

DAILY RECOMMENDATION



LOCAL STOCK MARKET: (JS) +

Stock Symbol	KEX	MDS	JBG	GK	NCBFG
Current Price (\$)	11.51	6.20	30.01	55.59	155.65
Trailing EPS (\$)	0.42	0.43	1.80	4.04	11.33
P/E (times)	27.53	14.47	16.64	13.76	13.73
Projected P/E	22.48	13.33	17.86	11.68	15.26
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	2.40	2.70	1.14	2.75
Dividend Yield (2018 %)	0.61%	1.68%	0.57%	2.43%	0.90%
Volumes	NIL	100	116,853	37,477	103,510
Recommendation	HOLD	BUY	HOLD	BUY	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	128.350	98.000	125.7341	141.940	119.800	127.3415
CAN	96.700	71.250	95.3036	109.620	80.020	96.3428
GBP	166.667	121.830	160.6744	187.440	156.300	162.6324
EURO	141.000	103.760	138.7886	166.020	138.000	144.7009

*Rates as at November 28, 2018

MONEY MARKET

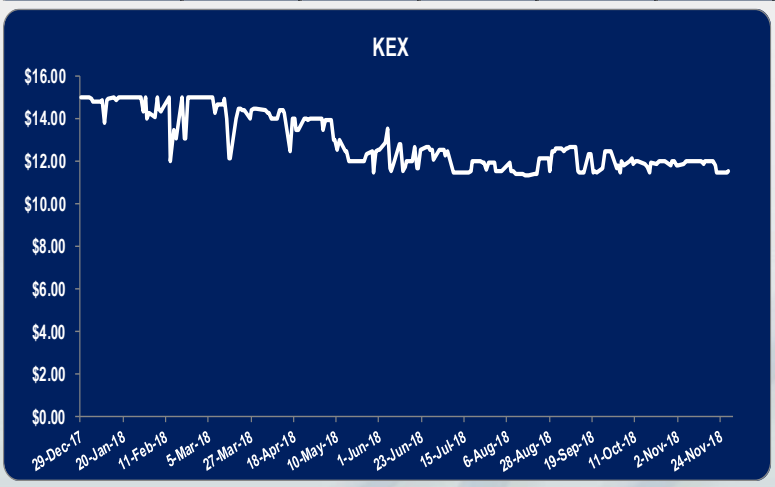
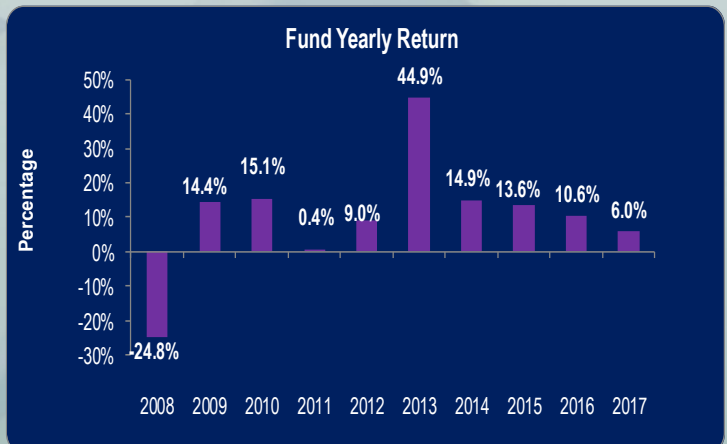
The Jamaican dollar fixed income market was liquid in today's (November 29, 2018) trading session. The overnight rate stood at 1.50%, while the 30-day rate ranged at 2.40%.

The US dollar fixed income market was also liquid during today's (November 29, 2018) trading session; The overnight market rates were quoted at 1.90% while the 30-day market rates stood at 2.70%.

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%.



STOCK OF THE DAY: Knutsford Express Services Limited (KEX)

For the three Months ended August 31, 2018:

Knutsford Express Services Limited reported total revenue of \$292.93 million, a 23.5% or \$55.65 million increase when compared with the \$237.28 million reported for the same period in 2017. KEX noted, "this was due to strong customer demand for passenger travel."

Administrative and general expenses grew 16% for the quarter to total \$204.01 million (2017: \$175.81 million). This resulted in gross profits of \$88.92 million for the quarter compared to the \$61.47 million for the same period a year ago, a 44.7% increase.

Finance costs increased 29.1% to \$6.55 million for the period from \$5.07 million for 2017.

In addition, finance income rose from \$178,009 in 2017 to \$5.63 million in 2018.

As such Profit before taxation for the period amounted to \$88 million, relative to \$56.58 million reported in 2017, a 55.5% increase.

No taxes were incurred this year as a result of Junior Market Tax holiday. Consequently, net profit also amounted to \$88 million, representing a 55.5% increase over net profit after tax last year of \$56.58 million.

Earnings per share (EPS) for the quarter amounted to \$0.176 (2017: \$0.113). The twelve-month trailing EPS amounted to \$0.42. The number of shares used in our calculations is 500,000,015. Notably, KEX's stock price closed the trading period on October 12, 2018 at a price of \$12.00.

*Prices are as at November 29, 2018 *Projections are made to the company's financial year end

U.S: U.S. Consumer Spending Picks Up; Inflation Below Forecast

“Americans’ spending rose by more than forecast in October, giving the biggest part of the economy a solid start to the quarter, while a measure of underlying inflation cooled to the slowest since February. Purchases rose 0.6 percent after a downwardly revised 0.2 percent advance, Commerce Department data showed Thursday. The median forecast in a Bloomberg survey called for a 0.4 percent gain. Incomes increased 0.5 percent, more than projected and the most since January, partly reflecting government subsidy payments to farmers. Excluding food and energy, the Fed’s preferred price measure rose 1.8 percent from a year earlier, missing forecasts for 1.9 percent. The central bank targets 2 percent inflation including all items, though it looks to the core gauge as a better indicator of underlying price trends. Americans’ spending is poised to keep driving growth this quarter, supported by a strong job market, lower taxes and improving finances that’ll likely also boost holiday spending. Even with the weaker inflation readings, the Fed is widely anticipated to move ahead with an interest-rate hike in December, though the pace of moves beyond that is less certain.”

<https://www.bloomberg.com/news/articles/2018-11-29/u-s-consumer-spending-picks-up-while-inflation-below-forecast?srnd=economics-vp>

Asia: Asia’s Growth Is Shifting Down a Gear

“Asia has been hit by a slew of weak gross domestic product reports for the third quarter, with global growth also sputtering at a time when rising interest rates and a U.S-China trade war threaten more pain. China’s weaker-than-expected performance kicked off the gloom. Japan then got hit by natural disasters, while growth throughout Southeast Asia faltered as well as in South Korea, Hong Kong and Taiwan. India’s economy also slowed, economists predict ahead of a Friday report. The global picture is changing with the U.S. economy now leading the growth story. Euro-area expansion slowed last quarter, held back by a contraction in Germany, while emerging markets like Russia and Argentina are stumbling. Asia’s troubles may be far from over with the risk of an escalation in the U.S.-China trade war threatening exports, a main driver of growth. A series of monetary tightening actions in countries like Indonesia and the Philippines are also raising borrowing costs, putting pressure on consumer spending. “Asia is shifting down a gear into year-end,” said Frederic Neumann, co-head of Asian economics research at HSBC Holdings Plc in Hong Kong. “Higher borrowing costs and financial market volatility, for example, are bound to restrain credit growth and push up debt servicing costs.”

<https://www.bloomberg.com/news/articles/2018-11-28/asia-succumbs-to-global-slowdown-as-trade-war-threatens-pain?srnd=economics-vp>

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.

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.

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.

Company Disclosure -The information contained herein has been obtained from sources believed to be reliable, however its accuracy and completeness cannot be guaranteed. You are hereby notified that any disclosure, copying, distribution or taking any action in reliance on the contents of this information is strictly prohibited and may be unlawful. Mayberry may effect transactions or have positions in securities mentioned herein. In addition, employees of Mayberry may have positions and effect transactions in the securities mentioned herein.

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

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

MAYBERRY INVESTMENTS LIMITED
 A Member of the Jamaica Stock Exchange

1 ½ Oxford Road, Kingston 5, Jamaica. ☎ (876) 929 1908 – 9
 research@mayberryinv.com • sales@mayberryinv.com • www.mayberryinv.com

