

## DAILY RECOMMENDATION



### LOCAL STOCK MARKET: (J\$) +

Stock Symbol	JETCON	CAR	JMMBGL	SALF	KPREIT
Current Price (\$)	3.15	9.44	34.59	30.00	6.00
Trailing EPS (\$)	0.20	0.73	2.40	2.11	0.20
P/E (times)	15.41	12.89	14.40	14.19	29.41
Projected P/E	16.86	12.29	13.33	13.07	30.90
Projected EPS (\$)*	0.19	0.77	2.60	2.29	0.19
Book Value per share (\$)	0.87	0.30	16.36	9.04	5.62
Price/Book Value (times)	3.62	31.66	2.11	3.32	1.07
Dividend Yield (2018 %)	1.11%	9.22%	1.39%	3.50%	1.25%
Volumes	NIL	14,372	180,489	NIL	NIL
Recommendation	HOLD	BUY	HOLD	BUY	SELL



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

For the six months ended September 30, 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 December 13, 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	130.800	96.060	127.6262	147.840	100.080	129.1520
CAN	98.150	72.060	95.6359	108.230	90.000	97.4208
GBP	178.670	124.180	157.5027	179.740	153.500	161.7562
EURO	148.500	103.100	139.5017	167.630	138.200	145.1052

\*Rates as at December 12, 2018

### MONEY MARKET

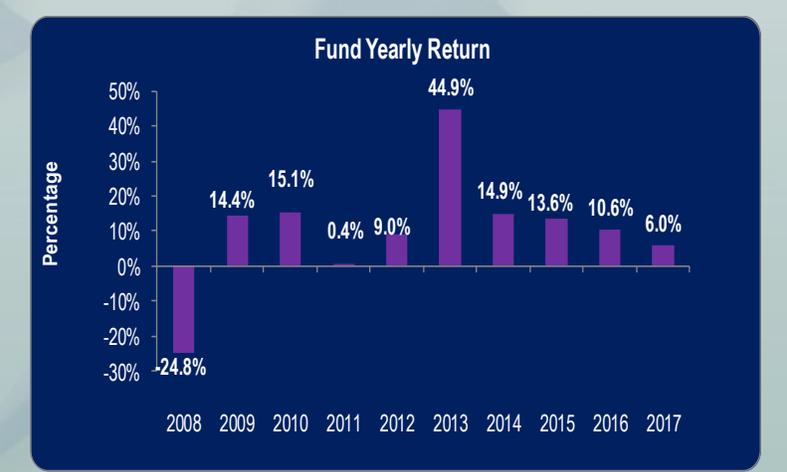
The Jamaican dollar fixed income market was liquid in today's (December 13, 2018) trading session. The overnight rate stood at 1.25% to 1.80% while the 30-day rate ranged at 1.50% to 2.00%.

The US dollar fixed income market was also liquid during today's (December 13, 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%.

### 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%.



**U.S: Trump Gets Win as Xi Makes Good on Pledge to Buy U.S. Soy**

“China resumed buying U.S. soybeans, bringing some relief to farmers in Donald Trump’s heartland as President Xi Jinping works toward a trade deal with his American counterpart. The giant Asian commodity importer bought 1.5 million to 2 million metric tons of American supply over the past 24 hours, with shipments expected to occur sometime during the first quarter, the U.S. Soybean Export Council said, citing unidentified industry sources. State stockpiler Sinograin and its top food company Cofco are planning more purchases, according to people with knowledge of the plan. On Thursday, the U.S. Department of Agriculture disclosed sales of 1.13 million tons to China. The purchases represent a major gesture by China toward easing tensions between the world’s two largest economies. Soybeans have become the poster child of the trade dispute, with the Asian nation shunning imports from farms in rural communities that voted for Trump in 2016. Futures in Chicago tumbled as a result, while the 2018 harvest had been piling up, unsold, in silos, bins and bags across the U.S. Midwest. “The shipments, mainly from the Pacific Northwest, will help reduce stockpile pressures for U.S. soybean farmers,” said Li Qiang, chief analyst with Shanghai JC Intelligence Co. Also “these shipments can ease China’s own shortage of supplies in the first quarter of the year.”

<https://www.bloomberg.com/news/articles/2018-12-12/china-purchases-1-5m-2m-tons-of-u-s-soybeans-export-council?srnd=economics-vp>

**Asia: Asia’s Highest Real Rates May Push RBI Chief to Ease Policy**

“Asia’s highest real interest rates just got a lot higher after inflation in India slowed sharply in November. India’s benchmark interest rate, after adjusting for inflation, stood at 4.2 percent after data on Wednesday showed inflation slowed to 2.3 percent. That may push the Reserve Bank of India’s new governor to shift to an easing bias and possibly cut interest rates next year. Economists see high real rates as a threat to investment in an economy gripped by uncertainty before a general election next year and a crisis in the shadow banking sector that’s hurting domestic consumption. “Number of factors are currently impinging on investment: weak external demand, high real interest rates, low capacity utilization and leveraged corporate balance sheets,” economists at Nomura Inc. wrote in a report this week. Governor Shaktikanta Das, who took charge on Wednesday, said economic growth was very much part of the focus of the inflation-targeting RBI. That added to the optimism in the bonds market about the next rate move. Already, the one-year onshore swap rates are factoring a 50 percent chance of a interest rate cut around April or June, or 100 percent chance of a 25 basis-point cut in August, according to ICICI Securities Primary Dealership Ltd.”

<https://www.bloomberg.com/news/articles/2018-12-13/india-s-high-real-rates-may-push-rbi-chief-toward-easier-policy?srnd=economics-vp>

**PLATINUM PORTFOLIO**

**Platinum Portfolio Yield Measures as at December 10, 2018**

	Percentage (%)
<b>Yield to Maturity</b>	<b>6.37</b>
<b>Weighted Average Coupon</b>	<b>5.57</b>
<b>Current Yield</b>	<b>6.03</b>

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

