

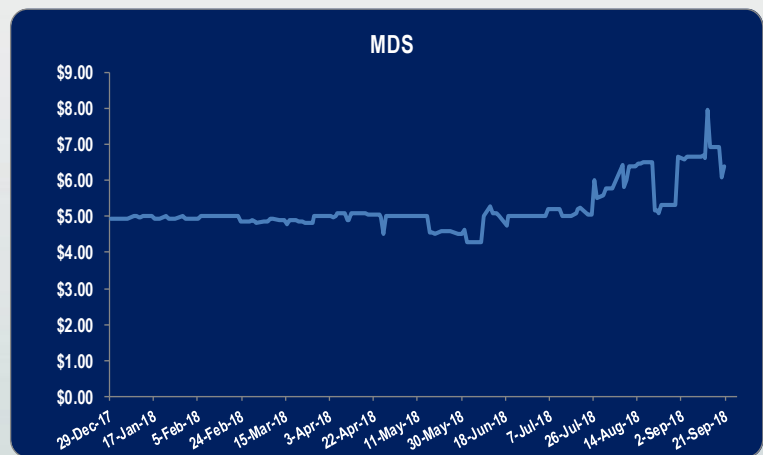
# MAYBERRY INVESTMENTS LIMITED

## DAILY RECOMMENDATION



### LOCAL STOCK MARKET: (JS) +

Stock Symbol	JBG	BRG	MDS	KEX	JETCON
Current Price (\$)	30.22	22.00	6.50	11.50	4.02
Trailing EPS (\$)	1.80	0.86	0.43	0.36	0.28
P/E (times)	16.76	25.49	15.12	32.38	14.60
Projected P/E	17.99	21.33	14.65	30.34	13.59
Projected EPS (\$)*	1.68	1.03	0.44	0.38	0.30
Book Value per share (\$)	11.10	4.78	2.63	1.25	0.82
Price/Book Value (times)	2.72	4.60	2.47	9.18	4.90
Dividend Yield (2018 %)	0.56%	1.30%	1.60%	0.61%	0.87%
Volumes	83,050	7,934	34,964	3,860	63,601
Recommendation	HOLD	HOLD	HOLD	SELL	BUY



### STOCK OF THE DAY: Medical Disposables & Supplies Limited (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."

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	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	137.500	103.330	135.1892	147.930	106.140	136.3127
CAN	105.650	75.520	102.1159	116.810	100.000	105.3454
GBP	182.000	154.380	176.3535	207.960	171.000	179.0725
EURO	158.350	115.120	152.9940	184.200	152.000	161.1418

\*Rates as at September 20, 2018

### MONEY MARKET

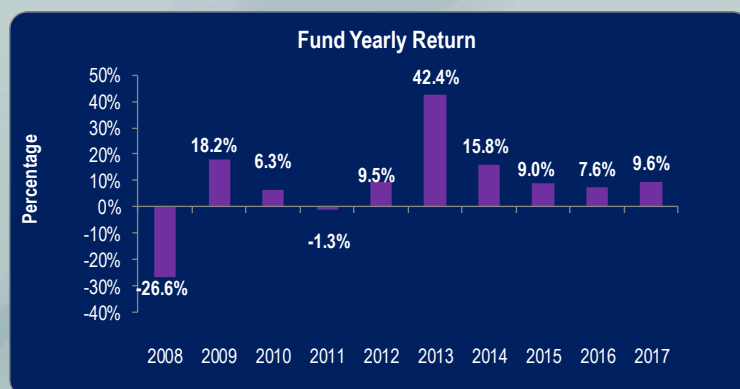
The Jamaican dollar fixed income market was liquid in today's (September 21, 2018) trading session. The overnight rate stood at 0.85% to 1.25%, while the 30-day rate ranged between 1.50% and 1.80%.

The US dollar fixed income market was also liquid during today's (September 21, 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 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 10% and a 5 year return of 13.3% as at August 31, 2018. The Fund also has a 10 year return of 9.1%.



## U.S.: Biggest U.S. Premium Over Europe Since '80s Fails to Help Dollar

“Not since the 1980s have U.S. Treasuries had such handsome yield premiums over their German counterparts. Yet none of that widening advantage in recent weeks has helped the dollar, in a disconnect that’s catching analysts’ attention. Prospects for central bank tightening, emergent inflation and solid growth have boosted government bond yields across developed markets this month -- but particularly in the U.S., where the 10-year spread over German bunds now exceeds 2.6 percentage points. Wider gaps were only seen in the late 1970s and 1980s, when American inflation averaged 3 percentage points higher than in Germany (versus little difference now), Commerzbank AG says. Part of the dollar’s recent weakness has been explained by a resumption of demand for risky assets, with China declaring that it won’t devalue the yuan and some fund managers saying it’s time to dive back into the likes of Argentina and Turkey. The risk-on sentiment has undermined demand for the greenback as a haven. That could also explain why the yen, another haven asset, has been the only major currency to drop against the dollar this month. But when it comes to the dollar’s retreat against the rest of the key developed-market currencies, some are reading a deeper underlying challenge: diminished appetite for U.S. assets as American fiscal and current-account deficits widen.”

<https://www.bloomberg.com/news/articles/2018-09-21/biggest-u-s-premium-over-europe-since-80s-fails-to-help-dollar?smd=premium>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at September 17, 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.

## 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.

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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)

## Europe: U.K. Heatwave Lifts Brexit Gloom as Economy Beats Expectations

“The U.K.’s scorching summer has pushed the economy’s performance well beyond expectations. Citigroup Inc.’s Economic Surprise index for the U.K., which measures whether economic data have exceeded or fallen short of analysts’ estimates, climbed to 25.5 on Thursday, the highest since January. The gauge has been boosted by a string of reports that have painted a positive picture of the nation’s economy as the summer heatwave boosts consumer spending and business activity following a winter freeze. That better weather is underpinning growth even as a lack of progress in the U.K. Brexit’s talks leaves businesses complaining about uncertainty and economists downgrading their outlooks. This month alone, the Office for National Statistics has reported faster-than-predicted overall expansion, a surprise pick-up in wages and unexpected jump in retail sales. On Thursday the ONS highlighted that the U.K. had seen its hottest summer on record, which has encouraged shoppers to splash out. As the nation heads in autumn, the outlook may turn gloomier. The impact of the heatwave is likely to prove transient, while the bigger question of the U.K.’s future relationship with the European Union remains unresolved.”

<https://www.bloomberg.com/news/articles/2018-09-21/u-k-heatwave-lifts-brexit-gloom-as-economy-beats-expectations?smd=premium-europe>

## 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.