

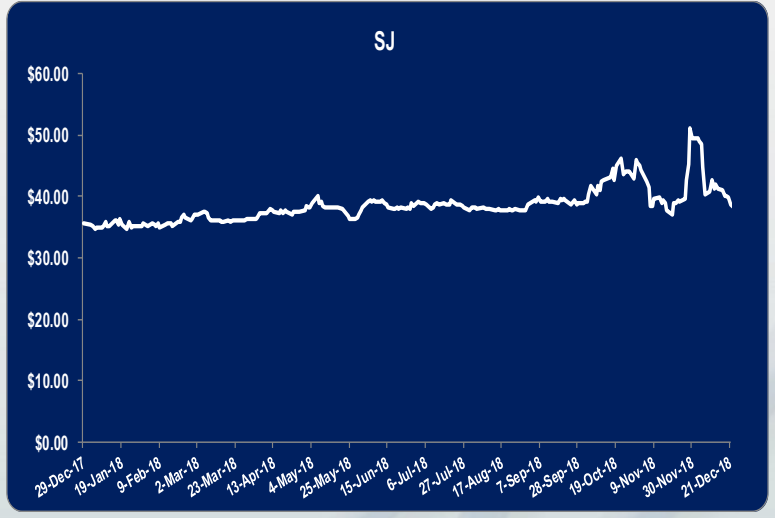
MAYBERRY INVESTMENTS LIMITED

DAILY RECOMMENDATION



LOCAL STOCK MARKET: (JS) +

Stock Symbol	SJ	SALF	JSE	LASD	KPREIT
Current Price (\$)	37.45	34.00	9.50	3.99	6.00
Trailing EPS (\$)	3.02	2.11	0.52	0.30	0.20
P/E (times)	12.39	16.08	18.26	13.18	29.41
Projected P/E	11.84	14.82	16.04	12.37	30.90
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)	1.99	3.76	6.54	2.77	1.07
Dividend Yield (2018 %)	3.20%	3.09%	3.15%	2.93%	1.25%
Volumes	274,101	25,000	24,000	9,700	1,200
Recommendation	HOLD	BUY	HOLD	BUY	SELL



STOCK OF THE DAY: Sagicor Group Jamaica (SJ)

For the nine months ended September 30, 2018: -

Sagicor Group Jamaica Limited (SJ) reported a 3% decrease total revenues to \$51.48 billion from \$53.14 billion in 2017, while for the third quarter total revenues were down 16% to total \$19.46 billion compared to \$23.13 billion in 2017. Total revenue for the nine months was broken down as follows;

Net premium revenue decreased by 10% to a total of \$28.75 billion compared to \$31.82 billion last year.

Net investment income dipped to \$13.62 billion from \$15.09 billion in 2017, a 10% decline.

Fees and other revenue increased 46% to \$9.10 billion from \$6.24 billion in 2017.

The company stated, "Group consolidated policy benefits, including death claims, health claims, annuity payments, surrenders and fund withdrawals, totalled \$18.98 billion for the nine months, net of reinsurance recoveries, compared to \$16.41 billion last year. Group consolidated administration expenses, including depreciation and amortization of software, of \$13.58 billion, were 2% higher than in 2017 which had some non-recurring costs."

Benefits and expenses totalled \$39.87 billion for the period, a decline of 7% from \$42.73 billion, while for the third quarter benefits and expenses were down 27% to close at \$14.24 billion relative to \$19.47 billion in 2017. Of this:

Commission and related expenses grew by 8% to \$3.83 billion from \$3.54 billion.

Administration expenses increased by 2% to \$13.22 billion (2017: \$12.93 billion).

Changes in insurance and annuity liabilities moved from \$8.74 billion in 2017 to \$2.70 billion for the nine months ended September 30, 2018.

Net insurance benefits incurred amounted to \$18.98 billion versus \$16.41 billion that was recorded last year.

Share of profit from joint venture amounted to \$42.60 million relative to \$24.01 million a year earlier. Share of loss from associate for the period totalled \$170.53 million compared to a profit of \$749.12 million last year. SJ indicated that, "The Group's 2018 results were however negatively impacted by declining interest rates in Jamaica, recognition of capital losses on certain bonds and losses generated by our Associated company, Sagicor Real Estate XFund. As such, Profit before Taxation amounted to \$11.48 billion, a 1% reduction when compared to the \$11.58 billion booked in 2017."

Investment and corporation taxes of \$2.65 billion was reported for the period (2017: \$2.10 billion), as such net profit for the nine months totalled \$8.82 billion (2017: \$9.08 billion), a 3% drop. Profit for the quarter amounted to \$3.54 billion relative to \$3.43 billion in 2017, up 3% year over year.

Earnings per share for the quarter amounted to \$0.91 (2016: \$0.088), while EPS for the period totalled \$2.26 relative to \$2.33 in 2017. The twelve-month trailing EPS amounted to \$3.02. The total number of shares used in the calculations amounted to 3,905,634,918 units. SJ's stock last traded on November 14, 2018 at \$39.44.

*Prices are as at December 28, 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	130.500	92.340	126.9553	148.230	92.780	128.7368
CAN	96.150	70.040	92.3102	105.950	78.878	95.7376
GBP	178.670	119.110	155.3965	178.901	148.300	162.5680
EURO	144.500	101.620	136.6361	168.820	134.000	144.6864

*Rates as at December 27, 2018

MONEY MARKET

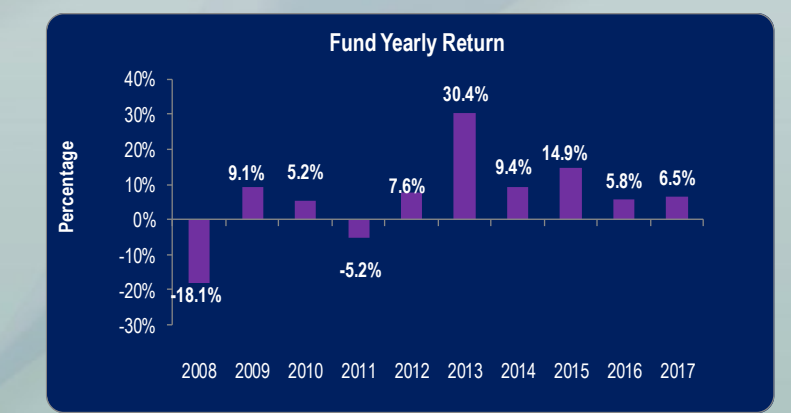
The Jamaican dollar fixed income market was liquid in today's (December 28, 2018) trading session. The overnight rate stood at 1.25% to 1.80% while the 30-day rate ranged at 1.50% to \$2.00%.

The US dollar fixed income market was also liquid during today's (December 28, 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 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: U.S. Stocks Climb as Volatility Rules in Wild Week: Markets Wrap

“U.S. stocks climbed, looking to cap a three-day rally, as thin trading added to already-volatile markets ahead of the weekend. Treasuries rose. The S&P 500 pushed to session highs in volumes 14 percent below the 30-day average at this time of day. Trading continued to be volatile after a roller-coaster session that saw the biggest reversal since 2010. The holiday-shortened week began with the worst pre-Christmas day on record before stocks notched the biggest one-day surge in almost a decade. The benchmark is on track for its worst year of the bull market. “You’re in a period of high unknown right now,” Jeremy Bryan, portfolio manager at Gradient Investments, said in an interview. “It’s the market trying to find bottoms and trying to find its footing. That’s why we’re seeing such volatile swings in this tape. It’s just right now there seems to be a lot more consternation, which is why you’re seeing markets reacting violently both ways.” The end-of-year rebound in stocks hasn’t damped appetite for assets like Treasuries and the yen, which advanced. Global stocks are set for the worst year since 2008 and oil is mired in its steepest quarterly slump since 2014. Plenty of event risks loom in the coming year, from the U.K. vote on the Brexit deal to U.S.-China trade talks to the continuing show-down between President Donald Trump and Congress over the budget.”

<https://www.bloomberg.com/news/articles/2018-12-27/asia-stocks-face-mixed-open-after-late-u-s-bounce-markets-wrap>

Asia: China Has the World's Worst Stock Market With \$2.4 Trillion Loss

“For China’s stock investors and forecasters, 2018 has been a gloomy year marked by unwelcoming milestones. The benchmark Shanghai Composite Index is 25 percent below where it started this year, making it the worst-performing major stock market in the world. The breakout of a trade war between the U.S. and China has wiped out \$2.4 trillion this year, while a deleveraging drive has squeezed margin debt to just one-third of its peak in 2015. While foreign investors continued to pour money into onshore equities via the stock connects and state funds were said to have bought exchange-traded funds to rescue shares, they did little to arrest declines. There was no place to hide with even the safe-havens losing ground, as the weak Chinese economy hurt spending and weighed on consumer stocks, while a vaccine scandal and a gene-editing controversy sparked a sell-off in the health-care sector. Stock declines have shaved \$2.4 trillion off China’s market value this year as of Thursday, the biggest on record since Bloomberg started compiling the data in 2002. The closest loss was during the global financial crisis 10 years ago, when the Shanghai gauge plunged 65 percent. China also ceded its place as the world’s second-biggest stock market to Japan earlier this year.”

<https://www.bloomberg.com/news/articles/2018-12-27/china-has-the-world-s-worst-stock-market-with-2-3-trillion-loss>

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.

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.

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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

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



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