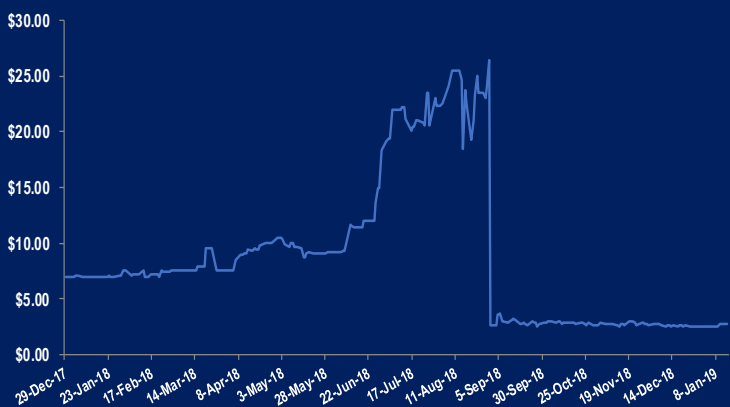


DAILY RECOMMENDATION

LOCAL STOCK MARKET: (JS) ⁺

Stock Symbol	KW	ISP	DCOVE	DTL	SVL
Current Price (\$)	75.43	13.00	15.01	2.80	19.89
Trailing EPS (\$)	1.31	0.44	0.81	0.09	0.53
P/E (times)	57.65	29.82	18.53	30.21	37.75
Projected P/E	50.81	30.23	11.30	20.34	23.67
Projected EPS (\$)*	1.48	0.43	1.33	0.14	0.84
Book Value per share (\$)	16.68	2.98	9.47	0.37	1.11
Price/Book Value (times)	4.52	4.37	1.58	7.66	17.92
Dividend Yield (2018 %)	0.58%	N/A	3.64%	2.77%	4.69%
Volumes	NIL	1,000	NIL	207,513	112,881
Recommendation	SELL	SELL	BUY	HOLD	BUY

DTL



STOCK OF THE DAY: Derrimon Trading Limited (DTL)

For the nine months ended September 30, 2018:

Derrimon Trading Limited (DTL), for the nine months ended September 30, 2018, reported consolidated trading income of \$6.34 billion, increasing by 29% when compared to the \$4.92 billion for the prior period. For the quarter, the Company reported a 23% increase in trading income totalling \$2.18 billion relative to \$1.77 billion in the previous corresponding quarter. The Company mentioned that, "The result reflects the first month of revenue from the new SM Jahleel Distribution agreement but excluded the 23 days revenue from Woodcats International Limited."

Cost of sales increased by 31% to \$5.21 billion for the period (2017: \$3.98 billion). As a result, Gross profit amounted to \$1.13 billion relative to \$939.22 million the year prior, an increase of 21% year over year. Gross profit for the quarter totalled \$357.64 million (2017: \$320.79 million). DTL stated that, "This continues to reflect a combination of improvement in margins arising from strategies employed within both the distribution and retail segments, the positive impact from culling some products from the distribution portfolio, improved margins from growth of the supermarket portfolio and the impact of the one-month performance of the new beverage distribution portfolio."

Other income for the period improved grossly by 145% to close the nine months at \$43.75 million compared to \$17.85 million in 2017. For the quarter, other income closed at \$19.43 million (2017: \$6.50 million).

Total operating expenses was \$885.65 million for the period under review, representing a growth of 23% on the \$721.21 million recorded in the prior year. For the quarter, total operating expenses closed at \$301.58 million (2017: \$248.78 million). According to DTL, "the major factors for this increase were, the full impact for the quarter of utilities and its repricing due to the adverse movement in the foreign exchange rate, repricing of the US dollar denominated rent, increased distribution costs (contract trucking cost, staff cost, warehouse cost, and insurance for the new SM Jahleel portfolio), cost associated with the full negotiation and acquisition of Woodcats International Limited, marketing and advertising, internal and external audit fees."

Administrative expenses totalled \$757.97 million, 19% more when compared to the \$639.21 million in 2017. Selling and distribution expenses recorded a 56% increase for the consolidated period, totalling \$127.69 million (2017: \$82 million). For the quarter, administrative expenses and selling & distribution expenses closed at \$249.48 million (2017: \$223.72 million) and \$52.10 million (2017: \$25.06 million).

Finance cost increased by 7% amounting to \$111.37 million for the period versus \$104.31 million in 2017. For the quarter, finance cost closed at \$43.05 million (2017: \$51.28 million). It was noted that, "strategies to reduce this aspect of our Company's cost continue to be implemented and the associated savings are being realized on an ongoing basis in the short to medium term. The funding associated with the acquisition of Woodcats International Limited and the associated interest cost impacted the finance charges during this quarter."

No taxes were reported for the period, as such Net profit amounted to \$180.55 million, a 37% increase year over year when compared to \$131.56 reported in 2017. The Company posted a 19% increase in net profit to close the quarter at \$32.45 million (2017: \$27.23 million).

*Prices are as at January 18, 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	134.100	96.100	131.2092	146.020	97.600	132.7829
CAN	102.000	74.290	99.4251	106.040	90.000	100.2946
GBP	173.400	128.370	166.2566	182.650	154.000	169.4125
EURO	148.184	109.000	141.0351	164.100	139.600	151.4294

*Rates as at January 17, 2019

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 18, 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%.

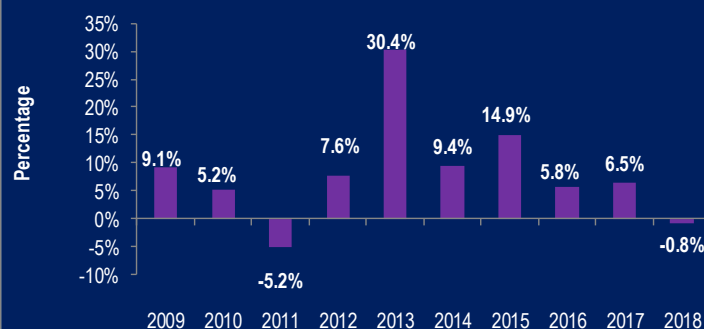
The US dollar fixed income market was also liquid during today's (January 18, 2019) trading session; The overnight market rates were quoted at 2.0% to 2.30% while the 30-day market rates stood at 2.10% to 2.60%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI 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 3.8% and a 5 year return of 7.0% as at December 31, 2018. The Fund also has a 10 year return of 7.9%.

Fund Yearly Return



U.S.: U.S. Shutdown Pain Yet to Infect Economic-Growth Forecasts

For all the hand-wringing and headlines over the fallout of the U.S. government shutdown, most forecasters still don't expect it to cause too much pain to the economy so long as it doesn't endure. Analysts project the government will reopen by mid-February, though if the closure lasts through March, the disruption will cause economic growth to dip below 2 percent this quarter, according to the median forecast in a Jan. 15-17 Bloomberg survey. At the same time, just under half say the government impasse increases the probability of a recession this year. The relatively sanguine assessment is at odds with some more-dire recent predictions, including by Deutsche Bank AG, and the White House itself doubled the estimated negative fallout. Even so, the shutdown adds risk at a time when the economy is already projected to slow, forecasters see the highest recession risk in six years, manufacturing is faltering and consumers and investors are getting more skittish. "If the shutdown keeps going on throughout the first quarter, it'll be costly for growth," said Ryan Sweet, head of monetary policy research at Moody's Analytics Inc. While it probably won't end the expansion given the momentum at the start of the year, "it could leave a more lasting impression, weighing on business confidence, consumer sentiment and investor confidence." A separate Bloomberg survey earlier this month showed economists raised the probability of a recession in the next 12 months to 25 percent, the highest in more than six years, amid the shutdown and trade war. A Federal Reserve Bank of New York gauge put the chance at 21 percent a year from now, the highest since 2008. In the first quarter, the shutdown will shave 0.25 percentage point from economic growth, according to the median of 30 responses in the survey.

<https://www.bloomberg.com/news/articles/2019-01-18/u-s-government-shutdown-seen-causing-minor-hit-to-broad-economy>

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.

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

Asia: China Offers a Path to Eliminate U.S. Trade Imbalance, Sources Say

China has offered to go on a six-year buying spree to ramp up imports from the U.S., in a move that would reconfigure the relationship between the world's two largest economies, according to officials familiar with the negotiations. By increasing goods imports from the U.S. by a combined value of more than \$1 trillion over that period, China would seek to reduce its trade surplus -- which last year stood at \$323 billion -- to zero by 2024, one of the people said. The officials asked not to be named as the discussions aren't public. The offer, made during talks in Beijing earlier this month, was met with skepticism by U.S. negotiators who nonetheless asked the Chinese to do even better, demanding that the imbalance be cleared in the next two years, the people said. Economists who've studied the trade relationship argue it would be hard to eliminate the gap, which they say is sustained in large part by U.S. demand for Chinese products. U.S. stocks extended gains and the dollar rose following the news. The S&P 500 Index rallied, climbing 1.2 percent by 11:31 a.m. and heading for its fourth weekly increase, while the dollar traded at session highs. It's not the first time China has made an offer to reduce the deficit as a way of trying to break the deadlock between the sides which has darkened the global economic outlook and roiled financial markets since last year. In May, Trump scrapped a framework for a deal negotiated by Treasury Secretary Steven Mnuchin that would have seen China "significantly" increase purchases of U.S. goods. By agreeing to buy more goods from the U.S., China may just shift its trade surplus toward other trading partners, said Tom Orlik, the chief economist for Bloomberg Economics. "If China switches its imports from other countries to the U.S. -- less Brazilian soybeans, more U.S. soybeans -- that might help deal with their bilateral problem with the U.S., but at the expense of worsening imbalances with other countries," he said.

<https://www.bloomberg.com/news/articles/2019-01-18/china-is-said-to-offer-path-to-eliminate-u-s-trade-imbalance?srnd=economics-vp>

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.