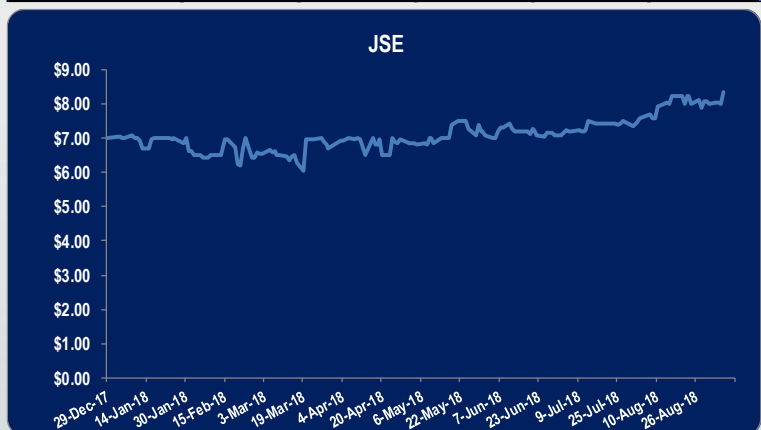


### DAILY RECOMMENDATION



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

Stock Symbol	JSE	BIL	SGJ	LASD	MEEG
Current Price (\$)	8.23	9.80	54.07	4.02	5.46
Trailing EPS (\$)	0.44	0.58	4.29	0.30	0.36
P/E (times)	18.62	16.89	12.62	13.50	15.29
Projected P/E	14.66	16.22	12.49	16.04	13.63
Projected EPS (\$)*	0.56	0.60	4.33	0.25	0.40
Book Value per share (\$)	1.47	7.23	35.06	1.38	1.76
Price/Book Value (times)	5.61	1.36	1.54	2.92	3.11
Dividend Yield (2018 %)	3.64%	3.06%	1.78%	2.91%	N/A
Volumes	21,624	294,961	559,697	46,485	6,848
Recommendation	HOLD	SELL	HOLD	HOLD	BUY



#### STOCK OF THE DAY: Jamaica Stock Exchange (JSE)

##### For the first six months ended June 30, 2018:

For the six months ended June 30, 2018, Jamaica Stock Exchange (JSE) recorded total revenue of \$665.92 million, a 39% increase when compared to the \$477.65 million booked the prior year's corresponding period. For the second quarter the company reported a 34% increase in total revenue to close the quarter at \$316.34 million (2017: \$236.58 million). The company noted, "this can be attributed mainly to Cess Fee which increased by \$43.5 million (75.3%) when compared to the corresponding quarter for 2017 due to an increase in aggregate trading value for the period under review." JSE attributed the movement of the following areas in the six months:

Staff Costs had a 12% increase for the period totaling \$171.29 million (2017:\$152.78 million). Staff Costs for the quarter increased by \$7.56 million or 10% which was, "due to salaries associated with new staff hires required to support the expansion of current business."

Depreciation and amortization totaled \$25.44 million relative to \$15.28 million in 2017. For the second quarter this depreciation and amortization went up by \$3.87 million (43%) due to additional assets and software which were required to support the business."

Property expenses climbed \$11.80 million to \$67.38 million during the period under review. In addition, property expenses in Q2 exceeded 2017 by \$8.15 million (30%) which was, "largely associated with expenditure relating to the JSEG Business Continuity Plan."

Consequently, profit before tax totaled \$284.52 million compared to \$158.65 million the year prior. For the second quarter the company reported a 80% increase in profit before taxation totaling \$133.52 million compared to \$74.09 million the prior 2017 quarter. Tax charges for the six months rose to \$93.45 million relative to \$56.89 million the prior year.

As such, JSE reported a net profit of \$191.07 million for the six months compared to a profit of \$101.75 million for the prior year, an 88% advance. Net Profit for the quarter had a 97% increase to total \$89.76 million compared to \$45.51 million the year prior.

Earnings per share for the six months totaled \$0.27 compared to \$0.15 in 2017, the while the trailing earnings per share amounted to \$0.44. EPS for the quarter amounted to \$0.13 (2017: \$0.06). The numbers of shares used in the calculations are 701,250,000 units. JSE stock price last traded on July 18, 2018 at \$7.45.

\*Prices are as at September 07, 2018 \*Projections are made to the company's financial year end

#### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	137.800	100.000	136.1149	146.810	103.000	137.3544
CAN	105.078	73.870	103.9506	119.400	93.000	104.5402
GBP	178.200	140.000	174.7642	204.600	165.000	177.2670
EURO	160.500	114.000	151.8757	182.400	150.600	160.3335

\*Rates as at September 06, 2018

#### MONEY MARKET

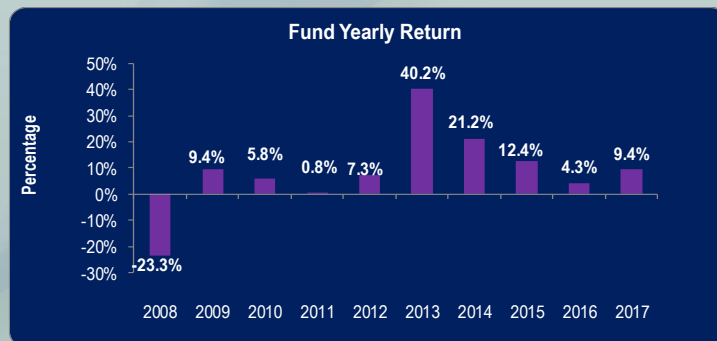
The Jamaican dollar fixed income market was liquid in today's (September 07, 2018) trading session. The overnight rate stood at 0.85% while the 30-day rate ranged between 1.30% and 1.60%.

The US dollar fixed income market was also liquid during today's (September 07, 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%.



## U.S.: U.S. Wage Gains Pick Up to 2.9% While Payrolls Rise 201,000

“American wages unexpectedly climbed in August by the most since the recession ended in 2009 and hiring rose by more than forecast, keeping the Federal Reserve on track to lift interest rates this month and making another hike in December more likely. Average hourly earnings for private workers increased 2.9 percent from a year earlier, a Labour Department report showed Friday, exceeding all estimates in a Bloomberg survey and the median projection for 2.7 percent. Nonfarm payrolls rose 201,000 from the prior month, topping the median forecast for 190,000 jobs. The unemployment rate was unchanged at 3.9 percent, still near the lowest since the 1960s. Treasury yields, and the dollar jumped after the report, while U.S. stocks opened lower as investors saw the data as encouraging Fed Chairman Jerome Powell to keep tightening monetary policy beyond this month. A lack of wage gains has been a major blemish on an economy that President Donald Trump has called the strongest ever -- and is currently being boosted by his tax-cut stimulus. Some investors had speculated the Fed would pause after this month given an escalating trade war and turmoil in emerging markets.”

<https://www.bloomberg.com/news/articles/2018-09-07/u-s-payrolls-rise-201-000-while-wage-gains-accelerate-to-2-9?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

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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)

## Asia: China Offers Tax Breaks to Some Exporters Hit by Trump Tariffs

“With President Donald Trump poised to hit China with tariffs on another \$200 billion goods within days or even hours, China has announced measures to support some of the exporters targeted. The Ministry of Finance said it will raise export rebate rates for 397 goods ranging from lubricants to children's books, meaning that firms shipping these products abroad will pay less value-added tax. The new rates will be effective from Sept. 15, the ministry said in a statement on its website Friday. About a sixth of those items were among the products already hit by the tariffs the U.S. recently imposed on \$50 billion Chinese goods, such as pressure-reducing valves or lubricants. Bloomberg identified those by comparing the products on the VAT list to items on the lists of goods hit by higher tariffs. At least another 67 items getting a VAT rebate may be soon hit by the next round of U.S. tariffs. There may be other products getting tax rebates which are a target for higher tariffs but aren't included in the above tally. For example, China said it will lift tax rebates for integrated circuits, and these have been hit by U.S. tariffs, but the item is not included in the above tally due to the differences between the Chinese and U.S. trade code lists.”

<https://www.bloomberg.com/news/articles/2018-09-07/china-offers-tax-breaks-to-some-exporters-hit-by-trump-tariffs?srnd=economics-vp>

## STRUCTURED PRODUCT

### Mayberry Gold

This portfolio is ideal for investors, both retail and corporate, seeking a conservative, short-term investment. The securities in the Gold are directly owned by the client and provide them with a safe investment option. Our Gold portfolio can also provide investors with coupon payments that can generate a positive income stream.

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



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