

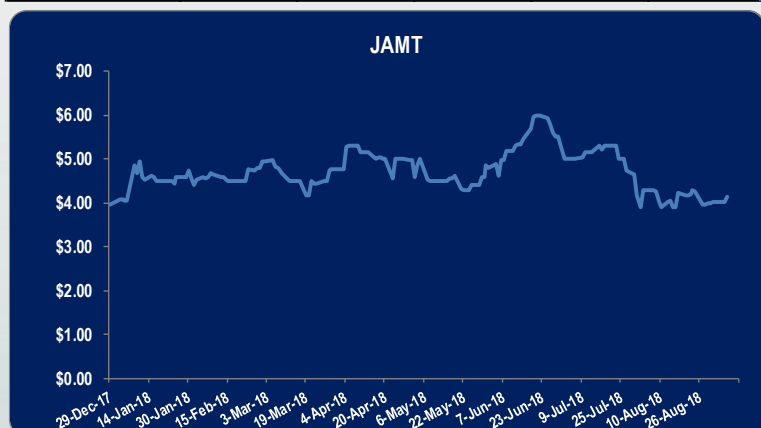
# MAYBERRY INVESTMENTS LIMITED

## DAILY RECOMMENDATION



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

Stock Symbol	WISYNCO	DTL	JP	JAMT	NCBFG
Current Price (\$)	9.35	2.65	20.00	4.14	114.18
Trailing EPS (\$)	0.61	0.08	0.74	0.26	10.16
P/E (times)	15.29	32.51	27.19	16.13	11.24
Projected P/E	15.03	19.48	25.32	13.34	11.16
Projected EPS (\$)*	0.62	0.14	0.79	0.31	10.23
Book Value per share (\$)	2.32	0.41	10.22	1.62	50.36
Price/Book Value (times)	4.03	6.53	1.96	2.55	2.27
Dividend Yield (2018 %)	0.67%	2.64%	N/A	0.72%	1.23%
Volumes	1,788,982	11,500	2,675	42,728	15,570
Recommendation	HOLD	HOLD	SELL	BUY	HOLD



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

#### For the nine months June 30, 2018:-

Jamaican 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). Notably, Other income reported a 29% growth year over year to \$61.77 million relative to \$47.97 million a year earlier.

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	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	138.600	100.000	135.9823	146.810	100.000	137.1448
CAN	104.660	73.870	101.0870	118.200	96.000	103.7844
GBP	179.700	150.360	174.5813	200.590	165.000	175.5181
EURO	156.800	125.000	153.0317	164.000	147.000	160.8511

\*Rates as at September 05, 2018

### MONEY MARKET

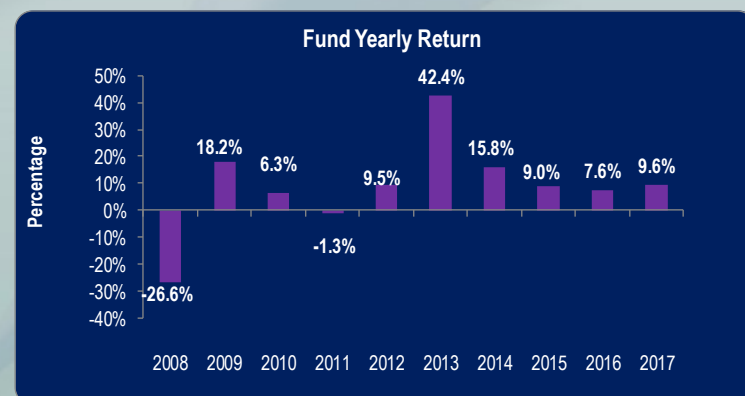
The Jamaican dollar fixed income market was liquid in today's (September 06, 2018) trading session. The overnight rate stood at 0.85% while the 30-day rate ranged between 1.30% and 1.60%.

The US dollar fixed income market was also liquid during today's (September 06, 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%.



■ **U.S.: Trump Says He May Sign New South Korea Trade Deal This Month**

“President Donald Trump said he has finished negotiating a new trade deal with South Korea and may sign it at the United Nations General Assembly that starts this month. “The deal is done,” Trump told reporters at the White House on Wednesday. “It’s been done with South Korea for a long time. It’s been done for about two months. We’ll do a ceremonial signing over the next very short period of time.” The U.S. and South Korea agreed in March to revise their 2012 free-trade agreement, known as Korus. But they still haven’t signed it into law, and South Korean lawmakers have warned that the nation’s parliament won’t pass it if the Trump administration slaps tariffs on Korean cars as part of his threat to protect domestic automakers from global imports. In revising Korus, Trump didn’t invoke the so-called fast-track authority for negotiating major overhauls to trade agreements that lets U.S. lawmakers have a simple yes-or-no vote. However, the administration has said it will hold consultations with Congress over Korus. The changes negotiated by the Trump administration were mostly cosmetic, said Wendy Cutler, who served as chief U.S. negotiator of the original deal with South Korea. “

<https://www.bloomberg.com/news/articles/2018-09-05/trump-says-he-s-finished-negotiating-south-korea-trade-deal?srnd=economics-vp>

■ **PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at September 03, 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.

■ **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](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)

■ **Asia: Philippines to Gradually Boost Reserves That’s at 6-Year Low**

“The Philippine central bank plans to gradually bolster its foreign-exchange reserves as the year-end overseas remittance season approaches, Deputy Governor Diwa Guinigundo said. “If there’s an opportunity for us to buy foreign exchange, we will buy,” Guinigundo, who oversees the treasury department, said in an interview on Monday. “We’ll be opportunistic in building reserves. Bit by bit, we’ll buy.” Central banks in emerging markets have been draining their foreign reserves as they step up intervention to halt a slump in their currencies. Remittances from 10 million Filipinos overseas typically peak during the Christmas season and may provide an opportunity for the Philippine central bank to rebuild its dollar pile, which fell to a six-year low of \$76.7 billion in July. The Philippines is not alone in Asia. Indonesia’s reserves have fallen to \$118 billion in July from a record \$132 billion in January as the central bank intensified intervention. India’s reserves have also dropped this year. Bangko Sentral ng Pilipinas will not allow its reserves, currently at about 7.5 times the nation’s overseas purchases, to decline to the “minimum” 3 times import cover, Guinigundo said. The central bank is due to report Aug. reserves data on Friday.”

<https://www.bloomberg.com/news/articles/2018-09-05/philippines-sees-scope-to-boost-dollar-pile-that-s-at-6-year-low?srnd=economics-vp>

■ **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.