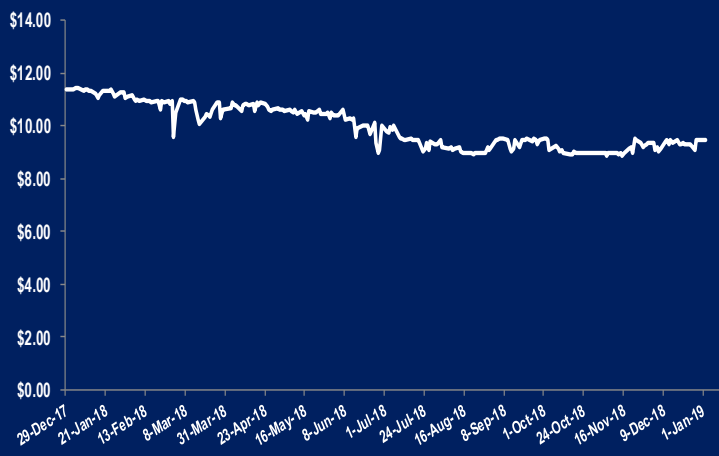


## DAILY RECOMMENDATION

LOCAL STOCK MARKET: (J\$) <sup>+</sup>

Stock Symbol	DCOVE	SALF	LASM	CAR	HONBUN
Current Price (\$)	16.50	31.50	3.78	9.48	3.90
Trailing EPS (\$)	0.81	2.11	0.18	0.73	0.18
P/E (times)	20.37	14.90	21.29	12.95	21.29
Projected P/E	12.42	13.73	19.93	12.35	22.72
Projected EPS (\$)*	1.33	2.29	0.19	0.77	0.17
Book Value per share (\$)	9.47	9.04	1.29	0.30	1.31
Price/Book Value (times)	1.74	3.49	2.93	31.79	2.97
Dividend Yield (2018 %)	3.64%	3.33%	1.01%	9.18%	1.03%
Volumes	NIL	NIL	NIL	68,693	8,400
Recommendation	BUY	BUY	HOLD	BUY	SELL

CAR



## 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 January 03, 2019 \*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	132.660	92.210	126.9030	147.860	101.000	128.4978
CAN	96.000	70.610	90.5848	105.860	87.000	92.6624
GBP	164.690	124.150	155.0970	180.880	152.000	157.0946
EURO	150.421	103.650	144.1884	169.840	137.000	142.2117

\*Rates as at January 02, 2019

## MONEY MARKET

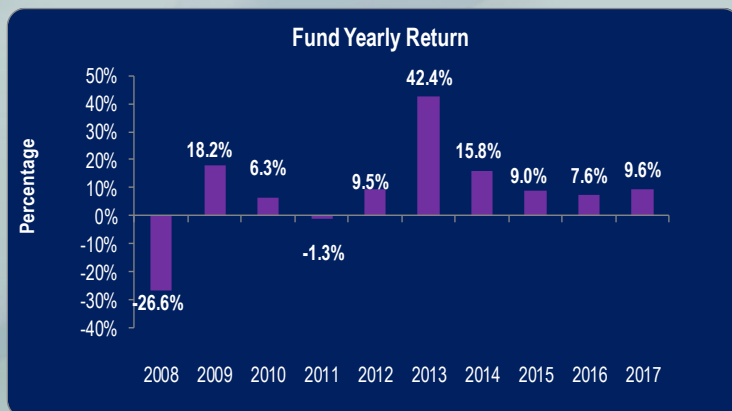
The Jamaican dollar fixed income market was liquid in today's (January 03, 2019) trading session. The overnight rate stood at 2.00% to 2.50% while the 30-day rate ranged at 2.40% to 2.60%.

The US dollar fixed income market was also liquid during today's (January 03, 2019) trading session; The overnight market rates were quoted at 1.80% while the 30-day market rates stood at 2.00% to 2.40%.

## 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 6.1% and a 5 year return of 9.4% as at November 30, 2018. The Fund also has a 10 year return of 11.7%.



## U.S: Firms in U.S. Hired Most Workers Since Early 2017, ADP Says

"Companies added the most workers in almost two years to U.S. payrolls in December, exceeding forecasts and signaling that the job market was solid as 2018 came to an end. Private payrolls increased by 271,000 after a downwardly revised 157,000 advances in November, according to data released Thursday from the ADP Research Institute in Roseland, New Jersey. The median forecast in a Bloomberg survey of economists was 180,000. The figures, coming a day ahead of the monthly jobs report due from the Labor Department on Friday, are a positive sign for private payrolls. Hiring was broad-based, reflecting gains in almost all industries, including manufacturing and construction. While growth in household purchases is underpinning demand for labor, the trade war with China has fueled business uncertainty. Companies have continued to hire at a solid pace even as the economy is projected to grow at a slightly slower rate in the fourth quarter amid trade and other headwinds. Payrolls in goods-producing industries, which include builders and manufacturers, increased 47,000 after a 13,000 rise while service providers added 224,000 workers following 144,000 in November."

<https://www.bloomberg.com/news/articles/2019-01-03/companies-in-u-s-added-271-000-workers-in-december-adp-says?srnd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at December 31, 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.

## DISCLAIMER

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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](http://www.jamstockex.com), [www.bloomberg.com](http://www.bloomberg.com), [www.investopedia.com](http://www.investopedia.com), [www.tradewire.com](http://www.tradewire.com)

## Europe: Turkey's Central Bank Moves Early to Boost Treasury Buffer

"Turkey's central bank scheduled an extraordinary board meeting for earlier than usual to share its profit, a move likely designed to shore up the Treasury's cash reserves. The nation's fiscal authority -- which holds a majority stake in the central bank and collects profits in the form of taxes and dividends -- raised about 10 percent less than targeted in lira funding last year as it sought to keep a lid on borrowing costs before local elections in March. While the central bank's board typically convenes each April, this year's first meeting is planned for Jan. 18 and will discuss an advance payment from its 2018 profit, according to the agenda. The Treasury faces its biggest monthly financing needs since 2011 in February, and an earlier-than-expected cash injection would allow it to continue to curb bond supply and shore up the battered market. "The idea seems to be to avoid borrowing larger amounts from the market ahead of elections," said Inan Demir, an economist at Nomura Plc. in London. Bonds gained after the announcement, pushing the yield on two-year government debt down 25 basis points to 19.6 percent, the lowest since July."

<https://www.bloomberg.com/news/articles/2019-01-03/turkey-s-central-bank-moves-up-meeting-to-share-its-profit-haul?srnd=economics-vp>

## 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.

OVER 20 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH  
= POSITIVE TRANSFORMATION FOR OUR CLIENTS

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