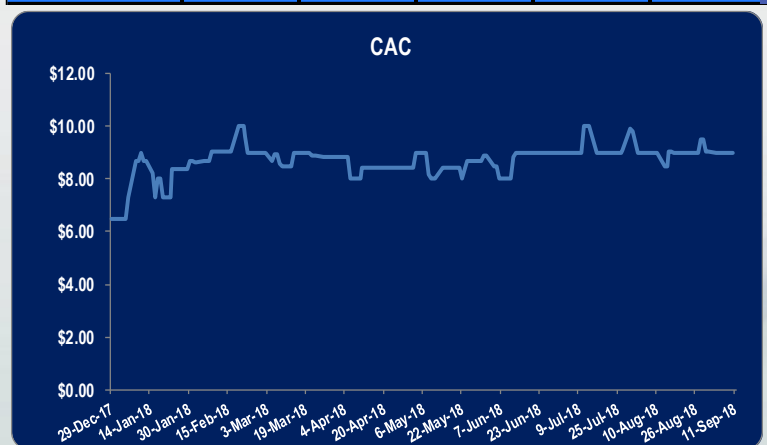


## DAILY RECOMMENDATION



### LOCAL STOCK MARKET: (JS) +

Stock Symbol	CAC	SEP	SJ	VMIL	SVL
Current Price (\$)	9.01	46.00	39.57	3.47	16.26
Trailing EPS (\$)	0.95	1.68	2.99	0.20	0.50
P/E (times)	9.47	27.41	13.21	17.32	32.24
Projected P/E	9.10	26.53	12.51	14.67	20.96
Projected EPS (\$)*	0.99	1.73	3.16	0.24	0.78
Book Value per share (\$)	3.76	18.62	17.62	1.66	1.08
Price/Book Value (times)	2.40	2.47	2.25	2.09	15.03
Dividend Yield (2018 %)	0.89%	1.09%	1.67%	0.58%	4.00%
Volumes	NIL	2,567	9,636	22,000	17,177
Recommendation	BUY	SELL	HOLD	HOLD	SELL



### STOCK OF THE DAY: CAC 2000 Limited (CAC)

**For the nine months ended July 31, 2018:**

CAC 2000 Limited (CAC) revenues for the nine months ended July 31, 2018 increased 14% to \$908.81 million relative to \$799.18 million for the comparable period in 2017. Revenues for the third quarter increased by 23% to \$285.38 million compared to \$231.67 million for the same period the prior financial year.

Gross Profit for the period improved \$76.33 million or 28% to \$352.80 million (2017: \$276.48 million). For the quarter, Gross Profit climbed 42% to close at \$103.64 million (2017: \$73.15 million).

The Company reported a 31% increase in Total Expenses to \$284.39 million (2017: \$217.44 million). This was as a result of a 34% increase in General Administration to \$257.19 million (2017: \$191.34 million) and a 4% upward movement in Selling & Distribution Expenses to \$27.20 million (2017: \$26.10 million). According to the company "the increases were to cover additional salaries, professional fees, costs related to the recent preference share issue and training/travel expenses." For the quarter, the Company reported a 26% increase in Total Expenses which closed at \$88.89 million compared to \$70.57 million in 2017.

Other Income of \$7.33 million was recorded for the period up from \$2.12 million reported for the same period the prior year. The Company noted that, "this was due to a gain from motor vehicle disposal."

Net Finance Costs decreased significantly by 71% for the period in review to \$3.26 million (2017: \$11.37 million). CAC mentioned that, "this was due to interest costs being offset by jumps in foreign exchange gains and interest income." Interest expense for the nine months amounted to \$16.62 million relative to \$11.65 million twelve months earlier. Interest income and other gains amounted to \$4.85 million (2017: \$620,765) and \$8.51 million (2017: \$343,064) respectively.

Profit Before Taxation increased by 46% for the nine months to close at \$72.48 million (2017: \$49.79 million). No taxes were recorded for the period compared to a tax credit of \$222,812 reported in 2017. As such, Net Profit for the nine months increased 45% to \$72.48 million (2017: \$50.01 million). Net Profit for the quarter was reported at \$18.83 million compared to a loss of \$1.64 million for the corresponding quarter of 2017.

Earnings-per-share (EPS) for the nine months amounted to \$0.56 compared to \$0.39 in 2017, while for the quarter the EPS amounted to \$0.15 versus a loss per share of \$0.01. The twelve months trailing EPS amounted to \$0.95. The number of shares used in our calculations is 129,032,258 units. Notably, CAC's stock price closed the trading period on September 10, 2018 at a price of \$9.01.

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	138.050	100.000	135.8108	147.370	100.000	137.0640
CAN	106.000	74.620	103.8367	120.000	93.000	104.8267
GBP	179.700	153.040	174.0401	206.400	165.000	178.2823
EURO	156.500	114.370	150.7142	183.000	149.100	158.7639

\*Rates as at September 10, 2018

### MONEY MARKET

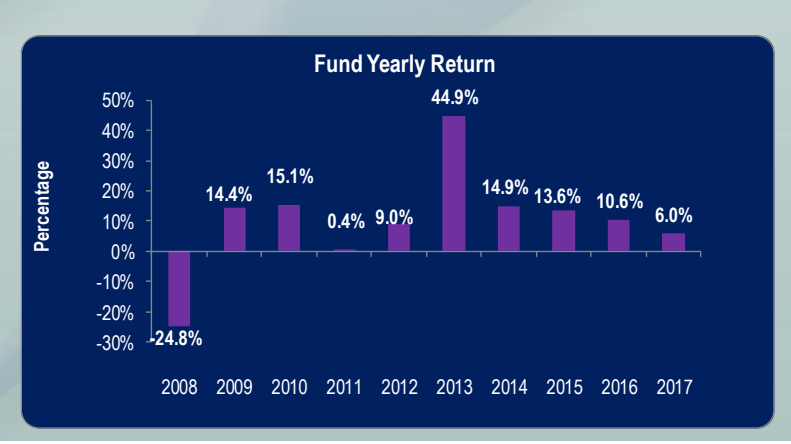
The Jamaican dollar fixed income market was liquid in today's (September 11, 2018) trading session. The overnight rate stood at 0.85% while the 30-day rate ranged between 1.50% and 1.60%.

The US dollar fixed income market was also liquid during today's (September 11, 2018) trading session; The overnight market rates were quoted at 1.20% while the 30-day market rates stood at 1.60% to 1.80%.

### 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 September 11, 2018 \*Projections are made to the company's financial year end

**U.S.: U.S. Small Business Optimism Just Hit Its Highest Level in History**

A measure of optimism among U.S. small-business owners rose to a record and exceeded projections as companies planned the most capital spending since 2007 and hiring intentions hit an all-time high, a National Federation of Independent Business survey showed Tuesday. Small businesses are increasingly optimistic as the economic expansion enters its 10th year and the Trump administration prioritizes industry deregulation and tax cuts. Companies have been boosting inventories to match robust consumer demand for goods and services. "The small business engine continues to roar with the dramatic change in economic policies since November 2016," survey authors William Dunkelberg and Holly Wade said in the report. While the gauge of intent to hire reached a record, finding qualified workers remains a problem. Of companies trying to fill a position in the month, 89 percent reported finding few or no qualified applicants. At the same time, reports of higher compensation were unchanged at a net 32 percent of firms and plans to raise pay decreased 1 point to a net 21 percent.

<https://www.bloomberg.com/news/articles/2018-09-11/u-s-small-business-optimism-at-record-high-on-hiring-spending?srnd=economics-vp>

**Europe: Russia Skips Bond Sale for Second Week as Sanctions Noise Grows**

Russia's Finance Ministry said it will cancel this week's regular sale of ruble bonds after an emerging-market rout and expectations for deeper U.S. sanctions drove borrowing costs to the highest level in more than two years. The cancellation means Russia will fail to sell ruble sovereign bonds, known as OFZs, for two weeks in a row for the first time since the 2015 oil-price crash. Last week, the Finance Ministry went ahead with its Wednesday bond auction, but decided not to sell at the prices on offer. Investors have been cutting exposure to Russian debt in recent months as a precaution against U.S. sanctions aimed at punishing the Kremlin for election interference. While some of the harshest measures under discussion are likely to be toned down before a bill is finalized later this year, the threat of curbs on sovereign debt sales and tougher limits on some of Russia's biggest banks is enough to keep traders away. The Finance Ministry cited market volatility in its decision not to hold the auction, according to a statement posted on its website.

<https://www.bloomberg.com/news/articles/2018-09-11/russia-skips-bond-sale-for-second-week-as-sanctions-noise-grows?srnd=premium>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at September 10, 2018	
	Percentage (%)
Yield to Maturity	5.93
Weighted Average Coupon	5.60
Current Yield	5.79

The platinum portfolio has an effective maturity of 15.60 years and duration of 5.74 years.

**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.

**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

