

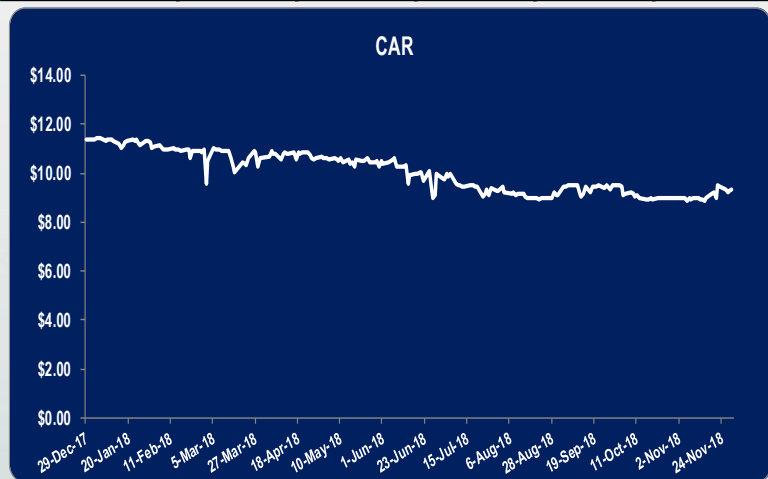
# MAYBERRY INVESTMENTS LIMITED

## DAILY RECOMMENDATION



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

Stock Symbol	GENAC	CAR	ECL	WISYNCO	BPOW
Current Price (\$)	3.50	9.33	7.74	10.51	5.45
Trailing EPS (\$)	0.30	0.73	0.30	0.64	0.18
P/E (times)	11.71	12.74	26.05	16.31	30.12
Projected P/E	14.09	12.15	24.59	15.49	26.55
Projected EPS (\$)*	0.25	0.77	0.31	0.68	0.21
Book Value per share (\$)	1.96	0.30	0.62	2.45	1.35
Price/Book Value (times)	1.79	31.29	12.46	4.29	4.04
Dividend Yield (2018 %)	N/A	9.32%	7.05%	1.31%	3.49%
Volumes	400	100,805	26,201	1,699,655	1,993
Recommendation	HOLD	BUY	HOLD	BUY	SELL



### STOCK OF THE DAY: Carreras Limited (CAR)

#### For the six months ended September 31, 2018:

Carreras Limited (CAR) for the six months ended September 30, 2018 reported operating revenue of \$6.31 billion, 4% more than the \$6.03 billion booked in 2017. Revenue for the quarter however declined by 3% compared to the corresponding quarter in 2017 moving from \$3.25 billion in 2017 to \$3.16 billion in 2017. Management noted, "the effective management of the cost base and to a lesser extent the recovery in volumes, which were evident in the first quarter, have continued into the second quarter."

Cost of operating revenue increased year over year by 5%, amounting to \$3.16 billion from \$3.00 billion. As such, gross operating profit increased by 3% to total \$3.15 billion relative to the \$3.06 billion in 2017. Other operating income declined 52% moving from \$162.04 million in 2017 to \$77.26 million.

Administrative, distribution and marketing expenses declined 8% to total \$906.90 million (2017: \$989.68 million). Management indicated, "this 8% decline in overheads versus the similar period last year, is as a result of continued cost management and cost reduction initiatives implemented to achieve significant savings in the short term."

Profit before Income tax was recorded at \$2.32 billion relative to \$2.23 billion in 2017. Taxation of \$579.80 million was incurred for the period (2017: \$558.22 million).

Net profit for the six months increased 4% to \$1.74 billion relative to \$1.67 billion booked in 2017. Net Profit for the second quarter saw a 1% increase to \$921.54 million compared to the \$914.39 million reported in the second quarter 2017 period. Total comprehensive income attributable to shareholders for the period closed at \$1.76 billion compared to \$1.67 billion reported for the corresponding quarter in 2017. Total Comprehensive Income attributable to shareholders for the quarter totalled \$921.54 million (2017: \$914.01 million)

Profit attributable to shareholders amounted to \$1.74 billion (2017: \$1.67 billion), while for the quarter CAR booked \$921.53 million for the second quarter relative to \$914.36 million for the comparable quarter of 2017.

The Earnings per share (EPS) for the period was \$0.36 as compared to \$0.34 for the corresponding period of last year, while EPS for the quarter, the EPS amounted to \$0.19 (2017: \$0.19). The twelve-month trailing EPS amounted to \$0.73. The number of shares used in the computations amounted to 4,854,400,000 units. CAR closed the trading period on November 15, 2018 at a price of \$8.86.

\*Prices are as at November 30, 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	128.700	97.450	125.7950	143.010	100.940	127.6144
CAN	96.600	70.730	93.4039	102.300	90.000	95.6631
GBP	163.650	121.830	161.3111	189.020	154.500	162.6569
EURO	140.500	102.870	136.9915	155.200	138.400	145.8231

\*Rates as at November 29, 2018

### MONEY MARKET

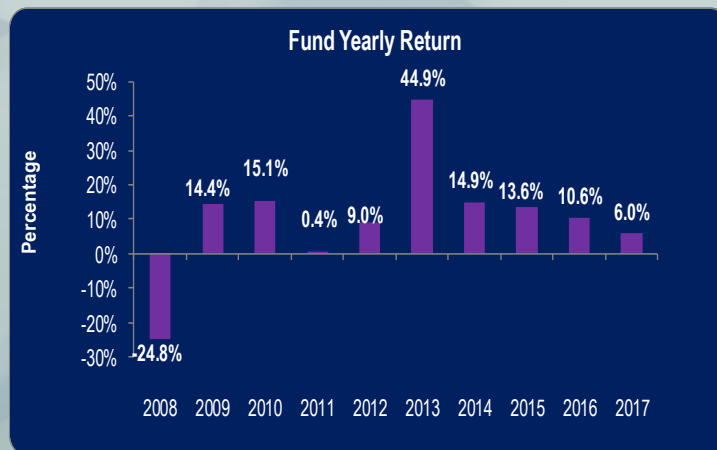
The Jamaican dollar fixed income market was liquid in today's (November 30, 2018) trading session. The overnight rate stood at 1.50%, while the 30-day rate ranged at 2.40%.

The US dollar fixed income market was also liquid during today's (November 30, 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%.



## ■ U.S: Fed Jumps Off Predictable Path and Into a Policy Wilderness

"Federal Reserve officials have stepped off a predictable path of interest-rate increases and are signalling to investors a hard truth about relying on increasingly contradictory economic data: There are no easy answers anymore. It's going to be choppy. It's going to bring more surprises. And it may get rough on those trying to track the central bank's strategy. A lot of reputable Wall Street forecasters will need to revise their predictions because even the Fed is less certain about what it is going to do. "They are carving out flexibility and that is a hard thing to communicate," said Laura Rosner, senior economist at Macro policy Perspectives LLC in New York. "The message is: no change in the outlook for now but risks are shifting slightly and could eventually require a revision to the path of policy." In two speeches and a set of minutes this week from the Federal Open Market Committee's Nov. 7-8 meeting, the Fed indicated that the steady march of quarterly rate increases is over. From now on, economic data will weigh more heavily on what they do next. The reason, according to Vice Chairman Richard Clarida and Chairman Jerome Powell's comments this week, is that the policy rate is "just below" an estimated range that neither provides stimulus nor slows growth."

<https://www.bloomberg.com/news/articles/2018-11-30/fed-jumps-off-predictable-rate-path-and-into-a-policy-wilderness?smd=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.

## ■ 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](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: Italy Economy Contracted, Complicating Populist Growth Plans

"Italy's economy contracted in the third quarter, in a revision that will complicate the populist government's growth plans. Statistics agency Istat's final reading showed the economy shrank 0.1 percent in the three months through September, after a preliminary reading on Oct. 30 showed no change. It was the first contraction since the second quarter of 2014. Istat said Friday that lower domestic demand and a fall in investments slowed the economy in the third quarter, while exports kept up their pace. "The new government is not helping but it's a combination of factors," said Marc Ostwald, global strategist at ADM Investors Services. "The underlying structural weakness in productivity continues to be the biggest headwind, and as many have observed the proposed changes via the budget do not address these." The government is looking for growth 1.2 percent this year. To reach that goal, the economy would need to grow 1.2 percent in the current quarter, Bloomberg calculations show, and all recent data show that growth spurt is not happening. Italy's government is aiming for a major boost from its economic program, to increase employment while letting thousands of workers retire earlier. However, the plan with a 2.4 percent deficit target for next year has run into a firm "no" from the European Union."

<https://www.bloomberg.com/news/articles/2018-11-30/italian-economy-contracted-0-1-in-3q-as-earlier-reading-revised?smd=economics-vp>

## ■ STRUCTURED PRODUCT

### Mayberry Gold

This portfolio is ideal for investors, both retail and corporate, seeking a conservative, short-term investment. The securities in the Gold are directly owned by the client and provide them with a safe investment option. Our Gold portfolio can also provide investors with coupon payments that can generate a positive income stream.

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 1/2 Oxford Road, Kingston 5, Jamaica. ☎ (876) 929 1908 – 9  
[research@mayberryinv.com](mailto:research@mayberryinv.com) • [sales@mayberryinv.com](mailto:sales@mayberryinv.com) • [www.mayberryinv.com](http://www.mayberryinv.com)