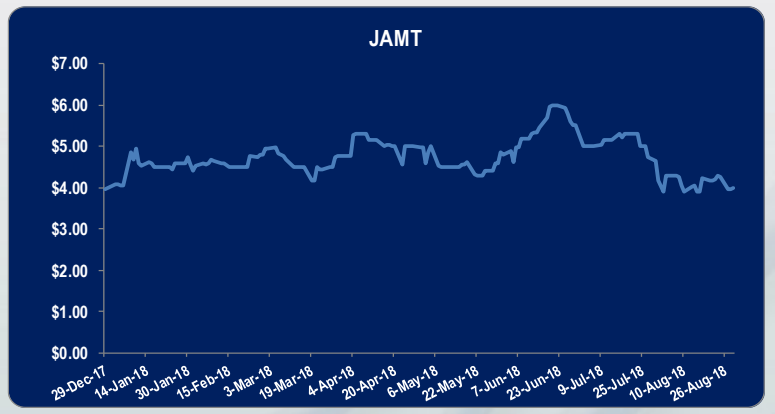


## DAILY RECOMMENDATION



### LOCAL STOCK MARKET: (JS) +

Stock Symbol	JAMT	ECL	MDS	KLE	LASF
Current Price (\$)	3.99	8.18	5.32	3.30	5.77
Trailing EPS (\$)	0.26	0.24	0.43	0.05	0.23
P/E (times)	15.54	34.34	12.37	66.15	25.34
Projected P/E	12.86	28.06	11.99	58.36	21.42
Projected EPS (\$)*	0.31	0.29	0.44	0.06	0.27
Book Value per share (\$)	1.62	0.34	2.63	1.43	1.16
Price/Book Value (times)	2.46	24.06	2.02	2.31	4.96
Dividend Yield (2018 %)	0.75%	6.15%	1.95%	N/A	N/A
Volumes	NIL	60,253	NIL	600	134,226
Recommendation	BUY	HOLD	BUY	SELL	HOLD



### STOCK OF THE DAY: Jamaican Teas Limited (JAMT)

For the nine months June 30, 2018:-

Jamaica Teas Limited (JAMT) for the nine months ended June 2018 reported a 14% increase in revenue to total \$1.34 billion (2017: \$1.18 billion). According to the company, "Export sales increased by a strong 25 percent, domestic manufacturing revenues grew 9 percent and supermarket sales increased by 10 percent."

Cost of sales increased 16% to \$1.08 billion (2017: \$928.70 million). As a result, gross profit grew 5% to \$264.57 million (2017: \$252.31 million).

Administrative expenses increased by 31% to \$130.66 million for the nine months ended June 2018 relative to \$100.03 million for the same period of 2017. "This was due to higher salary costs and depreciation provisions," noted by Management. Sales and marketing cost climbed by 35% for the period closing at \$38.26 million (2017: \$28.42 million). Notably, there was a 37% reduction in finance cost moving from \$14.26 million for the same period last year to \$22.63 million in 2017.

Pre-tax profits fell by 20% for the nine months, decreasing from \$179.84 million in 2017 to \$143.15 million. JAMT incurred tax expenses of \$10.57 million compared to \$20.37 million during the 2017 comparable period. Net profit from continuing operations fell by 12% to close the nine months at \$132.58 million (2017: \$150.86 million). Profit after discontinued operations amounted to \$131.32 relative to \$148.96 million.

However, for the period net profit attributable to shareholders declined by 12% to close the period at \$131.67 million (2017: \$149.62 million).

Consequently, earnings per share increased to \$0.19 compared to \$0.22 in the nine months ended June 30, 2018. The trailing earnings per share amounted to \$0.26. JAMT last traded on July 30, 2018 at \$4.64

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	137.902	100.000	136.3310	146.810	100.000	137.3221
CAN	106.600	75.520	106.2707	122.100	95.000	106.5380
GBP	178.000	152.770	174.6246	202.360	163.000	175.7077
EURO	157.000	115.500	153.3163	184.800	151.000	161.2529

\*Rates as at August 30, 2018

### MONEY MARKET

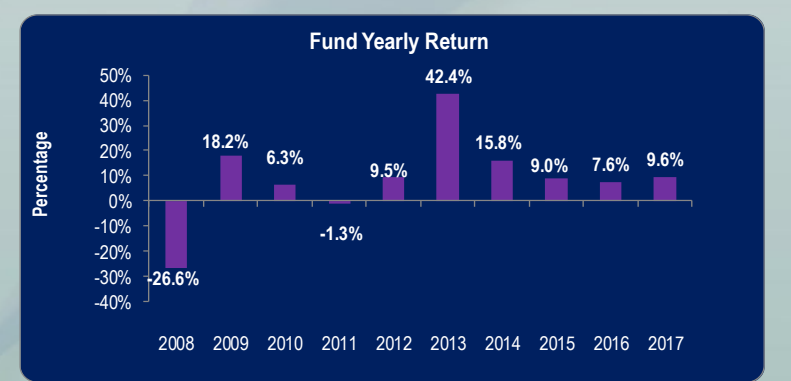
The Jamaican dollar fixed income market was liquid in today's (August 30, 2018) trading session. The over night rate stood at 0.85% while the 30-day rate ranged between 1.30% and 1.60%.

The US dollar fixed income market was also liquid during today's (August 30, 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 Managers Corporate Class

This fund's objective is to obtain maximum long-term capital growth. It invests primarily in equity and equity-related securities of companies believed to have good growth potential. These companies are located in countries that have signed the North American Free Trade Agreement (NAFTA), or its successor. These countries currently include the United States, Canada and Mexico, but may also include countries that become members of NAFTA in the future. The fund has a 3 year return of 6.6% and a 5 year return of 12.4% as at July 31, 2018. The Fund also has a 10 year return of 9.2%.



\*Prices are as at August 30, 2018 \*Projections are made to the company's financial year end

**U.S.: U.S. Consumer Spending, Inflation Rise While Incomes Cool**

U.S. consumer spending extended gains into July and inflation rose to a six-year high, reflecting economic strength that should keep Federal Reserve policy makers on track to keep gradually raising interest rates. Purchases, which account for about 70 percent of the economy, rose 0.4 percent from the prior month for the second straight time, matching economists' estimates, Commerce Department figures showed Thursday. Incomes advanced 0.3 percent, less than projected. The Federal Reserve's preferred measure of inflation ticked up, as forecast, to a 2.3 percent annual gain, the most since 2012. The spending gain reflected increases in outlays on prescription drugs and food services, after earlier retail-sales figures showed large advances in restaurant receipts. At the same time, inflation-adjusted spending on durable goods fell for the first time since February, with drops in automobiles and major household appliances.

<https://www.bloomberg.com/news/articles/2018-08-30/u-s-consumer-spending-inflation-rose-in-july-incomes-cooled?srnd=economics-vp>

**Europe: Slide in Euro-Area Economic Confidence Poses Risk to Growth**

Euro-area economic confidence continued its slide in August as risks from trade tensions to politics weigh on momentum. The European Commission's index of household and business sentiment fell for an eighth month to the lowest in a year. Unemployment concerns led to a deteriorating mood among consumers, while confidence also weakened among services providers and manufacturers. Optimism declined in all of the region's four largest economies. The euro-area economy remains delicately poised as the European Central Bank prepares to wind down its extraordinary monetary stimulus. While policy makers have described the currency bloc's growth as solid and broad-based, it's lost momentum since the start of the year, core inflation remains subdued and uncertainty remains heightened from the rise in protectionism. The Commission said the "marked decrease" in consumer confidence was mainly due to a deterioration in the assessment of future unemployment.

<https://www.bloomberg.com/news/articles/2018-08-30/slide-in-euro-area-economic-confidence-poses-risk-to-growth?srnd=premium>

**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 Platinum**

The Mayberry Platinum portfolio is ideal for investors seeking a short to medium-term investment with returns denominated in hard currency. The portfolio comprises Investment Grade corporate and sovereign bonds, which provide strong yield and performance. The primary objective of this product is to provide our clients with income as well as capital appreciation. The Platinum portfolio enables the client to take full advantage of a diversified bond portfolio and is ideal for persons who do not have the time to actively manage their own portfolio.

**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](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)

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**

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