

DAILY RECOMMENDATION



LOCAL STOCK MARKET: (JS) +

Stock Symbol	XFUND	ProvenJA	SVL	CPJ	CAR
Current Price (\$)	13.00	26.41	16.54	6.11	9.31
Trailing EPS (\$)	1.22	1.32	0.50	0.25	0.73
P/E (times)	10.69	19.97	32.80	24.56	12.74
Projected P/E	9.92	18.07	21.32	21.68	12.36
Projected EPS (\$)*	1.31	1.46	0.78	0.28	0.75
Book Value per share (\$)	10.75	17.12	1.08	2.79	0.38
Price/Book Value (times)	1.21	1.54	15.29	2.19	24.23
Dividend Yield (2018 %)	N/A	2.69%	2.72%	N/A	6.12%
Volumes	264,879,865	NIL	291,464	NIL	362,760
Recommendation	BUY	SELL	SELL	HOLD	BUY

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	137.550	100.000	134.7314	150.650	126.000	135.6474
CAN	107.000	77.810	104.2076	122.990	96.000	104.9763
GBP	179.000	146.880	175.6786	211.680	165.000	178.0623
EURO	156.500	119.350	153.2778	162.500	147.000	160.5166

*Rates as at September 26, 2018

MONEY MARKET

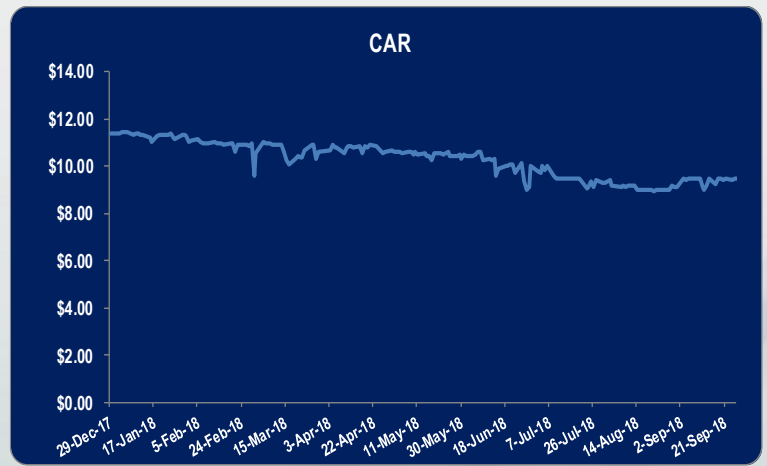
The Jamaican dollar fixed income market was liquid in today's (September 27, 2018) trading session. The overnight rate stood at 0.85% to 1.25%, while the 30-day rate ranged between 1.50% and 1.80%.

The US dollar fixed income market was also liquid during today's (September 27, 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 Corporate Class

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 re-turn of 8.6% and a 5 year return of 13.5% as at August 31, 2018. The Fund also has a 10 year return of 10%.



STOCK OF THE DAY: Carreras Limited (CAR)

For the three months ended June 30, 2018:

Carreras Limited, for the three months, reported Operating Revenue of \$3.15 billion, 12% increase relative to \$2.82 billion booked in 2017. The company highlighted that, "This increase over the prior period is due mainly to an increase in sales volumes albeit over a lower volume base as well as effective management of costs."

CAR also noted that, "Based on the improved performance for the quarter, we remain cautious though optimistic regarding the outlook for the rest of the financial year. The company continues to reap the reward of continuous investment in our brands, particularly our core brands, Craven "A" and Matterhorn. The strength of our brands, people and relationships continue to position us for the future."

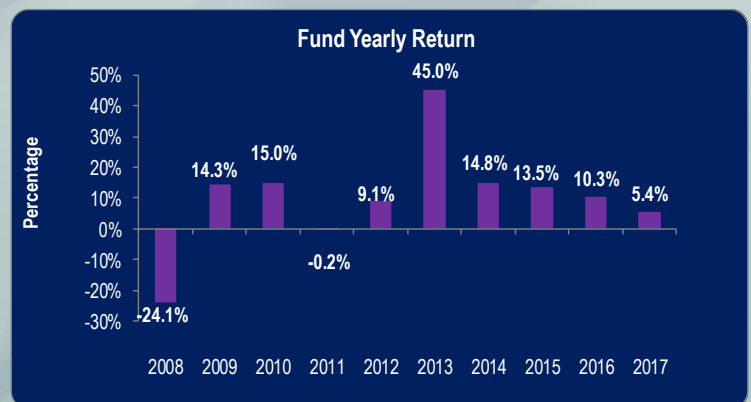
The company mentioned that, "The increase in sales for the period is on a lower volume bases as a result of the excise increase implemented last year. Overall, we continue to be negatively impacted by excise increases implemented in prior periods, which in turn has unintendedly resulted in the increased illicit trade in cigarettes."

Cost of Operating Revenue also climbed year over year by 12%, amounting to \$1.57 billion from \$1.39 billion. As such, Gross Operating Profit rose by 11% to total \$1.58 billion relative to the \$1.42 billion in 2017. Other Operating Income fell by 65% moving from \$121.37 million in 2017 to \$42.12 million.

Administrative, distribution and marketing expenses decreased 7% to total \$490.05 million (2017: \$529.41 million). Management noted that, "Continued cost-cutting, and containment initiatives are being reflected in the 7% reduction in overheads over the prior period. It is noteworthy, that this reduction was achieved despite a 2.8% increase in inflation."

Profit before Income Tax was recorded at \$1.13 billion relative to \$1.01 billion in 2017. Taxation of \$308.23 million was incurred for the period (2017: \$255.64 million). Consequently, Net Profit for the three months increased 8% to \$821.09 million relative to \$758.34 million booked in 2017.

The Earnings per share (EPS) for the period was \$0.17 as compared to \$0.16 for the corresponding period of last year. The twelve-month trailing EPS amounted to \$0.73. The number of shares used in the computations amounted to 4,854,400,000 units. CAR's stock price last traded on August 13, 2018 at \$9.17.



*Prices are as at September 27, 2018 *Projections are made to the company's financial year end

U.S.: U.S. Economy Grew at Unrevised 4.2% Pace in Second Quarter

“The U.S. economy grew in the second quarter at an unrevised 4.2 percent pace, the fastest since late 2014, indicating a solid foundation for this quarter, Commerce Department data showed Thursday. The revisions for GDP, the value of all goods and services produced in the U.S., are largely in sync with more recent data that show the world’s largest economy is expanding at a steady, albeit more moderate, pace this quarter. The details were mixed. Inventories subtracted 1.17 percentage point from growth, revised from a previously reported 0.97-point drag, mostly on nonfarm stockpiles. Household purchases, which account for about 70 percent of the economy, remained the main driver of growth. They contributed 2.57 point, up from a previously estimated 2.55 point. In addition to tax cuts signed by President Donald Trump, a robust job market is helping consumers while strong profits are supporting corporate America. The steady growth rate will offer the White House further opportunity to claim credit for the robust expansion. At the same time, a trade war with China has triggered higher tariffs on imports, supply-chain disruptions, and uncertainty about when the trade tensions may be resolved.”

<https://www.bloomberg.com/news/articles/2018-09-27/u-s-economy-grew-at-unrevised-4-2-pace-in-second-quarter?srd=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: Emerging Asia Builds on Defences in Fed-Led Tightening Cycle

“Asia’s worst-hit emerging markets moved on Thursday to protect their economies against growing threats from Federal Reserve tightening, a strong dollar, and escalating U.S.-China trade hostilities. Following the Fed’s interest-rate increase Wednesday, Bank Indonesia raised rates for a fifth time this year, to 5.75 percent from 5.5 percent, while the Philippines delivered another strong hike of 50 basis points to 4.5 percent. In a busy day for regional central banks, New Zealand and Taiwan held their policy stances, while flagging growth risks from the trade conflict. In India, authorities took steps to support lenders and curb the rupee’s slide. Indonesia has been among the hardest-hit of Asia’s emerging markets this year, erecting numerous defences to protect a currency that’s weakened about 9 percent against the dollar since the start of 2018. In the Philippines, central bankers are pushing back against inflation that’s surged well beyond the top of their target range. For both, and for central bankers the world over, policy and trade risks emanating from the U.S. are offering more reasons to tighten and to work to fend off capital flight, not to mention strengthening oil prices.”

<https://www.bloomberg.com/news/articles/2018-09-27/emerging-asia-builds-on-defenses-in-fed-led-tightening-cycle?srd=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

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MAYBERRY INVESTMENTS LIMITED
 A Member of the Jamaica Stock Exchange

1 ½ Oxford Road, Kingston 5, Jamaica. ☎ (876) 929 1908 – 9
 research@mayberryinv.com • sales@mayberryinv.com • www.mayberryinv.com

