

DAILY RECOMMENDATION



LOCAL STOCK MARKET: (JS) +

Stock Symbol	KREMI	PULS	SJ	SALF	BIL
Current Price (\$)	5.39	3.20	44.77	30.00	33.00
Trailing EPS (\$)	0.30	0.20	3.02	2.11	0.84
P/E (times)	17.97	16.34	14.81	14.19	39.35
Projected P/E	16.89	16.94	14.16	13.10	38.83
Projected EPS (\$)*	0.32	0.19	3.16	2.29	0.85
Book Value per share (\$)	1.83	1.66	18.79	9.04	7.30
Price/Book Value (times)	2.95	1.93	2.38	3.32	4.52
Dividend Yield (2018 %)	0.89%	0.47%	2.68%	3.50%	3.03%
Volumes	NIL	NIL	77,462	2,000	6,800
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	130.000	98.030	126.6210	145.010	100.520	128.5781
CAN	95.600	71.990	91.4739	109.920	90.000	97.3868
GBP	163.500	124.560	156.4492	182.160	154.000	161.3560
EURO	155.634	103.450	140.9546	148.850	137.000	147.0126

*Rates as at December 05, 2018

MONEY MARKET

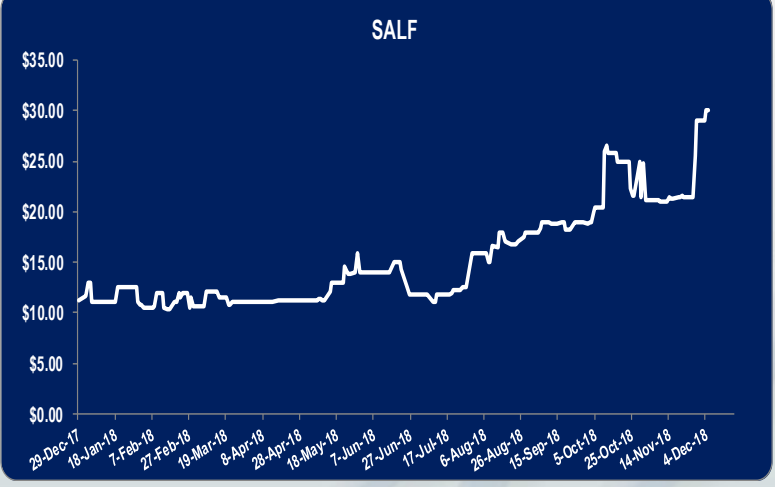
The Jamaican dollar fixed income market was liquid in today's (December 06, 2018) trading session. The overnight rate stood at 1.50%, while the 30-day rate ranged at 2.40%.

The US dollar fixed income market was also liquid during today's (December 06, 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 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%.



STOCK OF THE DAY: Salada Foods Jamaica Limited (SALF)

For the year ended September 30, 2018:

Salada Foods, recorded a 19% increase in turnover to close at \$1.04 billion (2017: \$871.73 million). For the fourth quarter revenue amounted to \$292.79 million (2017: \$258.94 million), a 13% rise.

SALF also noted that, "domestic sales continue to perform well, growing by 16.7% above prior year as we deepen our penetration in existing channels and access new ones. Sales to the trade through our distribution partner Lasco was \$655M, 13% above prior year. Export sales also did well, as both the Canadian and Barbadian market performed, growing year on year by 440% and 220% respectively. Our contract packaging sales grew 35% above last year."

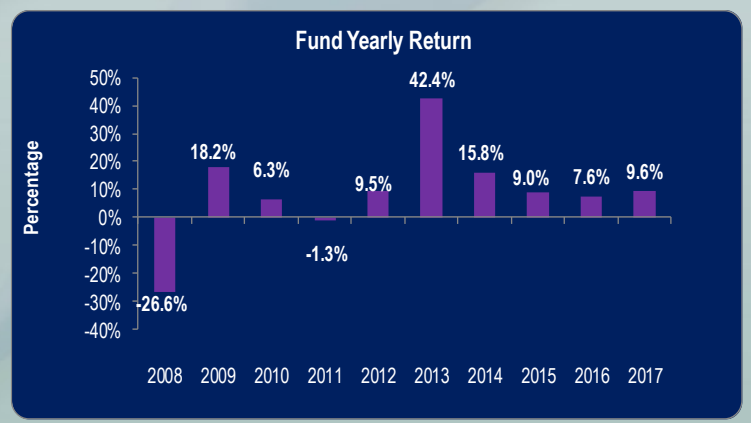
Administrative expenses fell by 43% to \$84.98 million (2017: \$148.86 million). Also, selling and promotional expense increased by 37% from \$32.76 million in 2017 to \$44.90 million. Management stated that, "The launch of the MB876 and other marketing activities pushed selling and promotional expenses up 37.3% or \$12.14M above prior year". SALF also incurred other operating expenses in 2017 amounting to \$14.59 million relative to nil in 2018.

Consequently, this resulted in an operating profit of \$270.07 million, up 237% compared with the \$80.05 million reported for the prior year. Operating profit for the fourth quarter surged to \$105.18 million (2017: \$4.27 million).

The company reported net finance income of \$20.64 million for the period; this compares to the net finance income of \$7.46 million for the same period in 2017. Profit before taxation increased by 232% to \$290.71 million versus \$87.51 million booked for the previous year. Net profit climbed significantly by 219%, from \$68.69 million in 2017 to \$219.18 million following taxation of \$71.53 million (2017: \$18.82 million). Net profit for the quarter rose to \$82.32 million in 2018 relative to \$5.40 million in 2017.

Net profit attributable to shareholders amounted to \$219.68 million relative to \$69.63 million booked twelve months earlier. Management noted, "profits we buoyed by strong sales performance, with the Group achieving sales over one billion (\$1.041B), for the first time in the Company's history. SALF noted, "the optimization of factory operations resulted in improved margins, which also contributed."

Earnings per stock for the year amounted to \$2.11 (2017: \$0.67). The EPS for the quarter was \$0.79 (2017: \$0.04). SALF stock price closed the trading period on November 27, 2018 at a price of \$21.50.



*Prices are as at December 06, 2018 *Projections are made to the company's financial year end

U.S: U.S. Trade Gap Widens to 10-Year High Amid China Tensions

“The U.S. trade deficit widened more than forecast in October to the highest in a decade, underscoring continued fallout from the trade dispute with China. The goods trade gap with China widened to a record. The gap increased 1.7 percent to \$55.5 billion, from a revised \$54.6 billion in the prior month, Commerce Department data showed Thursday. The median estimate of economists surveyed by Bloomberg called for a deficit of \$55 billion. Imports of all goods and services rose to a record, while exports were little changed. President Donald Trump has made reducing the U.S. export-import imbalance with China one of the primary goals of his trade wars. The evidence, as reflected in the latest figures, shows his assault isn’t working yet. Net exports may again weigh on growth in the fourth quarter -- albeit less than in the prior three months -- amid a strong dollar and continued uncertainty over trade policy. Data are likely to remain volatile, reflecting a rush of activity ahead of U.S. threats to further raise levies, and a subsequent unwinding of that effect should Beijing restart some imports. Overall exports came in at \$211 billion after \$211.4 billion the prior month. That included record shipments of petroleum, industrial materials and consumer goods.”

<https://www.bloomberg.com/news/articles/2018-12-06/u-s-trade-gap-widens-to-10-year-high-amid-tensions-with-china?srnd=economics-vp>

Asia: China's Quiet Central Bank Now Wants to Talk to Global Investors

“China’s quiet central bank wants to tell you more about monetary policy. The People’s Bank of China has boosted the number of statements it puts out in English in recent months, regularly announcing the yuan’s daily reference rate and details of the open market operations. It’s also releasing more statements on policy and commentary from the governor and other officials. There is “growing attention internationally on China’s financial policy and desire to obtain timely and authoritative information from China’s central bank,” the PBOC said in a statement to Bloomberg. Even though China’s economy remains mostly shielded behind capital controls, the nation’s goal to open its financial markets to foreign investors and build a global reserve currency means that investors’ perception of monetary policy will become increasingly important in the years ahead. At the moment, the bank is criticized for a lack of transparency, including after the yuan’s sudden devaluation in August 2015. “These kinds of moves should be a given if China genuinely is attempting to open its financial markets,” said Freya Beamish, chief Asia economist at Pantheon Macroeconomics Ltd. “Without an official English translation, non-Chinese speakers are left with snippets from reports. I often find that things are translated in a way that loses the meaning, or important parts of a statement don’t receive the attention they deserve.”

<https://www.bloomberg.com/news/articles/2018-12-04/china-s-quiet-central-bank-now-wants-to-talk-to-global-investors?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at December 03, 2018

	Percentage (%)
Yield to Maturity	6.44
Weighted Average Coupon	5.570
Current Yield	6

The platinum portfolio has an effective maturity of 12.92 years and duration of 4.20 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.

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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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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

