



LOCAL STOCK MARKET: (JS) +

Stock Symbol	SJ	SALF	JSE	LASD	KPREIT
Current Price (\$)	37.88	30.69	8.29	3.99	6.50
Trailing EPS (\$)	3.02	2.11	0.52	0.30	0.20
P/E (times)	12.53	14.51	15.94	13.18	31.86
Projected P/E	11.98	13.38	14.00	12.37	33.48
Projected EPS (\$)*	3.16	2.29	0.59	0.32	0.19
Book Value per share (\$)	18.79	9.04	1.45	1.44	5.62
Price/Book Value (times)	2.02	3.40	5.71	2.77	1.16
Dividend Yield (2018 %)	3.17%	3.42%	3.61%	2.93%	1.16%
Volumes	34,807	NIL	250,795	27,426	100
Recommendation	HOLD	BUY	HOLD	BUY	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

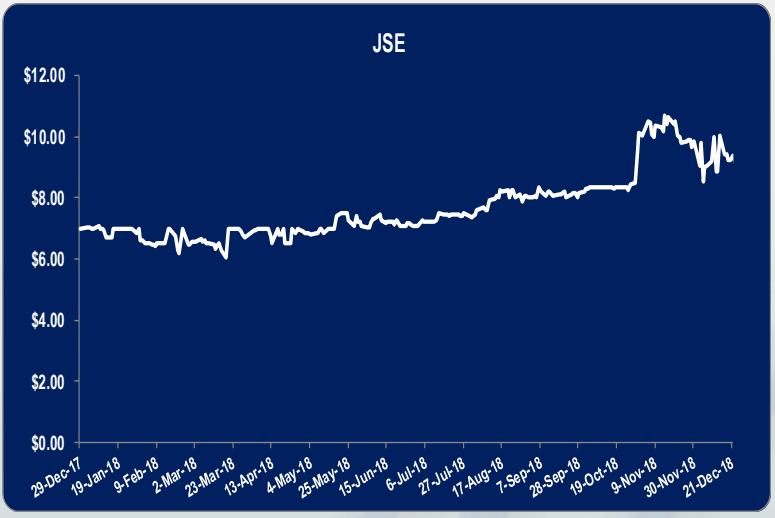
	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	147.860	92.720	127.1213	147.860	102.780	128.4367
CAN	97.500	70.050	94.8810	106.850	86.000	96.1810
GBP	165.500	118.960	157.5349	179.360	152.000	159.7710
EURO	169.830	102.060	137.0534	169.830	137.700	147.0945

*Rates as at December 24, 2018

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (December 27, 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 27, 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: Jamaica Stock Exchange Limited (JSE)

For the nine months ended September 30, 2018:

JSE recorded total revenue of \$1.0 billion, a 45% increase when compared to the \$695.47 million booked the prior year. While total revenue for the quarter amounted to \$339.53 million (2017: \$217.82 million). Of the nine months:

- Cess income rose by 91% to \$340.17 million relative to \$178.13 million the previous year.
- Fee income grew by 36% to \$601.78 million to close the period, compared to 2017's \$443.06 million.
- E-campus fell to \$8.83 million, relative to \$12.09 million in 2017.
- Other operating income dipped 12% during the period to total \$54.68 million compared to \$62.20 million in last year.
- Total expenses for the period increased by \$110.11 million or 23% moving from \$487.72 million in 2017 to \$597.83 million in 2018. For the third quarter Total expenses amounted to \$199.81 million, a 27% rise when compared to \$157.90 million in 2017. Of this:
 - Staff cost increased 15% to total \$263.08 million for the period (2017: \$228 million). The increase was, "due to salaries associated with new staff hires required to support the expansion of current business."
 - Depreciation and amortization totalled \$38.02 million for the period relative to \$25.68 million in 2017, a 48% uptick.
 - Additionally, professional fees amounted to \$49.88 million (2017: \$38.80 million) a 29% increase and "was as a result of consultant services aligned to business expansion."
 - Property expenses climbed \$14.67 million to \$99.31 million during the period under review.
 - Other operating expenses grew by 17% to \$38.92 million from \$33.29 million the previous year.
 - Securities commission fees posted a 96% decline for the period to close at \$51.91 million (2017: \$26.43 million) which is in correlation to Cess Income, where the fees payable to the FSC are calculated based on the amount of the Cess Income."
- Investment income rose by 50% to \$26.67 million versus \$17.74 million in 2017, while revaluation gain on investment in securities amounted to \$776,000.
- Profit before tax totalled \$435.07 million compared to \$225.49 million the year prior.

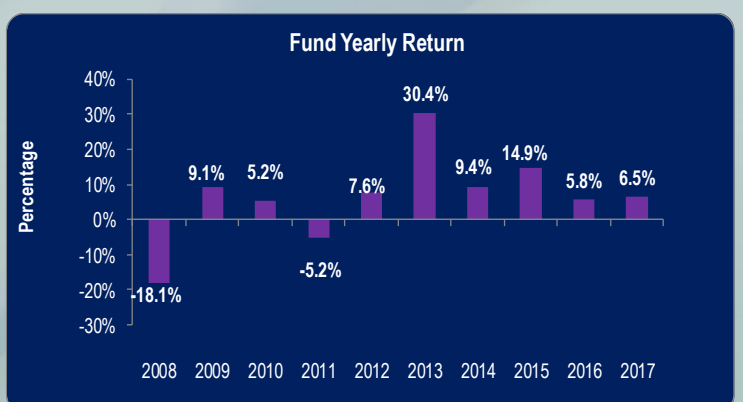
As such, JSE reported a net profit of \$293.28 million compared to a profit of \$149.18 million in the prior year, a 97% increase. While net profit for the quarter amounted to \$102.21 million (2016: \$47.43 million). JSE noted that this was due to the, "increase in the volume of business in relation to the trading of securities has resulted in Cess Income being a major contributor."

*Prices are as at December 27, 2018 *Projections are made to the company's financial year end

OVER THE COUNTER FUNDS (CI FUNDS)

CI Global Value Corporate Class

This fund's objective is to obtain maximum long-term capital growth by identifying securities that the portfolio advisor believes are undervalued and have the potential for future growth. It invests primarily in equity and equity-related securities of companies around the world. The fund may make large investments in any country, including emerging markets or emerging industries of any market. The fund has a 3 year return of 6.2% and a 5 year return of 8.6% as at November 30, 2018. The Fund also has a 10 year return of 9.2%.



U.S: Bear Market Kept at Bay as Stocks Climb From Lows: Markets Wrap

“Volatility returned to U.S. markets, with stocks bouncing back from the lows of the day after flirting with a bear market. Treasuries rallied and oil slipped below \$46 a barrel. The S&P 500 sank more than 2.6 percent before paring losses but was still unable to add to the 5 percent surge Wednesday that was the biggest since March 2009. Technology and consumer shares that led the gain were among the biggest decliners. The Dow Jones Industrial Average lost more than 600 points at one point, after its first 1,000-point gain. The Nasdaq 100 slid more than 3 percent, eroding more than half of its 6 percent surge. “You continue to see the tug of war between the Chicken Littles who think the sky is falling and those who focus on the economic numbers that show a fair amount of strength,” said Bryce Doty, senior vice president at Sit Investment Associates, said in an interview. “Today the Chicken Littles are winning.” Trading slowed with volume on the S&P 500 about 11 percent below the 30-day average. The S&P 500 is careening toward its worst month of the record bull run and is down nearly 17 percent in the quarter as everything from higher interest rates to political turmoil in Washington to concern about global growth hammer at investor sentiment.”

<https://www.bloomberg.com/news/articles/2018-12-26/asia-s-stocks-are-set-to-rally-after-u-s-surge-markets-wrap?smd=premium>

Asia: Hong Kong Exports Fall Unexpectedly on Global Slowdown

“Hong Kong’s exports contracted unexpectedly in November, highlighting the risks for the trade-dependent city whose top two partners are embroiled in a trade war. Exports fell 0.8 percent compared to last year, versus almost 15 percent growth in October, the first decline since Jan 2017. Imports grew by 0.5 percent, pushing the trade deficit to HK\$45 billion (\$5.8 billion). Decreases in principal commodities like “non-metallic mineral manufactures,” electrical machinery, appliances and parts, textile yarn, fabrics and related products, contributed to the contraction, according to a statement by the Census and Statistics Department. Exports to China are more than half the total, and these shrank by 5 percent, while shipments to the U.S. and Japan, which are the second and third largest destinations, rose. “Looking ahead, merchandise exports could be subject to pressures as global economic growth continues to moderate. Despite the recent cooling of the US-Mainland trade tensions following the agreement reached in early December, the situation is still fluid and may add to the downside risks,” according to a government spokesman quoted in the statement.”

<https://www.bloomberg.com/news/articles/2018-12-27/hong-kong-exports-fall-unexpectedly-amid-global-slowdown?smd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at December 24, 2018

	Percentage (%)
Yield to Maturity	6.67
Weighted Average Coupon	5.539
Current Yield	6.59

The platinum portfolio has an effective maturity of 13.71 years and duration of 4.59 years.

STRUCTURED PRODUCT

Mayberry Platinum

The Mayberry Platinum portfolio is ideal for investors seeking a short to medium-term investment with returns denominated in hard currency. The portfolio comprises Investment Grade corporate and sovereign bonds, which provide strong yield and performance. The primary objective of this product is to provide our clients with income as well as capital appreciation. The Platinum portfolio enables the client to take full advantage of a diversified bond portfolio and is ideal for persons who do not have the time to actively manage their own portfolio.

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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

