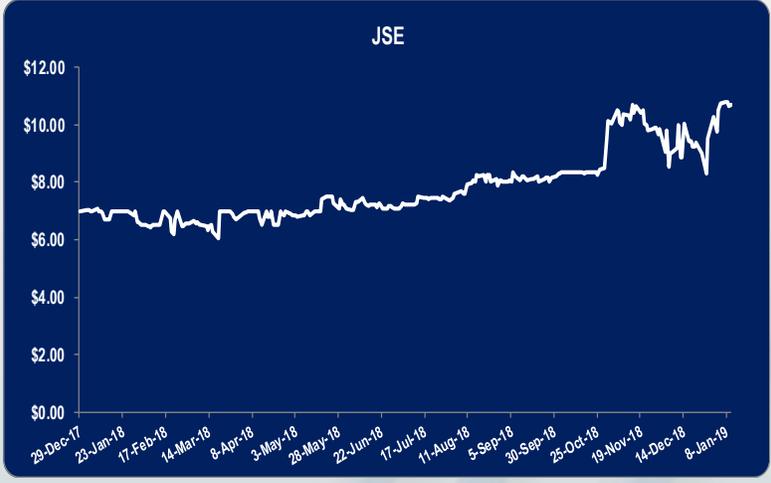


DAILY RECOMMENDATION



LOCAL STOCK MARKET: (JS) +

Stock Symbol	JSE	SEP	FOSRICH	DCOVE	CAC
Current Price (\$)	10.70	31.48	3.60	15.00	18.00
Trailing EPS (\$)	0.52	1.44	0.21	0.81	0.58
P/E (times)	20.57	21.81	17.49	18.52	31.06
Projected P/E	18.07	13.20	16.05	11.29	29.79
Projected EPS (\$)*	0.59	2.38	0.22	1.33	0.60
Book Value per share (\$)	1.45	14.66	1.35	9.47	3.78
Price/Book Value (times)	7.37	2.15	2.66	1.58	4.76
Dividend Yield (2018 %)	2.92%	3.17%	N/A	3.64%	0.47%
Volumes	38,737	442,081	9,000	7,862,970	245
Recommendation	HOLD	BUY	HOLD	BUY	SELL



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."

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. Tax charges for the period totalled \$141.79 million (2017: \$76.31 million). 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 January 11, 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	132.400	93.330	128.3514	147.010	92.210	130.6497
CAN	100.000	74.020	94.2521	106.150	89.500	97.2044
GBP	167.000	126.120	159.1276	179.870	153.000	164.5457
EURO	154.000	104.050	142.1954	166.010	139.000	151.1784

*Rates as at January 10, 2019

MONEY MARKET

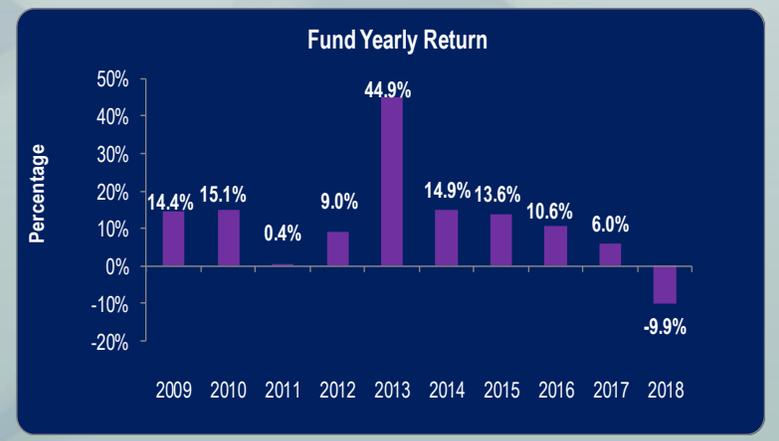
The Jamaican dollar fixed income market was liquid in today's (January 11, 2019) trading session. The overnight rate stood at 2.00% to 2.50% while the 30-day rate ranged at 2.00% to 2.50%.

The US dollar fixed income market was also liquid during today's (January 11, 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 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 1.9% and a 5 year return of 6.6% as at December 31, 2018. The Fund also has a 10 year return of 11.2%.



*Prices are as at January 11, 2019 *Projections are made to the company's financial year end

U.S: U.S. Core Inflation Holds Steady as Energy Drags Down Main Index

“A key measure of U.S. inflation was little changed in December while falling energy prices dragged down the broader gauge, giving the Federal Reserve little urgency to raise interest rates soon as it signals a more cautious approach in 2019. Excluding food and energy, the so-called core consumer price index rose 2.2 percent from a year earlier for a second month and increased 0.2 percent from November, matching the median estimates of economists, according to a Labor Department report Friday. The broader CPI cooled to a 1.9 percent annual gain and was down 0.1 percent from the prior month as energy costs fell the most in almost three years. The data suggest inflation is contained around the Fed’s target, with prices underpinned by steadily rising wages and a tariff war with China. While the central bank last month pencilled in two interest-rate hikes in 2019 following four in 2018, officials are now signalling a potential pause through March or longer amid headwinds from trade, the U.S. government’s partial shutdown and global growth risks. Friday’s report showed shelter costs, which account for one- third of the CPI, rose 0.3 percent for a second month. That reflected 0.2 percent increases in both owners-equivalent rent -- one of the categories designed to track rental prices -- and rent of primary residence, while hotel and motel rates advanced the most since May.”

<https://www.bloomberg.com/news/articles/2019-01-11/u-s-core-inflation-holds-steady-as-energy-drags-down-main-index?srnd=premium>

Asia: China to Set Growth Target of 6 to 6.5% for 2019, Reuters Says

“China plans to set a target range for economic growth of 6 to 6.5 percent for 2019, Reuters reported, citing unnamed officials. That compares with the 2018 target of “about 6.5 percent,” signalling that policy makers are embedding the ongoing economic slowdown into their goals for the year. The government is also widening the targeted budget deficit for the year, to 2.8 percent of gross domestic product, Bloomberg reported this week. Incoming data signal that the moderation in the world’s second-largest economy is deepening in the first quarter, with a report this week raising the risk of factory-price deflation. While conducting negotiations with the U.S. over the ongoing trade dispute, the government has rolled out a series of policies to boost output, without resorting to broad or large-scale stimulus. While a target band signals a greater amount of uncertainty over the economic outlook than in the past, if confirmed the level is in line with economist expectations. The consensus among forecasters surveyed by Bloomberg is for the economy to expand by 6.2 percent in 2019 before 6.0 percent in 2020.”

<https://www.bloomberg.com/news/articles/2019-01-11/china-to-set-growth-target-of-6-to-6-5-for-2019-reuters-says?srnd=premium-asia>

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.

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.

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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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