

MAYBERRY INVESTMENTS LIMITED

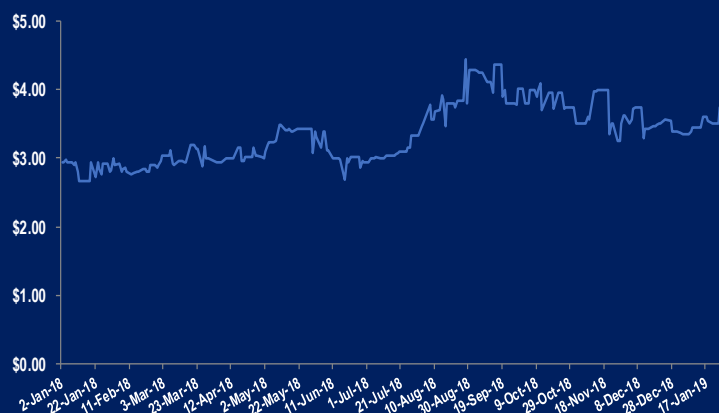
DAILY RECOMMENDATION



LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	KW	PJAM	GENAC	CAR	LASD
Current Price (\$)	69.14	75.00	3.86	9.49	3.87
Trailing EPS (\$)	1.31	4.59	0.30	0.73	0.30
P/E (times)	52.84	16.33	12.91	12.96	12.78
Projected P/E	46.58	17.72	15.54	12.36	12.00
Projected EPS (\$)*	1.48	4.23	0.25	0.77	0.32
Book Value per share (\$)	16.68	31.02	1.96	0.30	1.44
Price/Book Value (times)	4.15	2.42	1.97	31.83	2.69
Dividend Yield (2018 %)	1.38%	2.33%	5.20%	7.63%	3.03%
Volumes	11,574	4,200	48,120	25,909	140,902
Recommendation	SELL	HOLD	HOLD	BUY	BUY

GENAC



STOCK OF THE DAY: General Accident Insurance Company Limited (GENAC)

For nine months ended September 30, 2018:-

GENAC reported Gross premium written of \$7.40 billion, 20% higher than the \$6.18 billion reported for 2017. As a result, net premium written increased by 26% from \$1.04 billion last year to \$1.32 billion. Excess of loss reinsurance remained at \$70.38 million, the same as 2017. Net premium written for the third quarter amounted to \$478.73 million relative to \$369.96 million booked for the corresponding period in 2017.

Reinsurance ceded amounted to \$6.01 billion relative to \$5.07 billion in 2017, a 19% increase year over year.

Net changes in unearned premiums totaled \$120.45 million, 54% higher than the \$78.18 million recorded the previous year. Consequently, net premiums earned grew by 24% to a total of \$1.20 billion compared to \$965.12 million for the same period last year. For the quarter, net premium earned totaled \$430.90 million compared to \$347.35 million booked for the similar quarter of 2017.

Commission income grew by 51%, year over year, from \$328.66 million in 2017 to \$494.97 million in 2018, while commission expenses also went up by 32% from \$236.04 million to \$312.28 million.

Claims expenses saw an increase of 10%, closing the period at \$865.94 million (2017: \$788.15 million), while management expenses climbed by 35% to total \$553.88 million (2017: \$409.56 million). Net change in commission totaled \$11.26 million for the nine months compared to \$105.15 million booked in 2017.

Underwriting loss for the period totaled of \$27.70 million, this compares to a loss of \$34.83 million in 2017. The company also made an underwriting loss of \$20.02 million for the third quarter when compared to a profit of \$33.15 million in 2017.

In addition, investment income closed at \$228.73 million, a 56% increase when compared with last year's \$146.33 million, while other income totaled \$4.51 million, (2017: \$1.95 million). Other operating expenses grew by 45% to \$32.46 million when compared to \$22.41 million in 2017.

As such, profit before taxation amounted to \$173.08 million (2017: \$91.04 million).

Net Profit totaled \$144.18 million for the period, an 88% uptick when compared to the \$76.78 million reported last year, subsequent to tax charges of \$28.91 million. However, net profit for the quarter was \$48.73 million, a 29% drop versus the same period of 2017 which had net profits of \$68.44 million.

Total comprehensive income amounted to \$126.14 million (2017: \$130.42 million), following a loss on available investments for sale of \$18.03 million (2017: Gain of \$53.64 million).

⁺Prices are as at February 1, 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	139.900	95.000	134.2223	148.000	105.730	136.1000
CAN	103.196	71.210	99.7775	109.060	92.000	100.2523
GBP	179.195	130.070	172.7022	189.080	162.100	170.8557
EURO	156.250	106.030	144.3628	167.080	142.100	157.4400

*Rates as at January 31, 2019

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (February 01, 2019) trading session. The overnight rate stood at 1.90% to 2.20% while the 30-day rate ranged at 2.30% to 2.50%.

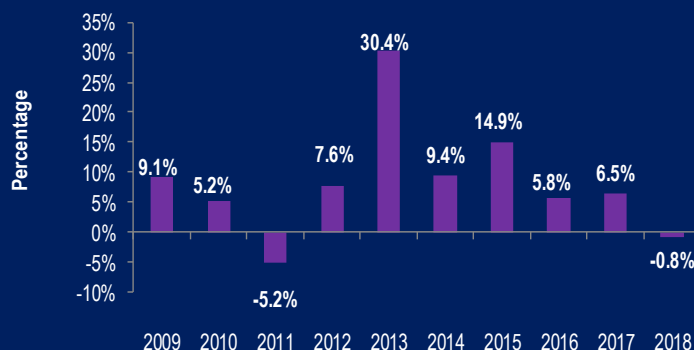
The US dollar fixed income market was also liquid during today's (February 01, 2019) trading session; The overnight market rates were quoted at 2.0% to 2.30% while the 30-day market rates stood at 2.10% to 2.60%.

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% as at December 31, 2018. The Fund also has a 10 year return of 7.9%.

Fund Yearly Return



U.S: Bullard Says Patient Fed Should Mean ‘Very Good Couple of Years’

Federal Reserve Bank of St. Louis President James Bullard and Dallas Fed chief Robert Kaplan applauded the central bank’s decision to take a pause on interest-rate increases in separate appearances Friday and said patience was the right approach for the U.S. economy. “I think it set us up for a very good couple of years here,” Bullard said in a CNBC television interview Friday. Bullard, a monetary policy voter in 2019, has been the most dovish Fed official over the past two years. Kaplan, a fellow dove who votes on policy again next year, said he sees the pause lasting “certainly at least the first couple of quarters,” speaking with reporters following a speech in Austin, Texas. Both officials said the Fed might just be taking a temporary breather. Slowing global growth, still-low inflation, and tighter financial conditions have spurred caution at the central bank. “I think this concept of being on hold -- I would like to think that we’re out of the business of penciling in further increases that have to be made,” Bullard said Friday. “But obviously we will react to data as it comes in. So if the economy performs better than expected or worse than expected going forward, we’re willing to move in either direction.” The Federal Open Market Committee this week held rates unchanged and dropped its guidance for more gradual rate hikes, replacing it with an explicit reference to being “patient.” Investors took that to mean no rate increase for several months, and interest-rate futures suggest they think a cut is roughly as likely as a hike.

<https://www.bloomberg.com/news/articles/2019-02-01/bullard-says-patient-fed-should-mean-very-good-couple-of-years?smd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at January 29, 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

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.

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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

Europe: BOE Remains Boxed in by Brexit as No-Deal Fears Trump Wage Gains

Bank of England officials are stuck in a Brexit rut, as the U.K.’s increasingly chaotic political backdrop looks set to drown out any talk of higher interest rates. The Monetary Policy Committee, which has said that the U.K. needs limited and gradual hikes, will nonetheless vote unanimously to keep interest rates unchanged at 0.75 percent next week, according to the majority of economists in a Bloomberg survey. Officials will also lower both their growth and inflation forecasts for 2019. With less than two months until the U.K. leaves the European Union and no clarity on what form the exit will take, Governor Mark Carney’s press conference on Feb. 7 will likely be dominated by Brexit. The chances of a no-deal outcome -- which the BOE have warned could severely damage the economy -- increased last week after Prime Minister Theresa May promised to go back to Brussels to seek concessions from an uncompromising European Union. “The MPC will remain on hold, primarily as they appear to have little option at this stage given the uncertainty over Brexit,” said Cathal Kennedy, an economist at the Royal Bank of Canada. As well as keeping their hands tied on policy, Brexit is also complicating the BOE’s forecasting. The central bank projections are based on an average range of outcomes, and so are likely to need tweaking even if May manages to secure a deal. A chaotic exit, meanwhile, could render them completely obsolete.

<https://www.bloomberg.com/news/articles/2019-02-01/boe-remains-boxed-in-by-brexit-as-no-deal-fears-trump-wage-gains?smd=economics-vp>

STRUCTURED PRODUCT

Mayberry Gold

This portfolio is ideal for investors, both retail and corporate, seeking a conservative, short-term investment. The securities in the Gold are directly owned by the client and provide them with a safe investment option. Our Gold portfolio can also provide investors with coupon payments that can generate a positive income stream.