

MAYBERRY INVESTMENTS LIMITED

DAILY RECOMMENDATION



LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	BIL	ECL	LASD	JBG	CAR
Current Price (\$)	52.27	8.02	3.90	28.00	9.38
Trailing EPS (\$)	0.81	0.30	0.30	1.63	0.73
P/E (times)	64.16	26.99	12.88	17.16	12.81
Projected P/E	63.02	25.48	12.09	16.12	12.22
Projected EPS (\$)*	0.83	0.31	0.32	1.74	0.77
Book Value per share (\$)	6.88	0.62	1.44	10.73	0.30
Price/Book Value (times)	7.60	12.92	2.71	2.61	31.46
Dividend Yield (2018 %)	1.88%	6.90%	3.01%	0.58%	9.19%
Volumes	42,298	6,066	2,600	200,200	17,476
Recommendation	SELL	HOLD	BUY	HOLD	BUY



STOCK OF THE DAY: Jamaica Broilers Group (JBG)

For the year ended October 31, 2018:-

JBG reported Total Revenues of \$25.71 billion for the first six months ended October 31, 2018, a 12% increase on the \$23.02 billion reported in 2017. Of total revenue, the Jamaica Operations contributed \$17.16 billion which represents approximately 67% of total revenues increasing by 7% relative to \$16.04 billion in 2017. Management noted, "this improvement was attributed to increased poultry sales and enhanced inventory management."

US Operations (approximately 29% of total revenue) contributed \$7.38 billion increasing 24% relative to \$5.95 billion for the prior year's comparable period. According to JBG the movement was, "driven by increased sales of our main products – fertile eggs and baby chicks, as well as, feed sales from the acquired feed mill."

Other Caribbean Operations (approximately 5% of total revenue) contributed \$1.17 billion compared to \$1.03 billion reported in 2017. Revenue for the quarter climbed 18% to \$13.55 billion versus \$11.53 billion reported for the same quarter of 2017. JBG noted, "total revenue for our Haitian Operations increased by 13% over the prior year driven by increased sales of table eggs."

Cost of Sales for the period increased by \$2.12 billion or 12% to \$19.50 billion from \$17.39 billion in 2017. Consequently, Gross Profit increased to \$6.22 billion, up 10% relative to \$5.63 billion reported in 2017. Gross Profit for the quarter rose 3% to close at \$3.04 billion (2017: \$2.96 billion).

Distribution costs increased 7% to \$917.89 million for the period compared to \$859.05 million for the corresponding period last year, while administration and other expenses grew by 13% to \$4.21 billion (2017: \$3.72 billion). The movements in Distribution and Administrative costs year on year was, "due primarily to exchange movements, salary increases, increased staff complement and distribution costs related to the recent acquisition of the feed mill."

The Company reported other income of \$142.17 million for the period relative to \$140.81 million reported in 2017, up 1% year on year. Operating Profit increased by 3%, totalling \$1.23 billion for the six month period relative to \$1.20 billion last year. Operating Profit for the quarter amounted to \$562.55 million, down 26% from the \$758.96 million reported for the corresponding quarter of 2017. Profit before Taxation increased 7% to \$957.28 million (2017: \$898.70 million). Following taxation for the period of \$313.02 million (2017: \$240.26 million), net profit declined 2% to a total of \$644.26 million (2017: \$658.44 million). Net Profit for the quarter contracted 48% to \$230.89 million (2017: \$445.86 million).

Net Profits attributable to shareholders amounted to \$629.32 million, 1% lower than the \$633.47 million reported in 2017. Net Profits attributable to shareholders for the quarter amounted to \$230.48 million, 47% less than the \$435.78 million reported in 2017. Earnings per share (EPS) for period totalled \$0.525 (2017: \$0.528). The earnings per share for the quarter amounted to \$0.192 relative to \$0.363. The twelve months trailing EPS totalled \$1.65. The total number of shares employed in our calculations amounted to 1,199,276,400 units. Notably, JBG's stock price closed the trading period on December 6, 2018, at a price of \$28.77.

*Prices are as at January 14, 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	132.500	97.600	128.7310	144.080	120.000	130.8747
CAN	99.600	74.060	98.0339	106.380	88.000	98.9477
GBP	168.500	126.060	165.2902	180.060	152.000	166.6701
EURO	150.000	105.080	140.8318	166.800	139.600	150.2880

*Rates as at January 11, 2019

MONEY MARKET

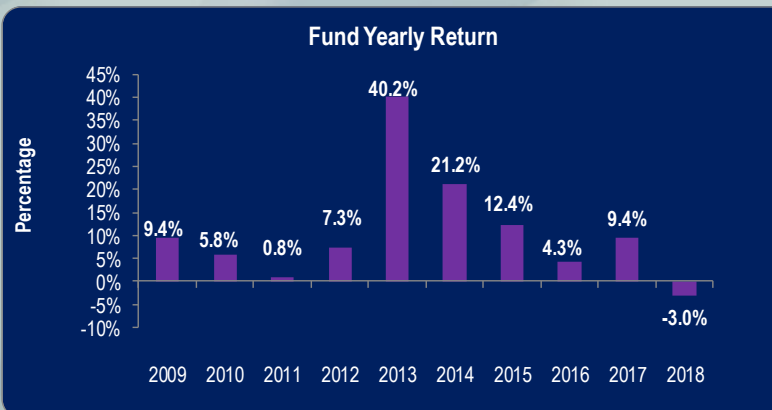
The Jamaican dollar fixed income market was liquid in today's (January 14, 2019) trading session. The overnight rate stood at 2.00% to 2.20% while the 30-day rate ranged at 2.30% to 2.50%.

The US dollar fixed income market was also liquid during today's (January 14, 2019) trading session; The overnight market rates were quoted at 2.0% to 2.20% while the 30-day market rates stood at 2.20% to 2.50%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI American Value Corporate Class

This fund's objective is to provide superior returns with a limited level of risk by investing in a diversified portfolio of high quality undervalued companies. It invests primarily in equity and equity-related securities of companies in the United States. Any change to the investment objective must be approved by a majority of votes cast at a meeting of shareholders held for that reason. The fund has a 3 year return of 3.4% and a 5 year return of 8.6% as at December 31, 2018. The Fund also has a 10 year return of 10.2%.



U.S: U.S. Stocks, Dollar Fall After Chinese Trade Data: Markets Wrap

U.S. stocks declined as weak Chinese trade data fueled concerns about slowing global growth. Treasuries were steady and the dollar dropped. The S&P 500 fell for a second session in below average volumes, led by technology companies after China's slumping exports fueled worries about the growing impact of the U.S.-China trade war on worldwide growth. PG&E plunged 48 percent after the utility said it will file for bankruptcy in California and its chief executive officer will exit. Citigroup's Chief Financial Officer John Gerspach said the trading environment was starting to improve this month, boosting the bank's stock and other financial shares. The 10-year Treasury yield pared an earlier decline to trade little changed at 2.70 percent, while the dollar fell against most major currencies. In Europe, the Stoxx Europe 600 Index snapped four days of gains, also dragged lower by tech. The euro was steady following data showing industrial output slowed, and the pound rose before Tuesday's crucial vote on Brexit. "There are two macro events that continue to weigh on market perspective," said Frances Donald, head of macroeconomic strategy at Manulife Asset Management. "The first is where is global growth heading next, and weak Chinese trade data would suggest that global growth is certainly not bottomed as of yet. And the second issue is the persistence of the U.S. government shutdown and how that muddies our perspective about what happens next."

<https://www.bloomberg.com/news/articles/2019-01-13/asian-stocks-to-start-mixed-with-earnings-in-focus-markets-wrap?srd=premium>

Asia: China Trade Slump Signals Late 2018 Was Rough for German Economy

"Weak data from the other side of the world are diminishing the likelihood that Germany posted a rebound at the end of 2018. Chinese imports from Europe's largest economy dropped an annual 15.6 percent in December, the most in almost three years, signalling that one of Germany's main pillars of demand is weakening. China is Germany's largest trade partner outside the euro area, and economists at Commerzbank cited stabilizing momentum in the Asian country as a key reason why they predict a growth pick-up in the currency bloc in spring. While the figures don't always match one-to-one with German export numbers, the releases tend to move in the same direction -- with Chinese data published nearly a month before German statistics. A trade dispute with the U.S. has amplified China's economic headwinds, at a time when policy makers are already grappling with decelerating consumption, falling factory sentiment, and a worsening employment outlook. In Germany, dismal industrial figures have pointed to the possibility of a second quarterly contraction of economic output at the end of 2018 that would push the country into a technical recession. More information about underlying growth momentum should become available on Tuesday, when the Federal Statistics Office releases full-year growth figures.

<https://www.bloomberg.com/news/articles/2019-01-14/china-trade-slump-signals-late-2018-was-rough-for-german-economy?srd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at January 14, 2019

	Percentage (%)
Yield to Maturity	6.53
Weighted Average Coupon	5.539
Current Yield	5.98

The platinum portfolio has an effective maturity of 13.59 years and duration of 4.68 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

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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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