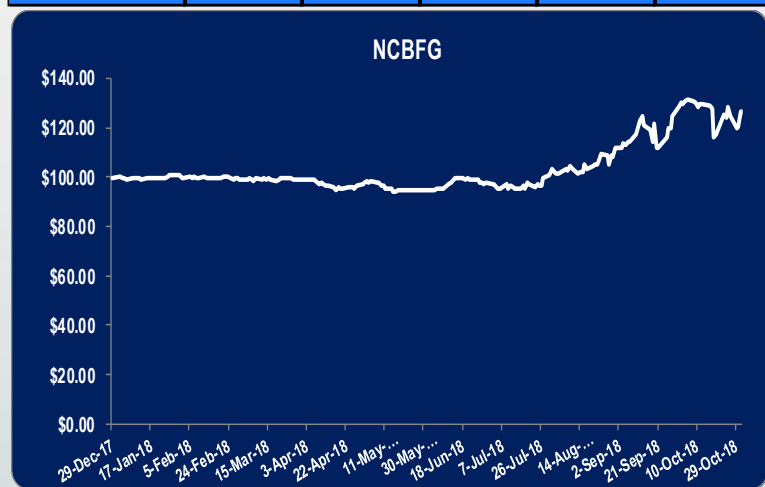


# MAYBERRY INVESTMENTS LIMITED

## DAILY RECOMMENDATION

### LOCAL STOCK MARKET: (J\$) <sup>+</sup>

Stock Symbol	JETCON	SALF	NCBFG	BPOW	KEX
Current Price (\$)	3.78	21.10	125.78	6.00	12.00
Trailing EPS (\$)	0.28	1.36	10.16	0.18	0.42
P/E (times)	13.73	15.51	12.38	33.16	28.71
Projected P/E	12.78	13.58	12.29	29.23	23.43
Projected EPS (\$)*	0.30	1.55	10.23	0.21	0.51
Book Value per share (\$)	0.82	8.04	50.36	1.35	1.43
Price/Book Value (times)	4.61	2.62	2.50	4.44	8.40
Dividend Yield (2018 %)	0.93%	2.37%	1.11%	3.17%	0.58%
Volumes	NIL	NIL	50,470	NIL	120
Recommendation	BUY	BUY	HOLD	SELL	HOLD



### STOCK OF THE DAY: NCB Financial Group Limited (NCBFG)

#### For the Nine Months Ended June 30, 2018:

Net Interest Income increased by 15%, relative to the corresponding period in 2017, to total \$25.42 billion (2017: \$22.19 billion), "resulting from volume growth in the loan portfolio and the consolidation of Clarien's results", Management noted. For the quarter, Net Interest Income improved 26% to close at \$9.51 billion (2017: \$7.56 billion). Interest income for the period rose 20% year over year to \$37.92 billion compared to \$31.63 billion in 2017, while interest expense amounted to \$12.51 billion relative to \$9.44 billion for the corresponding period in 2017.

The bank also reported a gain on foreign currency and investment activities of \$11.41 billion, a growth of 103% relative to \$5.62 billion in 2017. The Company noted, "This performance is in the context of strong fiscal performance by the GOJ, a high level of liquidity which has created demand for assets and an accommodative policy stance by the BOJ which led to declining market interest rates." Insurance premium income for the period increased 16% to \$348.04 million (2017: \$185.71 million), while dividend income increased by 87% to a total of \$348.04 million (2017: \$185.71 million).

Total Operating Expenses for the period amounted to \$36.98 billion, an increase of 32% compared to the \$28 billion reported for the nine months ended June 30, 2017. Expenses for the quarter rose 36% to close at \$12.07 billion compared to \$8.88 billion in 2017. According to NCBFG, "we continue to re-tool the organisation to bolster our capacity to innovate and improve service standards to customers."

Consequently, operating profit increased 17% to total \$18.97 billion (2017: \$16.21 billion). 'Share of profit of associates' declined by 18% to total \$1.81 billion compared to \$2.22 billion in 2017. The Bank also reported negative goodwill on acquisition of subsidiary of \$4.39 billion relative to a nil in 2017. This was as related to "the acquisition of Clarien". Consequently, profit before taxation increased 37% to \$25.17 billion relative to \$18.44 billion in 2017.

After accounting for taxation of \$4.22 billion (2017: \$3.72 billion), net profit for the nine months totalled \$20.95 billion, an increase of 42% compared to \$14.72 billion for the corresponding period of 2017. Without the goodwill, net profit would have increased by approximately 13%. Net profit attributable to shareholders closed at \$20.66 billion for the nine months.

Earnings per share (EPS) for the nine months ended June 30, 2018 totalled \$8.38 relative to \$5.97 booked for the comparable period of 2017. The EPS for the third quarter amounted to \$2.77 (2017: \$2.13). The trailing twelve-month EPS amounted to \$10.16. The number of shares used in our calculations amounted to 2,466,762,828 units. NCBFG stock price closed the trading period at a price of \$96.79 on July 26, 2018.

\*Prices are as at November 06, 2018 \*Projections are made to the company's financial year end

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	129.300	99.000	126.5939	142.000	100.000	127.7171
CAN	99.200	79.640	95.0612	112.440	92.000	97.4447
GBP	166.600	136.000	162.8245	184.230	158.000	166.1772
EURO	144.500	112.400	137.2383	168.600	138.000	147.1780

\*Rates as at November 05, 2018

### MONEY MARKET

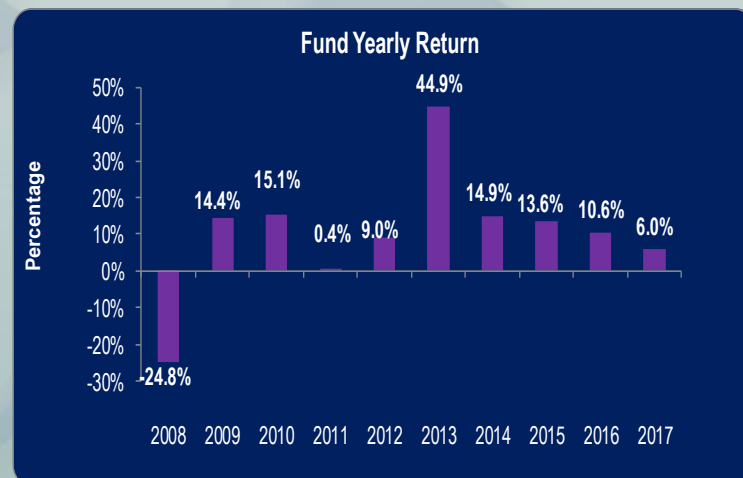
The Jamaican dollar fixed income market was liquid in today's (November 06, 2018) trading session. The overnight rate stood at 1.00% to 1.40%, while the 30-day rate ranged between 1.80% and 2.00%.

The US dollar fixed income market was also liquid during today's (November 06, 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%.



## U.S: Economist That Called U.S.-China Trade War Sees Deal in 2019

"An economist who accurately predicted the rising trade tensions between the U.S. and China now sees a likely resolution of the dispute next year. A trade deal may be reached at some point in 2019 as tariffs will start to hurt the U.S., Danske Bank A/S chief analyst and China economist Allan von Mehren wrote in a report last week, just before President Donald Trump tweeted that discussions with Chinese President Xi Jinping are "moving along nicely." Following the tweet, the strategist now sees a 60 percent chance of a positive outcome from a planned Trump-Xi meeting at the Group of 20 summit in Argentina from Nov. 30-Dec. 1, up from 50 percent earlier, he said in an email response to questions on Thursday. A positive outcome would mean "a clear framework for negotiation with a list of demands and a plan to go work on them one by one." Tensions may yet worsen before a deal can be reached, as Trump is likely to expand U.S. tariffs against Chinese imports, Mehren said. The U.S. is preparing to announce by early December tariffs on all remaining imports from China if talks at the G-20 meeting fail to ease the trade war, people familiar with the matter told Bloomberg."

<https://www.bloomberg.com/news/articles/2018-11-06/economist-that-called-u-s-china-trade-war-sees-deal-in-2019?srnd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at November 05, 2018

	Percentage (%)
Yield to Maturity	6.13
Weighted Average Coupon	5.548
Current Yield	6.13

The platinum portfolio has an effective maturity of 13.04 years and duration of 4.27 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: What a Brexit Deal Can and Can't Do for the British Economy

"The "deal dividend" promised to Britain by Chancellor of the Exchequer Philip Hammond looks further away than hoped after the U.K. Cabinet failed to make much headway on Tuesday. Hammond said last week that a Brexit agreement would allow him to end austerity. Bank of England Governor Mark Carney said the economy would finally see a way through the fog after more than two years of uncertainty. Time's running out, but if an accord is eventually reached -- and accepted by EU and U.K. lawmakers -- here are the areas most likely to benefit. The BOE slashed its forecast for business investment in updated economic forecasts last week. Purchasing managers' surveys added to the dismal picture, with firms in all sectors saying Brexit is damping their outlook. Carney said companies were "understandably" delaying investment, but that removing the risk of no deal could help unleash the wave of pent-up investment referred to by Hammond in his budget speech. One of the most immediate impacts would likely come in the currency markets, which have proved sensitive to the ebb and flow of talks. Just as sterling's post-referendum plunge stoked inflation, a rally could subdue price growth. Analysts surveyed by Bloomberg last month predicted that the pound could rally about 6 percent if the U.K. strikes a deal. Bloomberg Economics calculates that would push the BOE's inflation forecast down by about 0.4 percentage point a year."

<https://www.bloomberg.com/news/articles/2018-11-06/what-a-brexit-deal-can-and-can-t-do-for-the-british-economy?srnd=economics-vp>

## 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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