

DAILY RECOMMENDATION



LOCAL STOCK MARKET: (JS) +

Stock Symbol	KEX	MDS	JBG	GK	NCBFG
Current Price (\$)	11.51	6.23	29.11	56.03	147.01
Trailing EPS (\$)	0.42	0.43	1.80	4.04	11.33
P/E (times)	27.53	14.54	16.14	13.87	12.97
Projected P/E	22.48	13.40	17.33	11.77	14.41
Projected EPS (\$)*	0.51	0.46	1.68	4.76	10.20
Book Value per share (\$)	1.43	2.59	11.10	48.65	56.59
Price/Book Value (times)	8.06	2.41	2.62	1.15	2.60
Dividend Yield (2018 %)	0.61%	1.67%	0.58%	2.41%	0.95%
Volumes	1,298	13,174	113,869	25,765	77,697
Recommendation	HOLD	BUY	HOLD	HOLD	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

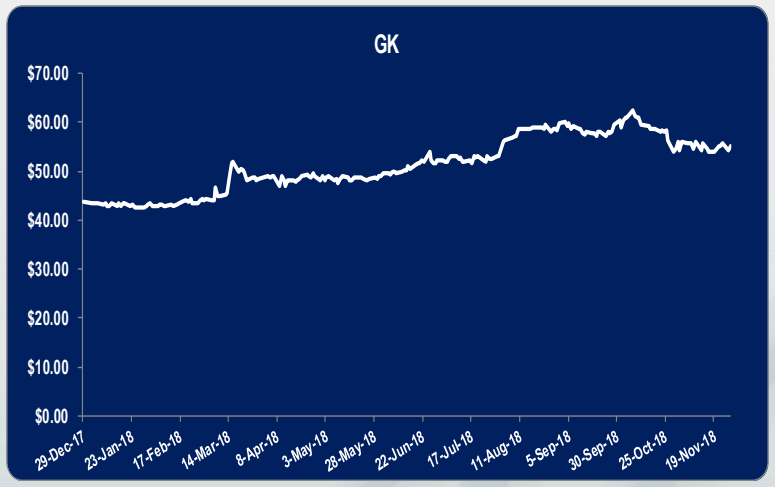
	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	128.000	98.000	125.6014	140.870	95.550	127.0449
CAN	96.740	71.870	95.6428	110.580	90.000	96.3042
GBP	163.550	122.610	160.2528	188.640	155.000	162.8187
EURO	141.150	103.760	137.5017	166.800	134.000	144.9759

*Rates as at November 27, 2018

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (November 28, 2018) trading session. The overnight rate stood at 1.50%, while the 30-day rate ranged at 2.40%.

The US dollar fixed income market was also liquid during today's (November 28, 2018) trading session; The overnight market rates were quoted at 1.90% while the 30-day market rates stood at 2.70%.



STOCK OF THE DAY: Grace Kennedy Limited (GK)

For the Nine Months ended September 30, 2018:

Grace Kennedy Limited (GK) recorded revenue of \$73.83 billion for period (2017: \$69.30 billion), a year over year increase of 7%. Revenue for the third quarter of 2018 improved 11% to \$25.46 billion (2017: \$22.93 billion). The biggest contributor to the group's overall revenue for the nine-month period came from the 'Food Trading' segment which contributed a total of \$58.54 billion (2017: \$54.34 billion), an increase of 8% relative to the prior year's corresponding period. Management noted, "the Food Trading segment recorded growth in both revenue and pre-tax profits when compared to the corresponding period of 2017, driven primarily by the performance of our Jamaica foods business. Year to date, our Jamaica foods business has seen growth in most of our key products, and our 'Flava with Beat' campaign continues to garner positive reviews from the public. Brand building remains a major objective of the business as we focus on further engaging millennials while continuing to satisfy the needs of our current consumer base. Consumer Brands Limited and Procter & Gamble portfolio continue to perform well. Improved performance was largely attributable to the contribution of existing and new products that have been well received by the market." The other segments contributing to revenue are as follows:

'Banking & Investments' declined 4% year over year to total \$4.35 billion (2017: \$4.53 billion). GK indicated that, "First Global Bank's (FGFB) results, which were impacted by a reduction in the yield on JMD loans when compared to prior year, contributed to the decline in the segment's performance. The Bank is executing strategies aimed at growing its loans and deposits portfolio to assist in improving results. During the quarter, FGR became the first bank in Jamaica to offer agency banking with the opening of a location in Kingston."

"Revenue from 'Insurance' amounted to \$5.04 billion, a year over year increase of 15% over last year's corresponding period of \$4.38 billion. GK stated, "this was driven by the improved performance of GK Insurance (GKI) which experienced growth in its motor and property portfolios. Its engineering portfolio also recorded an increase as the Company continues to provide insurance services for many of the development projects across Kingston and St. Andrew. The increase in profitability was driven by revenue growth and improved investment returns."

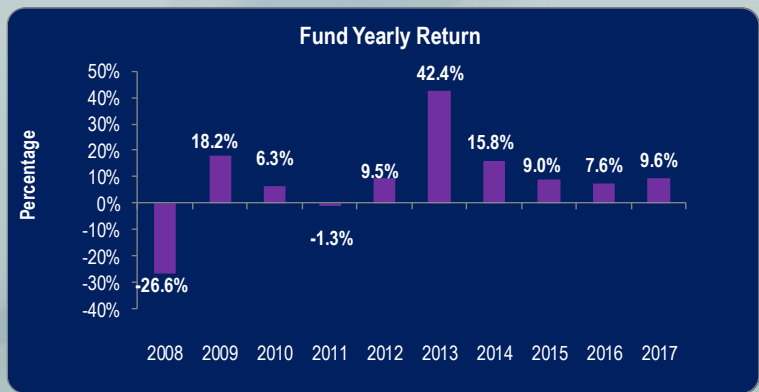
'Money Services' brought in \$5.88 billion, 3% less than the \$6.04 billion reported in September 2017. Management highlighted, "this segment continues to place focus on and invest in compliance to increase our competitive advantage, which will lead to improved performance."

Consequently, net profit slipped 1% to \$3.71 billion from \$3.75 billion booked for the corresponding period of 2017. Net profit for the third quarter fell 20% to \$1.26 billion (2017: \$1.57 billion).

OVER THE COUNTER FUNDS (CI FUNDS)

CI American Managers Corporate Class

This fund's objective is to obtain maximum long-term capital growth. It invests primarily in equity and equity-related securities of companies believed to have good growth potential. These companies are located in countries that have signed the North American Free Trade Agreement (NAFTA), or its successor. These countries currently include the United States, Canada and Mexico, but may also include countries that become members of NAFTA in the future. The fund has a 3 year return of 5.8% and a 5 year return of 10% as at October 31, 2018. The Fund also has a 10 year return of 10.4%.



*Prices are as at November 28, 2018 *Projections are made to the company's financial year end

U.S: Fed Officials Acknowledge Economic Weaknesses Yet Remain Upbeat

“Federal Reserve officials on Tuesday sprinkled small doses of concern into otherwise upbeat assessments of the U.S. economy. Chicago Fed President Charles Evans, appearing on a panel discussion with two other regional bank chiefs, pointed to growing skilled-labor shortages. Kansas City’s Esther George said pain in the agriculture sector has been exacerbated by the trade dispute with China. Atlanta Fed President Raphael Bostic called his district a “microcosm of the U.S. economy,” with many cities booming, but with many other “pockets of distress” being left behind by the economic expansion. None signaled a desire to halt gradual interest-rate increases and Evans repeated his desire to see monetary policy return to “something that’s more neutral.” Earlier Tuesday at the same event, Fed Vice Chairman Richard Clarida restated his support for continued gradual interest-rate increases as U.S. monetary policy gets closer to its optimal longer-run setting. “As the economy has moved to a neighborhood consistent with the Fed’s dual-mandate objectives, risks have become more symmetric and less skewed to the downside than when the current rate cycle began three years ago,” Clarida said in a speech at The Clearing House and Bank Policy Institute conference in New York.”

<https://www.bloomberg.com/news/articles/2018-11-27/fed-officials-acknowledge-economic-weaknesses-yet-remain-upbeat?srnd=premium>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at November 26, 2018

	Percentage (%)
Yield to Maturity	6.33
Weighted Average Coupon	5.570
Current Yield	5.83

The platinum portfolio has an effective maturity of 12.94 years and duration of 4.18 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: Carney Says BOE Ready for the Worst in Brexit Recession Warning

“Mark Carney said the Bank of England is prepared for the worst possible Brexit and that the U.K. faces the steepest economic slump since at least World War II if it crashes out of the European Union without a deal. The stark warning from the governor sees the economy shrinking by 8 percent within a year and property prices plunging almost a third under a worst-case scenario, with Prime Minister Theresa May failing to get her Brexit plan past lawmakers. For context, the peak-to-trough drop in U.K. GDP in the financial crisis was just over 6 percent. “Our job is not to hope for the best but to prepare for the worst,” Carney said in a press conference in London. “If there is one thing that you take from an avalanche of papers and numbers and the discussion today, it’s that the core of the U.K. financial system is ready for Brexit, whatever form it takes.” In a no-deal scenario, questions about the credibility of the U.K. would send sterling into a tailspin, forcing the central bank forced to hike interest rates sharply to combat inflation. The BOE analysis, carried out in response to a request from a committee of lawmakers, is the latest to highlight the dangers from having no new trade arrangements in place by the time Britain leaves the EU on March 29. While the pound rose about 0.5 percent against the dollar as Carney spoke, that was because Federal Reserve Chairman Jerome Powell simultaneously gave a speech that investors considered dovish. Powell also said the Fed was prepared for a full range of Brexit outcomes.”

<https://www.bloomberg.com/news/articles/2018-11-28/boe-warns-disorderly-brex-it-could-unleash-a-savage-recession?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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