednesday and will meet again on Thursday for the first face-to-face trade discussions since June. Meanwhile, in China the economy has shown signs of weakness in recent months -- a circumstance Trump has said gives the U.S. an advantage.

<https://www.bloomberg.com/news/articles/2018-08-22/u-s-china-restart-trade-talks-as-billions-more-in-tariffs-loom>

**Asia: \$10 Billion of India Power Debt Near Resolution, State Bank Says**

Delinquent loans worth as much as 700 billion rupees (\$10 billion) in India's power sector are in the process of being resolved, according to the nation's largest bank, helping lenders avoid dragging seven accounts to bankruptcy court under new norms laid out by the regulator. State Bank of India identified 34 stressed accounts in the power sector, with dues of about 1.8 trillion rupees, said Arijit Basu, a managing director at the lender. Of these, 14 have already been referred to insolvency court and for eight "the difficulties have been resolved," he said. Twelve more have the potential to be recast and in seven of these cases -- where State Bank has an exposure of 170 billion rupees -- talks are in an advanced stage, he said. State Bank of India "has been referring a large number of cases" to the bankruptcy courts in the past six months, Basu said. In the seven accounts being worked on, bidders have been identified, State Bank approvals are in place and other banks have been consulted, he said. "They have given their preliminary consent but we are awaiting the final outcome."

<https://www.bloomberg.com/news/articles/2018-08-27/-10-billion-of-india-power-debt-near-resolution-state-bank-says>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at August 27, 2018	
	Percentage (%)
Yield to Maturity	5.77
Weighted Average Coupon	5.548
Current Yield	4.35

The platinum portfolio has an effective maturity of 13.32 years and duration of 4.45 years.

**STRUCTURED PRODUCT**

**Mayberry Individual Retirement Plan (IRP)**

IRP is a Retirement Scheme for all persons who are self employed or are employed in non-pensionable positions and do not otherwise contribute to an approved Superannuation Fund or an-other approved Retirement Scheme. The IRP will help some people make substantially greater contributions than they might otherwise make.

**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.

**Company Disclosure** -The information contained herein has been obtained from sources believed to be reliable, however its accuracy and completeness cannot be guaranteed. You are hereby notified that any disclosure, copying, distribution or taking any action in reliance on the contents of this information is strictly prohibited and may be unlawful. Mayberry may effect transactions or have positions in securities mentioned herein. In addition, employees of Mayberry may have positions and effect transactions in the securities mentioned herein.

**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

OVER 20 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH  
 = POSITIVE TRANSFORMATION FOR OUR CLIENTS  
 MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS

**...BULLISH ON JAMAICA**

**MAYBERRY INVESTMENTS LIMITED**  
 A Member of the Jamaica Stock Exchange

1 1/2 Oxford Road, Kingston 5, Jamaica. ☎ (876) 929 1908 – 9  
 research@mayberryinv.com • sales@mayberryinv.com • www.mayberryinv.com

