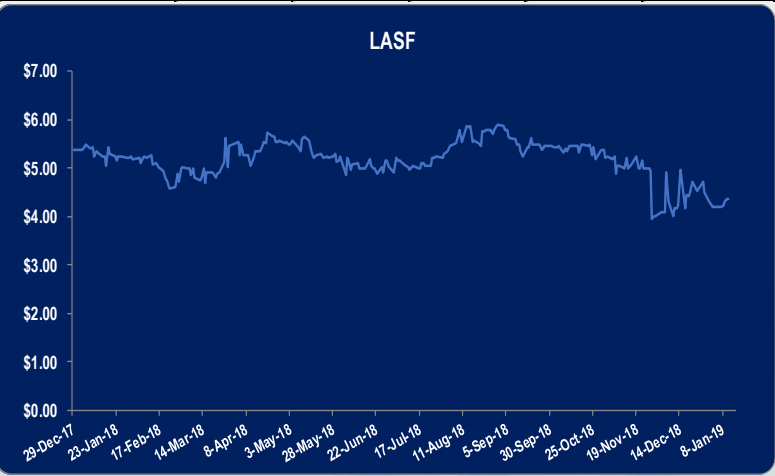




### LOCAL STOCK MARKET: (JS)<sup>+</sup>

Stock Symbol	SALF	SEP	LASF	DTL	PTL
Current Price (\$)	35.00	31.17	4.48	2.98	2.08
Trailing EPS (\$)	2.11	1.44	0.20	0.09	0.02
P/E (times)	16.55	21.60	22.78	32.16	89.97
Projected P/E	15.25	13.07	18.77	21.64	88.37
Projected EPS (\$)*	2.29	2.38	0.24	0.14	0.02
Book Value per share (\$)	9.04	14.66	1.21	0.37	0.46
Price/Book Value (times)	3.87	2.13	3.70	8.16	4.50
Dividend Yield (2018 %)	3.00%	3.17%	N/A	2.77%	1.38%
Volumes	NIL	41,125	22,703	18,012	NIL
Recommendation	BUY	BUY	HOLD	HOLD	SELL



### STOCK OF THE DAY: Lasco Financial Services (LASF)

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

LASF recorded for the six months ended September 30, 2018, a total of \$1.08 billion in Trading Income; this represented a growth of 59% relative to the \$681.28 million recorded in the comparable period in 2017. For the quarter, Trading Income closed at \$558.14 million (2017: \$378.60 million), a growth of 47% year over year. The Company highlighted that, "the growth is being driven by a general increase in business over the previous year." Other Income for the six months period amounted to \$57.02 million compared to \$33.93 million in 2017. Consequently, this resulted in an overall income of \$1.14 billion for the six months, a growth of 60% compared to \$715.22 million in 2017.

Operating Expenses for the period closed at \$837.27 million, which is 65% more than the \$506.41 million recorded in September 2017. Selling and Promotional Expenses increased by 70% amounting to \$432.77 million relative to \$254.24 million in 2017, while Administrative Expenses rose 60% to close at \$404.50 million (2017: \$252.17 million). Management indicated that, "this is mainly due to the expenses from the Subsidiary which would not have been reflected in the previous year. Subsequent to the acquisition in December 2017 and ensuing merger of the loans business of LFSL into the subsidiary, there has been additions of staff and investments in technology and infrastructure to support the growing customer base and workforce. These investments are key to the development of the business to support the planned growth and market presence."

As a result, Profit from Operations for the period grew by 46% to total \$303.93 million relative to \$208.80 million that was recorded in the prior period in 2017. While for the second quarter, Profit from Operations rose by 5% closing at \$131.67 million (2017: \$125.50 million).

Finance Cost amounted to \$81.13 million for the period (2017: \$4.29 million), a gross increase of 1792%. The company will be contacted for more information regarding this drastic increase. As for the second quarter, Finance Cost totaled \$40.43 million versus \$2.14 million in the prior comparative quarter.

Profit before taxes amounted to \$222.80 million in 2018 relative to \$204.52 million in 2017, a 9% year over year increase.

After taxation of \$61.65 million (2017: \$37.77 million), Net Profit for the six months ended September 31, 2018 amounted to \$161.15 million, declining slightly by 3% from the prior period's Net Profit of \$166.74 million. Also, for the second quarter, LASF experienced a 39% decline in Net Profit closing at \$60.63 million (2017: \$99.87 million).

\*Prices are as at January 21, 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	133.500	96.100	131.1671	146.310	122.850	132.5603
CAN	100.750	74.000	99.8857	105.600	91.500	100.3654
GBP	172.800	129.070	167.0330	176.600	157.000	169.6224
EURO	153.846	108.020	141.5606	164.580	138.000	147.9706

\*Rates as at January 18, 2019

### MONEY MARKET

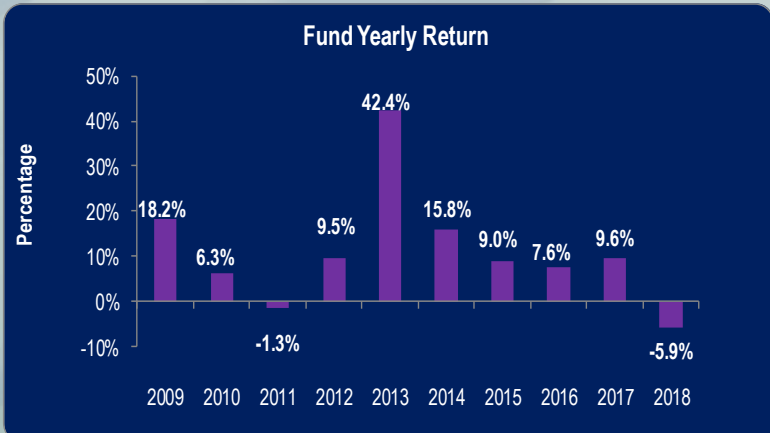
The Jamaican dollar fixed income market was liquid in today's (January 21, 2019) trading session. The overnight rate stood at 1.90% to 2.20% while the 30-day rate ranged at 2.00% to \$2.50%.

The US dollar fixed income market was also liquid during today's (January 21, 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 Managers Corporate Class

This fund's objective is to obtain maximum long-term capital growth. It invests primarily in equity and equity-related securities of companies believed to have good growth potential. These companies are located in countries that have signed the North American Free Trade Agreement (NAFTA), or its successor. These countries currently include the United States, Canada and Mexico, but may also include countries that become members of NAFTA in the future. The fund has a 3 year return of 3.5% and a 5 year return of 6.9% as at December 31, 2018. The Fund also has a 10 year return of 10.5%.



**U.S.: U.S.-China Trade Talks Falling Short on Make-or-Break IP Issues**

Ever since negotiators from the U.S. and China sat down in Beijing after a Christmas meltdown in global markets, President Donald Trump has sought to calm investors and claim his trade talks are making great strides. But that glosses over a more uncomfortable reality. According to people close to the discussions, the two sides have so far made little progress on the issue any deal Trump strikes with China may ultimately be judged on: ending what the U.S. has dubbed as decades of state-coordinated Chinese theft of American intellectual property. That stands in contrast to movement on other fronts that has lifted stocks in recent sessions, including a Bloomberg report on Friday that China offered a path to reducing its trade surplus to zero by 2024. European stocks and U.S. equity futures dipped Monday, while Asian markets posted modest gains. The next round of talks is scheduled for Jan. 30-31, when Chinese leader Xi Jinping's top economic emissary Liu He will visit Washington. China's alleged IP theft and its related practice of forcing foreign companies to hand over technology to gain access to its market formed a large part of the agenda for the three days of early-January talks. Yet the discussions amounted more to an airing of grievances than constructive negotiations, according to participants and others briefed on the talks. Deputy U.S. Trade Representative Jeffrey Gerrish spent much of the time citing a U.S. report used to justify the tariffs imposed on some \$250 billion in Chinese goods, one person present at the talks said. Chinese officials responded by repeating longstanding denials of any wrongdoing and asked the U.S. for proof. The lack of progress in discussions on structural issues such as IP was confirmed by Robert Lighthizer, the U.S. trade representative, in a meeting with lawmakers last week, according to congressional aides. His office declined to comment.

<https://www.bloomberg.com/news/articles/2019-01-21/u-s-china-trade-talks-falling-short-on-make-or-break-ip-issues?srnd=economics-vp>

**Europe: IMF Warns of No-Deal Brexit Risks as U.K.'s Time Runs Short**

The International Monetary Fund renewed its warning about the risks to the U.K.'s economic outlook if Britain leaves the European Union without a deal. The Washington-based lender held its 2019 growth forecast at 1.5 percent, saying the fiscal stimulus announced in the Oct. 29 budget would likely help offset the damping effect which Brexit fears are having on the world's fifth-biggest economy. However, "substantial uncertainty" surrounds the estimate, and a no-deal scenario could knock between five and eight percentage points off long-run GDP, according to IMF chief economist Gita Gopinath. "As of mid-January, the shape that Brexit will take remains highly uncertain," the IMF said in its World Economic Outlook Update Monday. "This baseline projection assumes that a Brexit deal is reached in 2019 and that the U.K. transitions gradually to the new regime." The forecasts were published on the eve of the World Economic Forum's annual meeting in Davos, Switzerland. U.K. Prime Minister Theresa May isn't attending this year as she deals with the unfolding political drama at home. With less than 10 weeks before the U.K. is due to leave the EU, time is running out for May to get a withdrawal deal through Parliament after lawmakers emphatically rejected her blueprint last week. May will present her Plan B later Monday. If the U.K. falls out of the bloc with no alternate arrangements and moves straight to WTO rules, the reduction in output would be "significant," Gopinath told reporters in Davos. "It is absolutely essential that this uncertainty is resolved sooner rather than later." A chaotic departure would also threaten the global outlook, according to the IMF. Global growth is set to slow to 3.5 percent in 2019, though it could be weaker if a no-deal Brexit or a larger-than-anticipated slowdown in China materialize, it said. The IMF sees the U.K. economy expanding 1.6 percent in 2020, little changed from the 1.5 percent it forecast in October.

<https://www.bloomberg.com/news/articles/2019-01-21/imf-warns-of-no-deal-brexit-risks-with-time-running-out-for-u-k>

**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 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.

**DISCLAIMER**

**Analyst Certification** -The views expressed in this research report accurately reflect the personal views of Mayberry Investments Limited Research Department about those issuer (s) or securities as at the date of this report. Each research analyst (s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation (s) or view (s) expressed by that research analyst in this research report.

**Company Disclosure** -The information contained herein has been obtained from sources believed to be reliable, however its accuracy and completeness cannot be guaranteed. You are hereby notified that any disclosure, copying, distribution or taking any action in reliance on the contents of this information is strictly prohibited and may be unlawful. Mayberry may effect transactions or have positions in securities mentioned herein. In addition, employees of Mayberry may have positions and effect transactions in the securities mentioned herein.

**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**

**MAYBERRY INVESTMENTS LIMITED**  
 A Member of the Jamaica Stock Exchange

1 1/2 Oxford Road, Kingston 5, Jamaica. ☎ (876) 929 1908 – 9  
 research@mayberryinv.com • sales@mayberryinv.com • www.mayberryinv.com

