

DAILY RECOMMENDATION



LOCAL STOCK MARKET: (JS) +

Stock Symbol	CCC	JBG	JETCON	XFUND	138SL
Current Price (\$)	49.99	30.20	3.91	14.87	4.60
Trailing EPS (\$)	1.28	1.80	0.28	1.22	0.10
P/E (times)	39.06	16.75	14.20	12.23	44.46
Projected P/E	18.33	17.98	13.22	11.35	105.05
Projected EPS (\$)*	2.73	1.68	0.30	1.31	0.04
Book Value per share (\$)	11.75	11.10	0.82	10.75	6.59
Price/Book Value (times)	4.25	2.72	4.77	1.38	0.70
Dividend Yield (2018 %)	N/A	0.56%	0.90%	N/A	N/A
Volumes	51,062	16,347	70,869	79,469	NIL
Recommendation	HOLD	HOLD	BUY	BUY	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

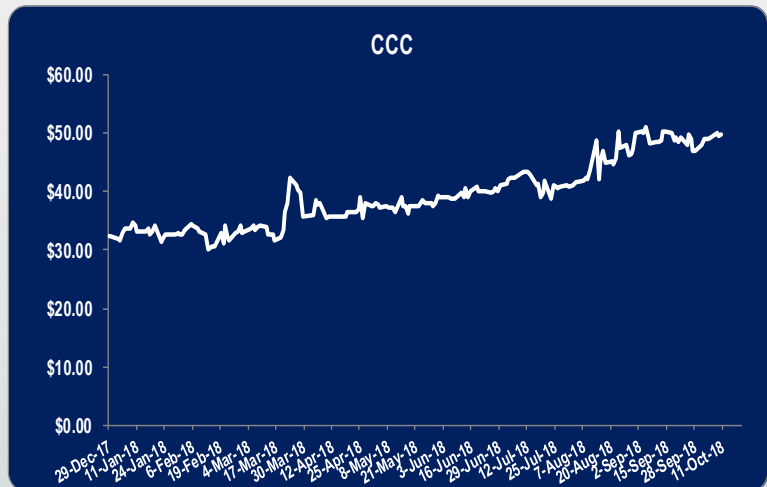
	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	135.400	99.840	132.2567	148.060	103.200	133.5522
CAN	103.000	83.720	101.4305	118.320	96.000	105.6620
GBP	176.500	143.140	172.0328	181.440	167.000	176.1526
EURO	153.000	118.000	148.7448	155.600	147.000	154.1162

*Rates as at October 10, 2018

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (October 11, 2018) trading session. The overnight rate stood at 0.85% to 1.20%, while the 30-day rate ranged between 1.50% and 1.80%.

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



STOCK OF THE DAY: Caribbean Cement Company Limited (CCC)

For the Six Months Ended June 30, 2018:

Total revenue grew by 9% amounting to \$8.77 billion, up from \$8.08 billion reported a year ago. Earnings before interest, tax, depreciation & amortization (EBITDA) amounted to \$2.30 billion, an increase of 58% relative to \$1.46 billion for the prior year's corresponding period.

Depreciation and amortization closed the period at \$466.53 million (2017: \$267.78 million). CCC also reported stockholding and inventory restructuring costs of \$22.86 million (2017: \$28.59 million). As such, operating profit totalled \$1.86 billion for the year, an increase of 52% over 2017's \$1.22 billion.

Interest Income amounted to \$7.57 million for the period compared to \$1.84 million for the corresponding period in 2017. Finance Costs for the six months ended closed at \$386.19 million compared to \$6.45 million incurred for the corresponding period of 2017.

Consequently, Profit before Taxation for the period amounted to \$1.48 billion, 22% more when compared with a profit of \$1.22 billion recorded last year. Taxation for the period however increased 210% from \$152.77 million reported for the six months of 2017 to \$474.16 million.

Net profit for the period closed at \$1.01 billion relative to net profit of \$1.07 billion booked for the corresponding period in 2017, a decrease of 5% year over year. Net profit for the quarter amounted to \$673.65 million, an 11% increase relative to \$605.80 million reported in 2017.

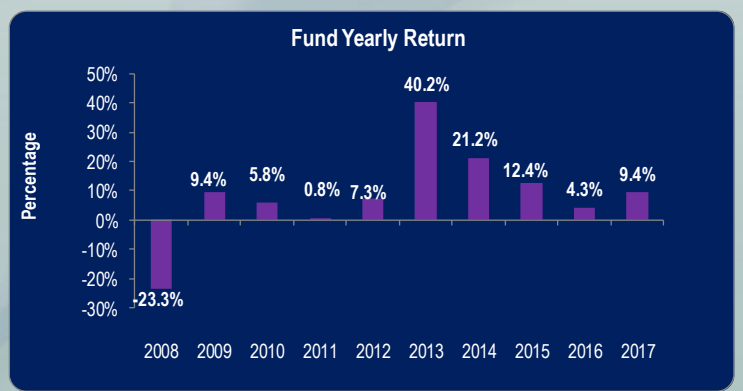
Total comprehensive income for the period closed at \$1.05 billion, relative to \$1.09 billion for the corresponding period in 2017. Total comprehensive income for the quarter amounted to \$704.28 million relative to \$629.86 million reported in 2017.

Consequently, earnings per share (EPS) amounted to \$1.18 (2017: \$1.25), while earnings per share for the quarter amounted to \$0.79 (2017: \$0.71). The twelve months trailing EPS is \$1.28. The number of shares used in this calculation was 851,136,591 shares. CCC stock price closed the trading period at a price of \$40.86 on July 27, 2018.

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 10.7% and a 5 year return of 13.9% as at September 30, 2018. The Fund also has a 10 year return of 10.2%.



*Prices are as at October 11, 2018 *Projections are made to the company's financial year end

U.S.: Mortgage Rates in U.S. Jump by the Most Since Trump's Election

“U.S. mortgage rates, already at a seven-year high, jumped the most since the week after President Trump was elected. The average rate for a 30-year fixed mortgage was 4.9 percent, up from 4.71 percent last week and the highest since mid-April 2011, Freddie Mac said in a statement Thursday. It was the biggest increase since Nov. 17, 2016, when the 30-year average surged 37 basis points. The average 15-year rate climbed to 4.29 percent from 4.15 percent, the McLean, Virginia-based mortgage finance company said. Rising mortgage rates have cut into affordability for buyers, especially in markets where home prices have been climbing faster than incomes. That’s led to a slowdown in sales. Contracts to buy previously owned properties in the U.S. declined in August by the most in seven months, according to data from the National Association of Realtors. “Rising rates paired with high and escalating home prices is putting downward pressure on purchase demand,” Freddie Mac Chief Economist Sam Khater said in the statement. While rates are still historically low, “the primary hurdle for many borrowers today is the down payment, and that is the reason home sales have decreased in many high-priced markets.” With this week’s jump, the monthly payment on a \$300,000, 30-year loan has climbed to \$1,592, up from \$1,424 in the beginning of the year, when the average rate was 3.95 percent.”

<https://www.bloomberg.com/news/articles/2018-10-11/mortgage-rates-in-u-s-jump-by-the-most-since-trump-s-election?srnd=economics-vp>

Europe: ECB Holds Off Pushing the Alarm Button Over Global Risks

“European Central Bank policy makers held back from raising the alarm about risks to the euro-area outlook even after a debate that noted mounting global threats. At its last policy meeting, the Governing Council focused on the impact of trade protectionism and even said that there was a case for characterizing the risks as “tilted to the downside given the clear prevalence of downward global risks.” It ultimately decided that the strength of the domestic economy meant it could stick to “broadly balanced.” The debate during the Sept. 12-13 meeting highlights the difficult navigation for the ECB as it starts to wind down its stimulus while also keeping an eye on global trade disputes, emerging market turmoil and Italy’s budget-related bond ructions. President Mario Draghi has since said the euro-area economy is strong enough to cope with global tensions. But the publication of the accounts comes amid a global equity selloff that Goldman Sachs says is due to mounting worries about the global outlook. Just this week, the IMF said world economic expansion is plateauing as it trimmed its growth projections for the first time in more than two years. In September, the ECB lowered its own forecasts, and a remark was made in the meeting that some of the factors behind the revisions “might not be entirely of a transitory nature.” At the same time, officials said the recent moderation reflected convergence toward the economy’s potential.”

<https://www.bloomberg.com/news/articles/2018-10-11/ecb-puts-focus-on-trade-discussing-downside-risks-and-inflation?srnd=premium>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at October 08, 2018	
	Percentage (%)
Yield to Maturity	5.96
Weighted Average Coupon	5.548
Current Yield	6.34

The platinum portfolio has an effective maturity of 13.17 years and duration of 4.43 years.

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.

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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

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 MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS

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