

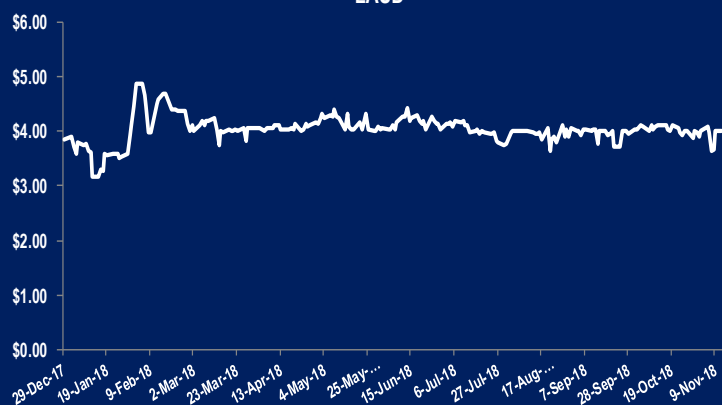
MAYBERRY INVESTMENTS LIMITED

DAILY RECOMMENDATION

LOCAL STOCK MARKET: (J\$) ⁺

| Stock Symbol | BPOW | JAMT | SGJ | KW | LASD |
|---------------------------|-------|-------|---------|-------|-------|
| Current Price (\$) | 5.49 | 3.95 | 49.67 | 76.75 | 3.93 |
| Trailing EPS (\$) | 0.18 | 0.26 | 4.67 | 1.21 | 0.30 |
| P/E (times) | 30.34 | 15.39 | 10.64 | 63.48 | 12.98 |
| Projected P/E | 26.75 | 12.73 | 11.40 | 59.39 | 12.18 |
| Projected EPS (\$)* | 0.21 | 0.31 | 4.36 | 1.29 | 0.32 |
| Book Value per share (\$) | 1.35 | 1.62 | 36.29 | 16.27 | 1.44 |
| Price/Book Value (times) | 4.07 | 2.44 | 1.37 | 4.72 | 2.73 |
| Dividend Yield (2018 %) | 3.46% | 0.76% | 2.90% | 0.26% | 2.98% |
| Volumes | 916 | NIL | 498,076 | 4,800 | 4,000 |
| Recommendation | SELL | BUY | HOLD | SELL | BUY |

LASD



STOCK OF THE DAY: Lasco Distributors Limited (LASD)

For the six months ended September 30, 2018: -

Lasco Distributors Limited (LASD), for the six months ended September 30, 2018, posted 5% growth revenues to \$8.78 billion, up from \$8.35 billion in the corresponding period in 2017. For the quarter, revenues increased by 7% closing at \$4.50 billion (2017: \$4.22 billion).

Cost of sales amounted to \$7.01 billion, up 4% on the \$6.71 billion reported in the prior comparable period. Within the second quarter, cost of sales went up by 6% to \$3.60 billion versus \$3.40 billion in the previous quarter in 2017. Consequently, gross profit recorded an increase of 8% year over year, closing at \$1.78 billion compared to the \$1.64 billion generated for same period in the prior year. However, gross profit for the quarter climbed by 10% totalling \$904.25 million (2017: \$822.04 million).

Other operating income jumped grossly by 431% to end the six months period at \$103.92 million relative to 19.57 million in the corresponding period last year. For the quarter, other operating income also increased significantly by 5261% to \$61.23 million (2017: \$1.14 billion).

Operating Expenses of \$1.38 billion was booked for the six months, a growth of 13% on \$1.21 recorded for the comparable period of 2017. Operating Expenses went up by 21% for the second quarter amounting to \$716.73 million (2017: \$591.06 million). LASD highlighted that, "During the period, the company increased its investment in marketing to support the introduction of its new carbonate drinks LYRIX, energy drink KONKA as well as its 50% less sugar LASCO Food drink which were recently launched."

Net Profit for the period closed at \$463.72 million (2017: \$408.50 million), a 14% climb year over year. As for the second quarter, Net Profit increased by 9% to \$230.08 million (2017: \$211.64 million).

Earnings Per Share for the six months ended September 2018 totalled \$0.13 versus \$0.12 for the corresponding period in 2017. For the quarter, Earnings Per Share amounted to \$0.07 (2017: \$0.06). The trailing twelve months EPS is \$0.30. The total amount of shares outstanding used for this calculation was 3,497,615,571 units. Notably, LASD's closed the trading period on November 06, 2018, at \$3.99.

⁺Prices are as at November 13, 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 | 127.900 | 95.940 | 124.6958 | 141.560 | 99.790 | 126.9938 |
| CAN | 95.200 | 71.830 | 92.2282 | 110.880 | 91.500 | 96.2423 |
| GBP | 169.490 | 135.490 | 161.0057 | 192.240 | 155.000 | 164.6101 |
| EURO | 143.000 | 111.440 | 137.2638 | 167.160 | 137.900 | 142.8754 |

*Rates as at November 12, 2018

MONEY MARKET

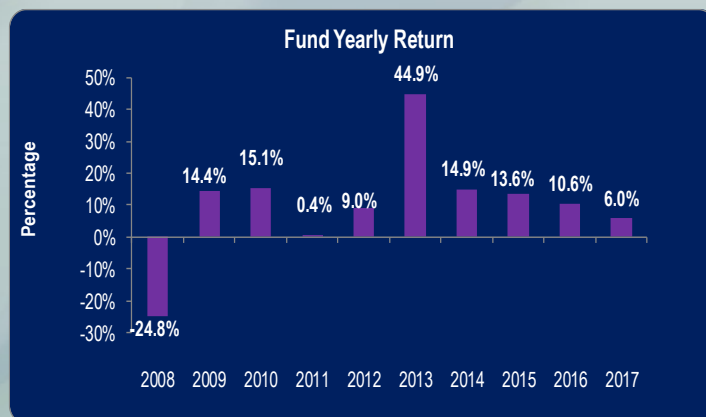
The Jamaican dollar fixed income market was liquid in today's (November 13, 2018) trading session. The overnight rate stood at 1.00% to 1.40%, while the 30-day rate ranged between 1.60% and 1.90%.

The US dollar fixed income market was also liquid during today's (November 13, 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 4.3% and a 5 year return of 9.2% as at October 31, 2018. The Fund also has a 10 year return of 11.2%.



■ U.S: A Strong U.S. Economy Will Boost Global Growth in 2019

“Judging by recent headlines, the global economy is on a wild roller coaster that’s going mostly downhill. There are Brexit, trade wars, Italy’s fight with the European Union, renewed U.S. sanctions on Iran, a Chinese debt bomb, jittery stock markets, intermittent capital flight from developing nations, and more. The data tell a calmer and happier story. According to the International Monetary Fund, the global economy is on track to grow a healthy 3.7 percent in 2018. That’s exactly how fast it grew in 2017. The IMF’s forecast for 2019? Again, 3.7 percent. It’s a plateau, all right, but a high plateau—call it the Altiplano of economics. The contrast between the negative daily buzz and positive underlying conditions is sharpest in the U.S., where the expansion of the world’s largest economy has actually strengthened as it’s lengthened: Annualized growth rates in the two middle quarters of 2018 were 4.2 percent and 3.5 percent. In October alone, the economy generated 250,000 jobs. That kind of growth isn’t sustainable in a rich nation with a slow-growing workforce and lackluster productivity growth. Still, if the U.S. makes it past June without a recession, the uptrend will exceed 120 months. That would surpass the 1991-2001 expansion to become the longest since at least 1857, the beginning of records maintained by the National Bureau of Economic Research.”

<https://www.bloomberg.com/news/features/2018-11-13/a-strong-u-s-economy-will-boost-global-growth-in-2019?srnd=economics-vp>

■ PLATINUM PORTFOLIO

| Platinum Portfolio Yield Measures as at November 12, 2018 | |
|---|----------------|
| | Percentage (%) |
| Yield to Maturity | 6.12 |
| Weighted Average Coupon | 5.548 |
| Current Yield | 6.22 |

The platinum portfolio has an effective maturity of 13.07 years and duration of 4.3 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

■ Europe: Greece May Free Its Banks From \$47 Billion of Bad Debt

“Greece’s central bank is working on a plan to help banks cut their bad debts in half, the latest effort to restore trust in the country’s financial system, two people with knowledge of the matter said. Under the proposal, Greek lenders would transfer about half of their deferred tax claims to a special purpose vehicle, which would then sell bonds and use the proceeds to buy some 42 billion euros (\$47 billion) of bad loans from the lenders, according to the people. They asked not to be identified because the plan hasn’t been finalized yet. The Bank of Greece will release a detailed plan on Nov. 22, according to an official familiar with the matter. The Greek lenders’ tax claims currently account for most of their capital. As claims against the state, they were granted to offset losses suffered during the country’s debt restructuring. It’s unclear whether investors would have an appetite for the bonds backed by these claims. The FTSE/Athex banks index rose 5.4 percent, led by Eurobank Ergasias SA with a gain of 8.9 percent. The Bank of Greece’s plan differs from a proposal floated by the Hellenic Financial Stability Fund earlier this year, which envisaged creating a vehicle partly funded by hard cash chipped in by the state. The central bank has concerns that the HFSF’s proposal may have some drawbacks, while the money available would only suffice to unload some 15 billion euros of bad debt, much less than required.”

<https://www.bloomberg.com/news/articles/2018-11-13/greece-said-to-weigh-freeing-banks-from-47-billion-of-bad-debt?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



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