

DAILY RECOMMENDATION



LOCAL STOCK MARKET: (JS) +

Stock Symbol	JSE	CFF	LASD	BIL	HONBUN
Current Price (\$)	10.63	20.00	3.90	19.00	3.99
Trailing EPS (\$)	0.52	1.05	0.30	0.84	0.17
P/E (times)	20.44	19.03	12.88	22.65	23.88
Projected P/E	22.51	17.56	12.09	22.36	20.00
Projected EPS (\$)*	0.47	1.14	0.32	0.85	0.20
Book Value per share (\$)	1.45	4.71	1.44	7.30	1.27
Price/Book Value (times)	7.32	4.24	2.71	2.60	3.14
Dividend Yield (2018 %)	2.82%	1.25%	3.00%	4.68%	1.00%
Volumes	71,114	NIL	60,406	NIL	8,781
Recommendation	SELL	HOLD	BUY	SELL	HOLD

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	127.910	95.550	125.2763	141.220	99.790	126.5784
CAN	98.780	71.370	93.4885	101.300	90.500	95.0526
GBP	166.000	123.240	163.1740	182.270	155.000	164.5398
EURO	143.400	103.270	142.4999	158.410	138.500	143.9480

*Rates as at November 15, 2018

MONEY MARKET

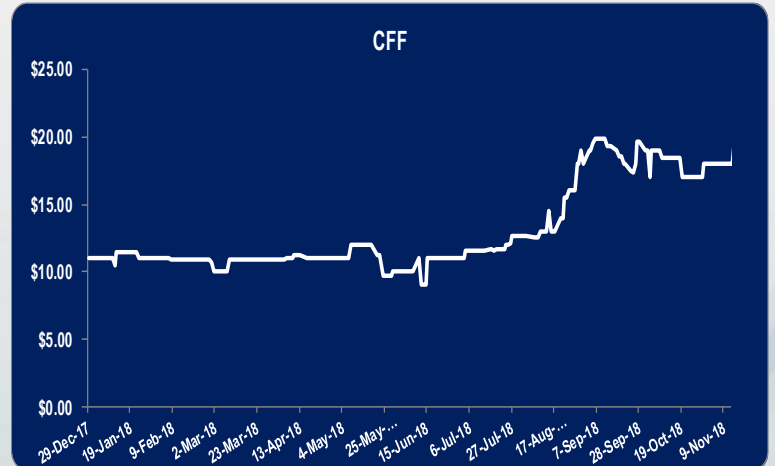
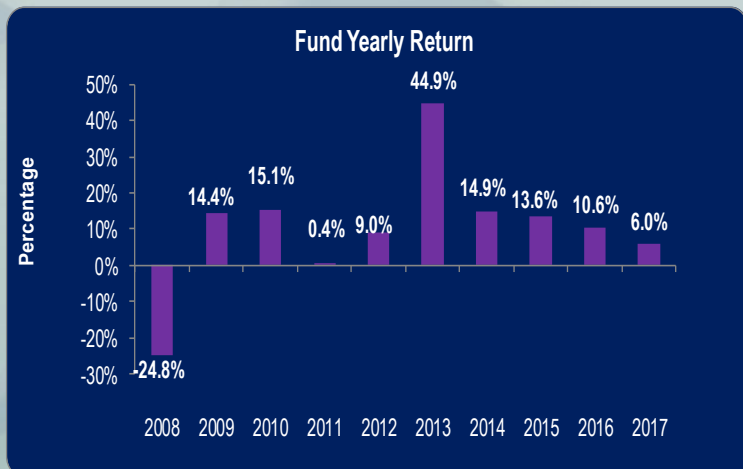
The Jamaican dollar fixed income market was liquid in today's (November 16, 2018) trading session. The overnight rate stood at 1.00% to 1.40%, while the 30-day rate ranged between 1.60% and 1.90%.

The US dollar fixed income market was also liquid during today's (November 16, 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 re-turn of 9.2% as at October 31, 2018. The Fund also has a 10 year return of 11.2%.



STOCK OF THE DAY: Caribbean Flavours & Fragrances Ltd. (CFF)

For the quarter ended September 30, 2018: -

Revenue amounted to \$120.14 million, an increase of 21%, when compared with the \$99.59 million booked last year. CFF noted, "The quarter was primarily attributed to our refining of our order fulfilment procedures".

Cost of sales rose by 19% to \$75.55 million compared to 2017's total of \$63.25 million for the first quarter.

This resulted in gross profit increasing by 23%, to \$44.59 million, relative to \$36.34 million for last year. According to management, "The company expects that there will be improvements in our performance in the next reporting period as we expect sales of 'Flavorfit', our sugar reduction solution to gain traction. We will continue with the refinement of our strategies and the improvement to our various cost structures in order to drive the desired efficiency whilst improving cost of sales and gross profit."

Administrative Expenses increased 21% to \$23.58 million (2017: \$19.47 million), while Selling and Distribution Costs decreased by \$228,000 to \$758,000 (2017: \$986,000) for 2018.

Net Finance increased grew to \$5.03 million in 2018 from \$2.12 million for the same period of 2017. Profit before taxation totalled \$25.28 million (2017: \$18.00 million), an increase of 40%. No taxation was booked for the period under review.

Earnings per share for the first three months ended September 30, 2018 amounted to \$0.28 (2017: \$0.20). the twelve months trailing EPS is \$1.05. The number of shares used in the calculation was 89,920,033 units. CFF closed the trading period on November 14, 2018 at a price of \$20.00.

*Prices are as at November 16, 2018 *Projections are made to the company's financial year end

U.S: Trump and Xi Likely to Get Only Framework Trade Deal, Ross Says

“The U.S. still plans to raise tariffs on Chinese imports in January with President Donald Trump and China’s Xi Jinping likely at best to agree to a “framework” for further talks to resolve trade tensions at an upcoming meeting, Commerce Secretary Wilbur Ross said. The U.S. and China are now discussing the agenda for the two leaders’ meeting on the side-lines of the Nov. 30-Dec. 1 Group of 20 summit in Buenos Aires and what a realistic outcome could be. When asked about a report that China this week had presented a list of possible concessions ahead of the talks, Ross said in an interview Thursday that everything leading up to the meeting is just “preparatory.” “The big event is going to be the one-on-one meeting with President Trump and President Xi at the G-20 down in Argentina. All this other stuff is just preparatory until that. That’ll set if there is going to be a real framework,” he said at the ribbon cutting for Cheniere Energy Inc.’s new liquefied natural gas export terminal in Corpus Christi, Texas. It can’t be expected that the two presidents will “get into intimate details -- how much LNG and how much this and that. It’s going to be big picture, but if it goes well, it’ll set the framework for going forward,” Ross said.”

<https://www.bloomberg.com/news/articles/2018-11-15/trump-and-xi-likely-to-get-only-framework-trade-deal-ross-says?srnd=economics-vp>

Europe: Europe Is Doing Deals in Asia as Trump's War on Trade Takes a Toll

“As President Donald Trump throws global relationships into turmoil in pushing his "America First" agenda, Indonesia has seen an opening to increase its European trade ties. The EU has recently pulled off trade agreements with Vietnam, Japan, Singapore, Canada, across Africa and even Cuba and is actively negotiating deals with Mexico, Australia, New Zealand, China and the Philippines. A deal with Indonesia would boost two-way trade by \$4 billion a year -- there was \$30 billion of trade between the two regions last year -- and strengthen European economic ties to an area rapidly growing in affluence and economic power. “We want to continue with an open trade agenda despite whatever happens between the U.S. and China,” European Union Ambassador to Indonesia Vincent Guerend said in an interview in Jakarta. “We want to have a larger market share in this big economy which is due to be even bigger in 10, 15, 20 years’ time,” he said. The Indonesia-Europe economic partnership agreement will boost Indonesian exports of textiles and fisheries products and open up Indonesia for European automakers and machinery exporters. It’s a pact that also looms as a bulwark against rising protectionism and a much-needed source of investment and economic growth.”

<https://www.bloomberg.com/news/articles/2018-11-15/europe-doing-deals-in-asia-as-trump-s-war-on-trade-takes-a-toll?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.

STRUCTURED PRODUCT

Mayberry Individual Retirement Plan (IRP)

IRP is a Retirement Scheme for all persons who are self employed or are employed in non-pensionable positions and do not otherwise contribute to an approved Superannuation Fund or an-other approved Retirement Scheme. The IRP will help some people make substantially greater contributions than they might otherwise make.

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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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