

DAILY RECOMMENDATION



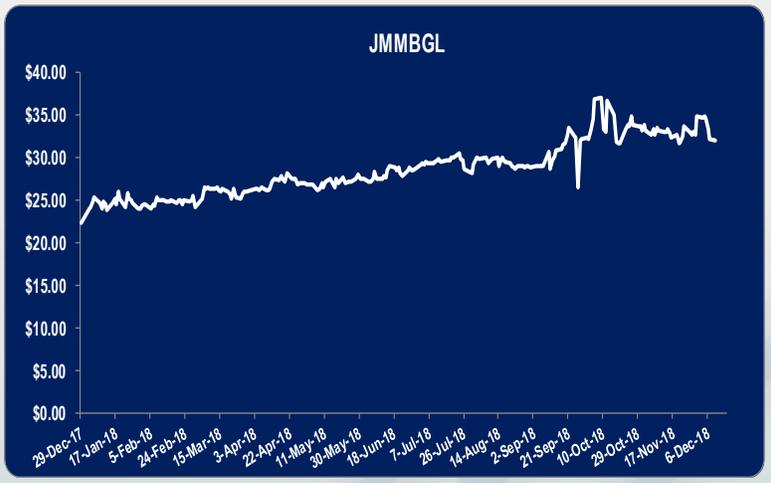
LOCAL STOCK MARKET: (JS) +

Stock Symbol	JETCON	LASD	JMMBGL	SEP	KPREIT
Current Price (\$)	3.15	3.80	34.98	31.49	6.00
Trailing EPS (\$)	0.20	0.30	2.40	1.44	0.20
P/E (times)	15.41	12.55	14.56	21.82	29.41
Projected P/E	16.86	11.78	13.48	13.20	30.90
Projected EPS (\$)*	0.19	0.32	2.60	2.38	0.19
Book Value per share (\$)	0.87	1.44	16.36	14.66	5.62
Price/Book Value (times)	3.62	2.64	2.14	2.15	1.07
Dividend Yield (2018 %)	1.11%	3.08%	1.37%	3.02%	1.25%
Volumes	20,400	6,200	908,724	64,730	NIL
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	136.250	97.530	126.6981	146.000	97.450	128.3762
CAN	99.510	72.000	91.1934	108.230	90.000	95.2195
GBP	166.630	124.010	155.7372	182.050	153.700	161.4097
EURO	141.300	103.040	137.3091	166.890	139.300	145.2426

*Rates as at December 10, 2018



MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (December 11, 2018) trading session. The overnight rate stood at 1.25% to 1.80% while the 30-day rate ranged at 1.50% to 2.00%.

The US dollar fixed income market was also liquid during today's (December 11, 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%.

STOCK OF THE DAY: JMMB Group Limited (JMMBGL)

For the six months ended September 30, 2018

JMMB Group Limited - (JMMBGL) booked net interest income of \$4.35 billion compared to \$3.76 billion in 2017, an increase of 16%. Of this, interest income grew by 11% to close at \$8.67 billion, from the \$7.83 billion booked in 2017, while interest expenses increased by 6% to total 4.32 billion relative to \$4.07 billion in the prior year. JMMBGL highlighted that, "there was strong growth in the loan and investment portfolios." Net interest income for the quarter improved 23% to close at \$2.28 billion relative to \$1.85 billion a year earlier.

Fees and commission income for the period amounted to \$1.19 billion, an improvement of 50% on the \$797.10 million recorded for last year's corresponding period. According to the company, this was, "due to significant growth in managed funds and collective investment schemes across the Group." Foreign exchange margins from Cambio trading recorded an increase of 133% year over year to close the quarter at \$1.27 billion (2017: \$544.70 million), while net gains from securities trading showed a decline of 17% totalling \$2.50 billion (2017: \$3.01 billion). Dividend income for the period fell 30% to close at \$8.91 million (2017: \$12.881 million).

Operating revenue net of interest expense for the six months improved 15% to \$9.32 billion versus \$8.13 billion in 2017. For the quarter, operating revenue net of interest expense also increase 15% to close at \$4.66 billion in contrast to the \$4.06 billion recorded in 2017.

Operating expenses amounted to \$6.38 billion, a year over year growth of 12% (2017: \$5.67 billion) which led to an operating profit of \$2.78 billion, an increase when compared to the \$2.29 billion booked the year prior. According to JMMBGL, "This was attributed primarily to costs associated with our integrated Group sales and support framework coupled with the continued build-out of commercial banking services in Jamaica. The Group will continue to focus on extracting operational efficiency from all entities through the launch of its standardization and process improvements project."

Other income booked for the period declined 49% to \$28.63 million relative to a total \$56.63 million reported for the corresponding period in 2017. As such, the JMMBGL booked profit before taxation of \$2.80 billion for the period, 19% higher than the \$2.35 billion recorded in 2017.

Following taxes of \$731.39 million (2017: \$680.94 million), JMMBGL booked a 24% increase in net profit to \$2.07 billion compared to \$1.67 billion reported for the similar period of 2017. Net profit for the quarter totalled \$1.12 billion, a 6% increase compared to \$1.06 billion recorded in 2017.

Net profit attributable to the shareholders of the company totalled \$2.03 million relative to \$1.67 million in 2017, a 22% improvement year over year. Net profit attributable to the shareholders of the company for the quarter totalled \$1.10 billion, 4% higher than \$1.06 billion in 2017.

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 4.4% and a 5 year return of 9.0% as at November 30, 2018. The Fund also has a 10 year return of 12.4%.



*Prices are as at December 11, 2018 *Projections are made to the company's financial year end

U.S: Powell Is Staging a Fed Charm Offensive to Combat Trump's Attacks

“Jerome Powell is ramping up Federal Reserve communication to build public trust and help insulate it from political attack. In recent weeks, the Fed has announced a series of initiatives, including a monetary-policy review roadshow, a semi-annual assessment of financial stability, and its inaugural Supervision and Regulation Report. These follow Powell’s early promise of “plain-English” explanations and a doubling of his press conferences starting next year. Those initiatives, from the Fed’s first chairman from private equity, are aimed at broadening public support at a time when the central bank is raising borrowing costs for consumers and businesses. Powell’s mission has taken on greater urgency given President Donald Trump’s attacks and the residual suspicion in Congress about Fed power. The strategy marks a break from the Fed’s typically stoic posture when under assault from the outside, effectively going on the offense to preserve its independence rather than assume a defensive crouch. If successful, the steps could also build confidence before the next recession, when the Fed may again need to use controversial emergency policies such as bond buying that infuriated some U.S. law-makers.”

<https://www.bloomberg.com/news/articles/2018-12-11/powell-set-to-widen-fed-charm-offensive-as-trump-s-attacks-mount?srnd=economics-vp>

Asia: China Move Toward Lower Duties on U.S. Imports Lifts Auto Stocks

“Progress toward easing the steep tariffs China imposed on U.S. vehicle imports this year lifted carmaker stocks across the globe, as investors wagered on a thawing of tensions that have damaged the world’s biggest automotive market. Daimler AG, General Motors Co. and Tesla Inc. were among the manufacturers that gained on Tuesday after Bloomberg News reported that a proposal to eliminate the 25 percent surcharge slapped onto U.S.-made cars this year has been submitted to China’s cabinet. The plan will be reviewed in coming days, people familiar with the matter said. The levy forms the backbone of China’s response to a trade war instigated by President Donald Trump as he seeks to reset trade relations and spur manufacturing in the U.S. Car sales in China have fallen for six straight months after decades of almost uninterrupted growth, and while there are other factors, the tit-for-tat jabs between the world’s biggest economies have played a role. The tension had escalated in recent days with the arrest of Huawei Technologies Co. Chief Financial Officer Meng Wanzhou in connection with sanctions violations. Trump claimed he won a concession during trade talks in Argentina; the proposal in the works helped to substantiate his claims.”

<https://www.bloomberg.com/news/articles/2018-12-11/china-is-said-to-move-on-u-s-car-tariff-cut-trump-tweeted-about?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at December 10, 2018

	Percentage (%)
Yield to Maturity	6.37
Weighted Average Coupon	5.57
Current Yield	6.03

The platinum portfolio has an effective maturity of 12.82 years and duration of 4.15 years.

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.

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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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 = POSITIVE TRANSFORMATION FOR OUR CLIENTS
 MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS

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