



LOCAL STOCK MARKET: (JS) +

Stock Symbol	LASF	ECL	SJ	KREMI	JETCON
Current Price (\$)	5.61	8.25	39.43	7.30	4.03
Trailing EPS (\$)	0.23	0.27	2.99	0.29	0.28
P/E (times)	24.64	30.63	13.17	25.06	14.64
Projected P/E	20.82	28.86	12.47	22.10	13.63
Projected EPS (\$)*	0.27	0.29	3.16	0.33	0.30
Book Value per share (\$)	1.16	0.51	17.62	1.83	0.82
Price/Book Value (times)	4.83	16.29	2.24	3.99	4.91
Dividend Yield (2018 %)	N/A	7.03%	1.67%	0.66%	0.87%
Volumes	237,886	52,045	20,616	3,000	87,875
Recommendation	HOLD	SELL	HOLD	HOLD	BUY



STOCK OF THE DAY: Sagcor Group Jamaica Limited (SJ)

For the six months ended June 30, 2018:-

Total Revenues increased by 7% to \$32.02 billion from \$30.01 billion in 2017, while for the second quarter Total Revenues improved 8% to total \$16.20 billion compared to \$14.93 billion in 2017. Total revenue year to date was broken down as follows;

Net premium revenue increased by 6% to a total of \$18.45 billion compared to \$17.41 billion last year.

Net Investment Income declined to \$7.83 billion from \$8.64 billion in 2017, an 9% decline.

Fees and other revenue went up 44% to \$5.74 billion from \$3.97 billion in 2017.

Benefits and Expenses totaled \$25.63 billion for the period, inching up by 10% from \$23.26 billion, while for the second quarter Benefits and Expenses were up 20% to close at \$13.09 billion relative to \$10.95 billion in 2017. Of this Benefits and Expenses:

Net insurance benefits incurred increased by 20% to close at \$12.70 billion (2017: \$10.54 billion).

Changes in insurance and annuity liabilities rose by 21% to total \$564.30 million relative to \$465.34 million in 2017.

Administration Expenses fell from \$8.93 billion in 2017 to \$8.77 billion in 2017.

Commission and related expenses grew by 10% to \$2.62 billion from \$2.38 billion.

Amortization of intangible assets and Asset tax both advanced to \$342.92 million (\$331.13 million) and \$637.69 million (2017: \$616.33 million) respectively.

Share of profit from joint venture amounted to \$15.57 million relative to \$16.53 million a year prior. Share of profit from associate for the period totaled \$223.20 million compared to \$233.13 million last year. As such, Profit before Taxation amounted to \$6.63 billion, a 5% reduction when compared to the \$7.01 billion booked in 2017.

Investment and corporation taxes of \$1.35 billion was reported for the period, a marginal decline of 0.2% which translated into a net profit of \$5.28 billion (2016: \$ 5.65 billion) for the six months period. In addition, profit for the quarter amounted to \$2.64 billion relative to \$3.06 billion in 2017.

Earnings per share (EPS) for the quarter amounted to \$0.676 (2017: \$ 0.783), while EPS for the period totaled \$1.35 relative \$1.45 in 2017. The twelve month trailing EPS amounted to \$2.99. The number of shares used in our calculations amounted to 3,905,634,918 units. SJ's stock last traded on August 15, 2018 at \$37.67.

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	145.730	100.000	134.6120	150.650	105.200	135.5590
CAN	107.500	80.480	104.9921	121.200	96.000	105.7400
GBP	181.000	154.650	177.1596	207.360	165.960	178.0596
EURO	163.670	123.200	153.8407	185.760	155.000	161.9171

*Rates as at September 25, 2018

MONEY MARKET

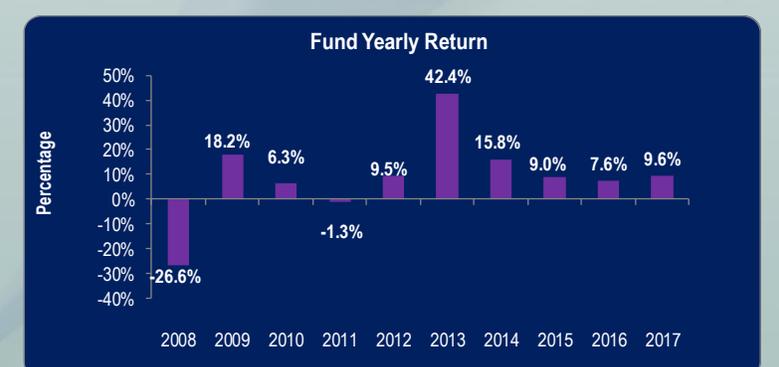
The Jamaican dollar fixed income market was liquid in today's (September 26, 2018) trading session. The overnight rate stood at 0.85% to 1.25%, while the 30-day rate ranged between 1.50% and 1.80%.

The US dollar fixed income market was also liquid during today's (September 26, 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 re-turn 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%.



*Prices are as at September 26, 2018 *Projections are made to the company's financial year end

U.S.: Fed Dots to Harden Views for December Move: Decision-Day Guide

“The Federal Reserve is poised to increase interest rates for a third time this year as it publishes forecasts that are expected to bolster expectations for another move in December and a continued pace of gradual tightening in 2019. The Federal Open Market Committee is almost certain to raise rates a quarter point at the end of its two-day meeting Wednesday to a target range of 2 percent to 2.25 percent -- the highest level in more than a decade. The Fed will release its decision, policy statement and projections at 2 p.m. Chairman Jerome Powell holds a press conference 30 minutes later to discuss the outlook and can expect questions about political pressure after criticism from President Donald Trump. “Some of the more dovish dots are likely to drift a bit higher, cementing the likelihood of a December hike,” said Sam Bullard, senior economist with Wells Fargo Securities in Charlotte, North Carolina. “There is a growing consensus for further gradual tightening given the strong incoming data we have seen. They will feel confident about the rate projection.” In June, the FOMC was nearly evenly divided, with eight participants favoring at least four hikes this year, while seven favored three or fewer moves. The balance is likely to become more lopsided this week. In addition, new Vice Chairman Richard Clarida will submit his view at the meeting after being confirmed by the Senate in August.”

<https://www.bloomberg.com/news/articles/2018-09-26/fed-dots-to-harden-views-for-december-move-decision-day-guide?srnd=premium>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at September 24, 2018	
	Percentage (%)
Yield to Maturity	5.87
Weighted Average Coupon	5.54
Current Yield	5.73

The platinum portfolio has an effective maturity of 13.19 years and duration of 4.51 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, www.bloomberg.com, www.investopedia.com, www.tradewire.com

Asia: China to Cut Tariffs on Imports Including Machinery, Textiles

“China will cut import tariffs on goods including machinery, paper, textiles and construction materials from Nov. 1, in a move that would lower costs for consumers and companies as a trade war with the U.S. deepens. The decision will lower tariffs for 1,585 products, state radio reported, citing a meeting of the State Council. The combination of these and other tariff cuts this year will lower the tax burden on consumers and companies by about 60 billion yuan (\$8.7 billion), the radio reported. The Chinese government has yet to detail how the general tariff cut will apply to U.S. goods affected by retaliatory tariffs in the trade war. In theory the same goods can receive a lower basic tariff and still have extra duties piled on by the response to President Donald Trump’s measures. Whether goods affected by the trade war receive this treatment will depend on precisely which items the government selects to cut duties on. The Chinese government hasn’t released that list of the specific goods yet. The average import tax for some machinery will be reduced to 8.8 percent from 12.2 percent, for textiles and construction materials to 8.4 percent from 11.5 percent, and for paper and some other products to 5.4 percent from 6.6 percent, the radio station reported. The decision was aimed at meeting the demand of companies to upgrade production and lower costs, and to help fulfill the public’s diversified consumption appetite, according to a statement. It follows on from similar moves earlier this year which were aimed at reducing prices of imports to stimulate consumption and is in line with China’s pledge to boost imports.”

<https://www.bloomberg.com/news/articles/2018-09-26/china-to-cut-import-tariffs-on-some-goods-from-november?srnd=premium>

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.

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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