

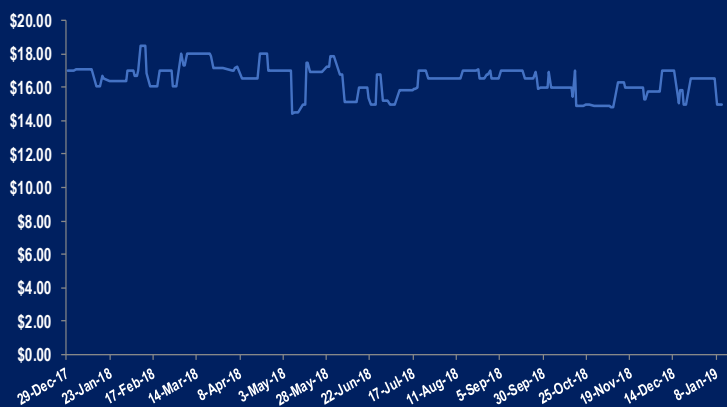
# MAYBERRY INVESTMENTS LIMITED

## DAILY RECOMMENDATION

### LOCAL STOCK MARKET: (JS)<sup>+</sup>

Stock Symbol	KW	ISP	DCOVE	MEEG	SVL
Current Price (\$)	75.43	13.00	15.01	6.00	19.65
Trailing EPS (\$)	1.31	0.44	0.81	0.32	0.53
P/E (times)	57.65	29.82	18.53	19.02	37.29
Projected P/E	50.81	30.23	11.30	17.05	23.39
Projected EPS (\$)*	1.48	0.43	1.33	0.35	0.84
Book Value per share (\$)	16.68	2.98	9.47	1.80	1.11
Price/Book Value (times)	4.52	4.37	1.58	3.33	17.71
Dividend Yield (2018 %)	0.58%	N/A	3.64%	N/A	4.69%
Volumes	11,113	31,895	106,047	5,920	119,504
Recommendation	SELL	SELL	BUY	HOLD	BUY

#### DCOVE



### STOCK OF THE DAY: Dolphin Cove Limited (DCOVE)

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

Dolphin Cove (DCOVE) reported total revenue of US\$11.62 million, an 11% decrease when compared to US\$13.03 million booked the year prior, total revenue for the quarter amounted to US\$3.89 million (2017: US\$4.37 million). According to the company "Despite the fact that one of the major cruise lines with which we deal, Royal Caribbean, drastically reduced calls to Jamaica this year and despite the adverse effect of the state of emergency on the attractions business, we were able to hold the decline in revenue to just 12% year to date. We believe that we will see a recovery of calls to Jamaica by cruise ships with our customer demographic, but we are also working on new sales and marketing strategies to restore the revenue loss."

Revenue from Dolphin Attraction contributed US\$6.38 million to total revenue; this represents a 13% decline when compared to the US\$7.35 million reported in the prior year. Revenues from the Ancillary Services totalled US\$5.24 million, an 8% drop from last year's US\$5.68 million.

Total direct cost for the period totalled US\$1.04 million, this was 42% hike when compared to the US\$736,361 on reported in 2017.

As such, gross profit for the period went down by 14%, amounting to US\$10.58 million relative to 2017's total of US\$12.29 million, while for the quarter gross profits closed at US\$3.50 million, 15% less than US\$4.11 million of the prior period.

Other income soared to US\$193,784 million in 2018 relative to US\$3,810 of last year.

Total operating expenses also saw a decline of 5%, moving from US\$7.82 million in 2017 to US\$7.30 million. This decrease was primarily due to a 13% fall in selling expense which amounted to US\$2.84 million (2017: US\$3.26 million). Other operations totalled US\$2.53 million relative to US\$2.63 million, while administrative expense had a marginal decline of 0.03% amounting to US\$1.93 million. Also, for the third quarter total expenses marginally grew by 0.07% to US\$2.49 million.

Finance income declined by 78%, totalling US\$54,215 relative to US\$241,593 last year, while finance cost moved down from US\$284,924 for the same period in 2017 to US\$209,444. Profit before taxation saw a decline of 25% to US\$3.32 million from US\$4.44 million with taxes of US\$367,553 (2017: US\$315,620).

Net Profit for the period was US\$2.95 million 28% more than the US\$4.12 million charged the prior year. Net profit for the quarter amounted to US\$915,198 (2017: US\$1.52 million).

\*Prices are as at January 17, 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	133.900	96.100	128.8681	146.020	101.930	131.3579
CAN	101.300	74.520	99.6159	106.010	88.000	100.5833
GBP	169.000	127.260	161.6429	181.420	156.750	167.5363
EURO	148.501	108.870	142.5597	153.500	138.600	149.2391

\*Rates as at January 16, 2019

### MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 17, 2019) trading session. The overnight rate stood at 1.90% to 2.20% while the 30-day rate ranged at 2.00% to 2.50%.

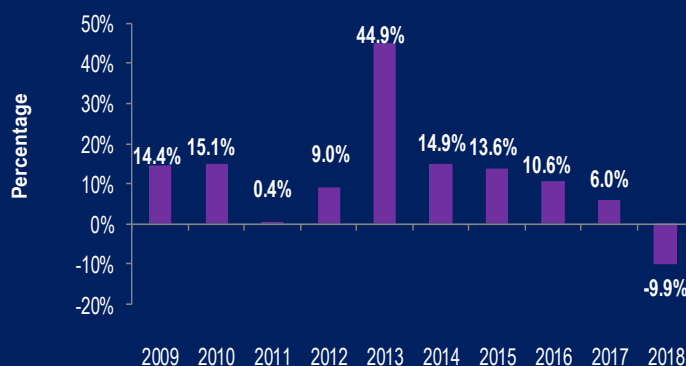
The US dollar fixed income market was also liquid during today's (January 17, 2019) trading session; The overnight market rates were quoted at 2.0% to 2.30% while the 30-day market rates stood at 2.10% to 2.60%.

### 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%.

#### Fund Yearly Return



## U.S: Fed's Quarles Plays Up Economy's Strengths as Markets See Risks

Federal Reserve Governor Randal Quarles expressed optimism about the state of the U.S. economy, calling strong hiring and low inflation a “good environment” even as investors focus on mounting threats to growth. “Clearly markets are more attuned currently to the downside risks, but the core base case remains very strong,” Quarles, the central bank’s vice chairman for supervision, said at a conference in New York on Thursday. “The data on the real economy is very strong and continues to look strong.” He also said there are signs emerging that global growth is slowing, but those may prove temporary. “Some of the data that’s come out of China, some of the data that’s come out of Europe recently, would suggest maybe a little bit less growth in the near term,” he said, adding: “Certainly you can see a narrative where that recent data are results of transitory factors, and that we could get to the other side of that.” Quarles’s optimism comes amid signs the U.S. economy is entering a soft patch. Economists from HSBC Holdings Plc and Deutsche Bank AG have cautioned that risks of a recession are rising in the U.S., as the combination of a prolonged trade war with China and partial government shutdown create headwinds to growth. While Quarles didn’t give his outlook for monetary policy, Fed Chairman Jerome Powell and other central-bank leaders have stressed in recent weeks there’s no hurry to resume interest-rate increases in light of volatile financial markets, low inflation and a slowdown abroad.

<https://www.bloomberg.com/news/articles/2019-01-17/fed-s-quarles-plays-up-economy-s-strengths-as-markets-see-risks>

## Europe: Europe's Interest-Rate Hike Pioneers Are Now Calling for Caution

The Czech central bank is becoming more restrained in telegraphing prospects of future interest-rate increases. After taking the lead in Europe by pushing borrowing costs up an unprecedented five times last year, central bankers are signaling a more cautious approach to tightening because of growing risks in the global economy. That’s reflected in the expectations of investors, who have scaled down bets on an imminent rate increase. “There’s no point in speculating now whether it will be one hike, or two hikes, or three hikes,” Governor Jiri Rusnok said on Czech public radio Thursday. “We’ll see. Slightly higher rates can still be expected, but the pace of increase will certainly be slower than last year.” Forward-rate agreements used to bet on future borrowing costs show a small likelihood of a hike at the next policy meeting on Feb. 7, compared with a strong conviction among investors before each of last year’s increases. Longer-term derivatives show they expect the benchmark to rise only once this year, and the central bank may even cut rates in 2020. Even the two policy makers who unsuccessfully sought a quarter-point increase in December have recently refrained from expressing their commitment to backing another hike next month. Board members cite an economic slowdown in Germany and risks stemming from the potential escalation of trade wars among the main reasons for proceeding carefully. The other side of the equation shows domestic inflation pressures from persistent wage growth, which provide arguments for continuing with lifting borrowing costs.

<https://www.bloomberg.com/news/articles/2019-01-17/europe-s-interest-rate-hike-pioneers-are-now-calling-for-caution?srnd=markets-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

### USD Money Market

This portfolio is a full discretionary managed bond portfolio, ideal for clients who have short-term USD liquidity needs. Assets within the portfolio can be used as collateral for loans. The product provides a solid short-term investment option in hard currency and allows the individual to hedge against the prevailing devaluation in the local currency.

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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)

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= POSITIVE TRANSFORMATION FOR OUR CLIENTS

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