

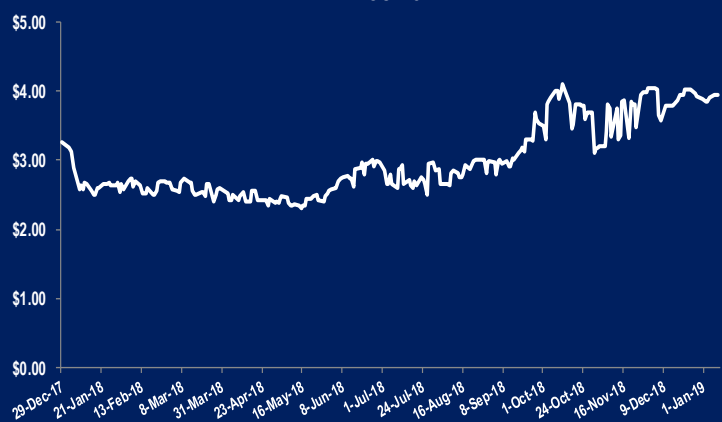
### DAILY RECOMMENDATION



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

Stock Symbol	BPOW	SEP	FOSRICH	CAR	ISP
Current Price (\$)	4.99	30.29	3.95	9.50	13.00
Trailing EPS (\$)	0.24	1.44	0.21	0.73	0.44
P/E (times)	21.20	20.99	19.19	12.97	29.82
Projected P/E	18.60	12.70	17.61	12.37	30.23
Projected EPS (\$)*	0.27	2.38	0.22	0.77	0.43
Book Value per share (\$)	1.48	14.66	1.35	0.30	2.98
Price/Book Value (times)	3.36	2.07	2.92	31.86	4.37
Dividend Yield (2018 %)	3.77%	3.17%	N/A	9.19%	N/A
Volumes	NIL	8,245	10,100	100,565	NIL
Recommendation	HOLD	BUY	HOLD	BUY	SELL

FOSRICH



#### STOCK OF THE DAY: Fosrich Company Limited (FOSRICH)

##### For the nine months ended September 30, 2018:

Turnover grew 19% year on year, to close the period at \$945.89 million compared to the \$796.24 million for the same period last year. For the third quarter the company posted an increase of 53% in revenues to close at \$353.61 million relative to \$231.76 million for the same quarter of 2017.

Cost of goods sold showed a 23% increase, closing the period at \$535.54 million relative to \$436.11 million for the same period last year. For the second quarter, the company had a 69% increase in cost of goods sold to close at \$212.56 million compared to \$125.61 million for same quarter of 2017.

As such, gross profits for the period advanced by 14% and closed out the nine month period at \$410.36 million relative to \$360.13 million in the prior year's corresponding period. Fosrich noted that, "These increases were attributed primarily to the greater availability of the products required by the market."

Administrative and other expenses were \$314.10 million, a 2% increase on the \$307.21 million posted last year. According to the company, "there were increases in staff training, legal and professional fees, rent and bank charges. Decreases were driven primarily by efficiencies gain from management of staff related costs, reduced insurance costs and reductions in damaged goods write-off and warranty expenses."

In addition, other income year to date increased soared to \$17.37 million at the end of the nine months ended September 30, 2018 compared to \$4.02 million booked for the similar period in 2017. According to management, this was due to, "favourable foreign exchange gains amounting to \$14 million."

Fosrich incurred finance costs of \$42.62 million, 64% more than the \$26.03 million reported for the same period in 2017. The company highlighted, "This increase is being driven by a new working capital line of credit obtained to assist with the financing of operations. This new facility was obtained at more favourable rates than the previous bank facilities."

Notably, Fosrich reported a 130% increase in profit before taxation to \$71.01 million relative to \$30.91 million recorded in 2017. Profit before taxation for the quarter amounted to \$10.37 million, up 72% from the prior year's corresponding quarter of \$6.04 million.

Fosrich recorded nil year to date for taxes compared to \$8.35 million paid for the same period in 2017. As such, net Profit for the nine months ended September 2018 amounted to \$71.01 million versus \$22.57 million documented a year earlier. Net profit for the quarter amounted to \$10.37 million relative to \$4.41 million reported for the third quarter of 2017.

\*Prices are as at January 08, 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	131.100	92.210	127.7974	147.860	122.000	129.4668
CAN	99.500	72.670	96.4589	105.480	89.600	99.5787
GBP	166.760	125.230	157.9241	179.690	154.700	166.1575
EURO	149.630	103.950	141.8209	169.400	138.500	150.1707

\*Rates as at January 08, 2019

#### MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 09, 2019) trading session. The overnight rate stood at 2.00% to 2.50% while the 30-day rate ranged at 2.00% to 2.50%.

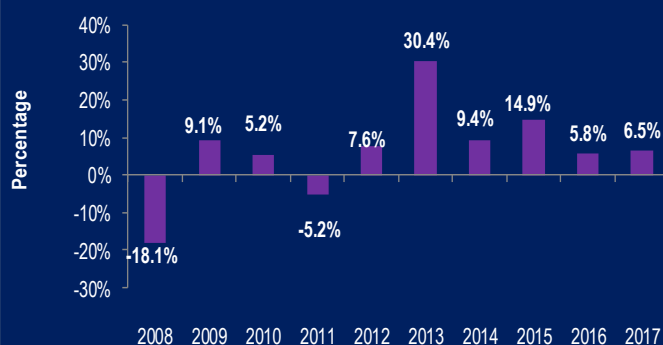
The US dollar fixed income market was also liquid during today's (January 09, 2019) trading session; The overnight market rates were quoted at 1.80% to 2.00% while the 30-day market rates stood at 1.80% to 2.50%.

#### 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%.

Fund Yearly Return



## U.S: U.S. Pushes China to Keep Promises as Trade-Deal Hopes Rise

"The Trump administration is pushing for a way to make sure China delivers on its commitments in any deal the two nations reach to a trade war that has roiled financial markets and dimmed the outlook for global growth. The U.S. wrapped up three days of mid-level talks with China in Beijing on Wednesday, noting a commitment by President Xi Jinping's government to buy more U.S. agricultural goods, energy and manufactured products. But in a statement Wednesday, the office of U.S. Trade Representative Robert Lighthizer also said it wants any deal to include "ongoing verification and effective enforcement." The U.S. will decide on next steps after officials report back to Washington, USTR said. Investors welcomed signs of optimism from the talks. Stocks rose globally after the two economic powers appeared to inch closer to an agreement, with the S&P 500 Index rising for a fourth day to the highest in almost a month. Yet the U.S. push for enforceable targets in a deal underscores the challenge of reaching a lasting truce. President Donald Trump and his deputies have criticized China for failing to live up to past promises, including a pledge to promptly open up the Asian nation's economy to more trade and investment after it joined the World Trade Organization in 2001."

<https://www.bloomberg.com/news/articles/2019-01-09/china-says-trade-talks-with-u-s-concluded-both-sides-serious?smd=premium>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at January 07, 2019

	Percentage (%)
Yield to Maturity	6.61
Weighted Average Coupon	5.539
Current Yield	6.61

The platinum portfolio has an effective maturity of 13.68 years and duration of 4.63 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: Euro-Area Unemployment Falls Below 8% for First Time in a Decade

"Euro-area unemployment unexpectedly fell to the lowest level in a decade, indicating that slower economic growth hasn't yet derailed the labor market. The jobless rate fell to 7.9 percent in November, and readings for prior months were revised down, according to a Eurostat report on Wednesday. For the European Central Bank, the numbers will underpin policy makers' expectations that an increasingly tight labor market will help fuel wages and ultimately inflation, even after policy maker capped asset purchases at the end of 2018. While the data are lagging, the report offers a piece of good news after a string of indicators so far this year eroded confidence in the health of the 19-nation bloc and its growth engine - Germany. Declines in factory orders, industrial production and exports sparked speculation that a recession has taken hold in Europe's largest economy."

<https://www.bloomberg.com/news/articles/2019-01-09/euro-area-unemployment-falls-below-8-for-first-time-in-a-decade>

## 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.

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



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