

DAILY RECOMMENDATION



LOCAL STOCK MARKET: (JS) +

Stock Symbol	JAMT	CCC	ISP	CAR	MEEG
Current Price (\$)	4.00	43.55	20.00	8.98	6.50
Trailing EPS (\$)	0.26	0.76	0.48	0.73	0.35
P/E (times)	15.58	57.34	41.27	12.29	18.51
Projected P/E	12.89	32.99	39.34	11.92	17.60
Projected EPS (\$)*	0.31	1.32	0.51	0.75	0.37
Book Value per share (\$)	1.62	12.05	2.91	0.38	1.84
Price/Book Value (times)	2.47	3.61	6.87	23.37	3.53
Dividend Yield (2018 %)	0.75%	N/A	N/A	7.57%	N/A
Volumes	2,435	14,777	3,300	372,736	1,000
Recommendation	BUY	SELL	SELL	BUY	HOLD

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	130.000	99.520	127.7461	145.000	100.000	128.9341
CAN	100.300	80.000	95.6586	113.500	91.446	100.2081
GBP	168.743	136.000	162.5201	193.000	158.791	166.1211
EURO	151.190	113.500	145.9932	171.000	139.488	147.2584

*Rates as at October 29, 2018

MONEY MARKET

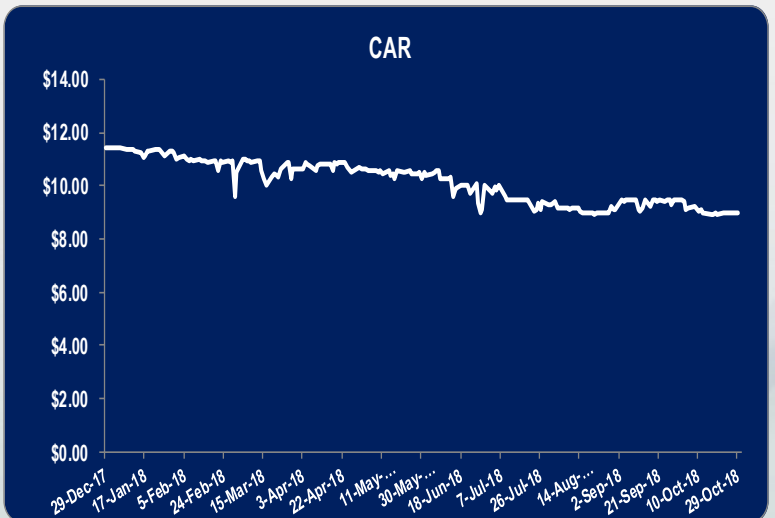
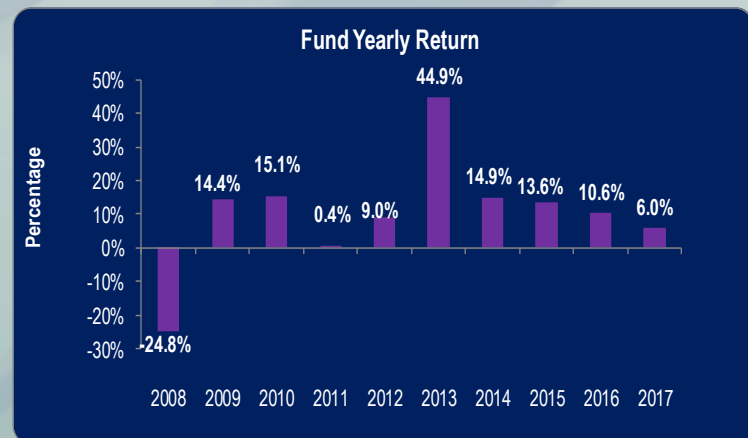
The Jamaican dollar fixed income market was liquid in today's (October 30, 2018) trading session. The overnight rate stood at 0.85% to 1.20%, while the 30-day rate ranged between 1.80% and 2.00%.

The US dollar fixed income market was also liquid during today's (October 30, 2018) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.80% to 2.10%.

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 8.4% and a 5 year return of 12.1% as at September 30, 2018. The Fund also has a 10 year return of 10.8%.



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.

U.S: Trump Says Stock Market Taking ‘A Little Pause’ Before Midterms

“President Donald Trump attributed declines in leading U.S. stock indexes to “a little pause” as investors wait to see the results of the midterm elections. Stocks fell on Monday after a Bloomberg News report that the administration would move forward with additional tariffs against China if Trump couldn’t make progress toward resolving its trade dispute during a meeting with Chinese President Xi Jinping in early December. Markets have already been under pressure from concerns over rising interest rates and peak earnings growth. The S&P 500 and Nasdaq indexes are on track for the steepest monthly declines of the record-long bull market. Trump previously blamed the Federal Reserve for stock declines, complaining after the central bank raised its benchmark policy rate three times this year, by a quarter-percentage point on each occasion. In an interview last week with the Wall Street Journal, Trump said he “maybe” regretted appointing Federal Reserve Chairman Jerome Powell.”

<https://www.bloomberg.com/news/articles/2018-10-30/trump-says-stock-market-taking-a-little-pause-before-midterms?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at October 29, 2018	
	Percentage (%)
Yield to Maturity	6.06
Weighted Average Coupon	5.548
Current Yield	6.81

The platinum portfolio has an effective maturity of 13.07 years and duration of 4.32 years.

DISCLAIMER

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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

Europe: Italy Bonds Slide as Economy Slows, Debt Auction Underwhelms

“Italian bonds dropped as disappointing economic growth and a tepid debt sale damped investor enthusiasm. The securities snapped a three-day rally after the nation’s growth stagnated in the third quarter and sale prices for 10-year debt at the Treasury auction were below market levels. The weaker average sale price reflected fragile investor sentiment after rating agencies cut their view on the sovereign’s outlook. Italian bonds have been buffeted by volatility on concerns surrounding the coalition’s budget deficit for next year. S&P Global Ratings last week lowered its sovereign outlook to negative following a downgrade by Moody’s Investors Service to one notch above junk. The latest set of economic data is unlikely to allay investor anxiety about the nation’s debt-to-GDP ratio, the second-highest in the euro area. “BTPs were under pressure this morning following the weak GDP,” said Antoine Bouvet, an interest-rates strategist at Mizuho International Plc. “The follow-through from the auction is quite soft.” The yield on the nation’s two-year bonds rose 15 basis points to 1.11 percent, while that on 10-year notes climbed 11 basis points to 3.45 percent. The move wipes out this week’s relief rally that came after S&P held its rating unchanged, following some investor expectations of another downgrade.”

<https://www.bloomberg.com/news/articles/2018-10-30/italian-bond-yields-rise-as-economic-growth-undershoots-forecast?srnd=economics-vp>

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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 = POSITIVE TRANSFORMATION FOR OUR CLIENTS
 MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS

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