



LOCAL STOCK MARKET: (JS)⁺

| Stock Symbol | ISP | GK | JSE | JMMBGL | SEP |
|---------------------------|-------|-------|--------|--------|--------|
| Current Price (\$) | 12.03 | 57.91 | 13.60 | 32.06 | 34.59 |
| Trailing EPS (\$) | 0.44 | 4.04 | 0.52 | 2.40 | 1.44 |
| P/E (times) | 27.60 | 14.34 | 26.15 | 13.35 | 23.97 |
| Projected P/E | 27.97 | 13.55 | 22.97 | 12.35 | 14.50 |
| Projected EPS (\$)* | 0.43 | 4.27 | 0.59 | 2.60 | 2.38 |
| Book Value per share (\$) | 2.98 | 48.65 | 1.45 | 16.36 | 14.66 |
| Price/Book Value (times) | 4.04 | 1.19 | 9.36 | 1.96 | 2.36 |
| Dividend Yield (2018 %) | N/A | 3.08% | 4.28% | 2.14% | 3.17% |
| Volumes | NIL | 6,607 | 35,508 | 12,319 | 13,581 |
| Recommendation | SELL | HOLD | HOLD | BUY | BUY |



STOCK OF THE DAY: Jamaica Stock Exchange Limited (JSE)

For nine months ended September 30, 2018:-

JSE recorded total revenue of \$1.0 billion, a 45% increase when compared to the \$695.47 million booked the prior year. While total revenue for the quarter amounted to \$339.53 million (2017: \$217.82 million).⁴

Total expenses for the period increased by \$110.11 million or 23% moving from \$487.72 million in 2017 to \$597.83 million in 2018. For the third quarter Total expenses amounted to \$199.81 million, a 27% rise when compared to \$157.90 million in 2017. Of this:

Investment income rose by 50% to \$26.67 million versus \$17.74 million in 2017, while revaluation gain on investment in securities amounted to \$776,000.

Profit before tax totaled \$435.07 million compared to \$225.49 million the year prior.

Tax charges for the period totaled \$.141.79 million (2017: \$76.31 million).

As such, JSE reported a net profit of \$293.28 million compared to a profit of \$149.18 million in the prior year, a 97% increase. While net profit for the quarter amounted to \$102.21 million (2016: \$47.43 million). JSE noted that this was due to the, "increase in the volume of business in relation to the trading of securities has resulted in Cess Income being a major contributor."

Total comprehensive income was for the period amounted to \$289.48 million relative to \$155.78 million in 2017, while for the quarter it amounted to \$106.46 million (2017: \$47.47 million).

⁴Prices are as at February 7, 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 | 138.500 | 100.000 | 135.2388 | 148.050 | 105.000 | 136.6980 |
| CAN | 108.000 | 77.080 | 104.2027 | 109.040 | 90.000 | 104.5862 |
| GBP | 177.500 | 129.000 | 173.3236 | 187.000 | 152.150 | 175.2355 |
| EURO | 153.500 | 108.000 | 145.8610 | 160.200 | 136.000 | 155.6854 |

*Rates as at February 6, 2019

MONEY MARKET

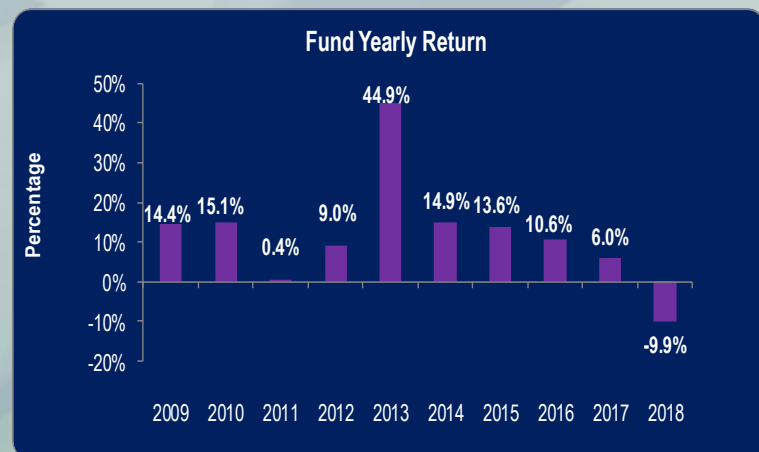
The Jamaican dollar fixed income market was liquid in today's (February 07, 2019) trading session. The overnight rate stood at 1.90% to 2.20% while the 30-day rate ranged at 2.30% to 2.50%.

The US dollar fixed income market was also liquid during today's (February 07, 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%.



U.S: U.S. Jobless Claims Fall Less Than Expected After Shutdown Ends

Filings for U.S. unemployment benefits fell by less than expected last week, signaling it may take longer for the labor market to return to its previous trend following the partial government shutdown. Jobless claims declined to 234,000 in the week ended Feb. 2, above economist forecasts for 221,000 after the highest reading in more than a year, Labor Department figures showed Thursday. The four-week average, a less volatile measure, increased to 224,750, an eight-week high. The smaller-than-expected decline in claims suggests some effects of the longest-ever U.S. federal shutdown may still be rippling through the economy. Even so, the Labor Department's monthly employment report last week showed job gains remained robust in January. While federal workers' claims aren't factored into the headline numbers, contractors and businesses were hit by the shutdown, potentially boosting the weekly figures. Recent claims figures may also reflect typical seasonal volatility around holidays, as the prior week included Martin Luther King Jr. Day. Initial filings by federal employees, data reported with a one-week lag, fell by 8,070 to 6,669 on an unadjusted basis in the week ended Jan. 26, the final week of the shutdown. While the prior week's jump in overall claims may continue to reverse now that agencies have reopened, the closure likely reduced economic growth in the first quarter, and President Donald Trump has threatened to shut down the government again if his demands for a U.S.-Mexico border wall aren't met.

<https://www.bloomberg.com/news/articles/2019-02-07/u-s-jobless-claims-fall-less-than-expected-after-shutdown-ends?srnd=economics-vp>

Europe: Euro-Area Slowdown Risks Keep Brake on Czech Rate-Hike Binge

The Czech central bank held borrowing costs unchanged for a second meeting, holding off on interest-rate hikes until it has a better idea of where the global economy is headed. With the likelihood of rate increases by the European Central Bank diminishing, the Czech National Bank is trying to assess disinflationary risks from the euro area, the country's biggest export market. After a record five hikes last year, Governor Jiri Rusnok still sees room for more increases in 2019, depending on the koruna exchange rate and factors including Brexit and U.S-China trade tensions. The central bank lowered its economic-expansion and inflation forecasts as regional growth eases. While domestic price pressures persist, rate-setters "can't ignore" signals of a relatively rapid cooling of growth in key trading partners and the outlook for a longer period of negative rates in the euro zone, Rusnok told reporters. "These are the circumstances that led to the majority decision to wait with the next interest-rate increase until a future opportunity presents itself, by which I mean any meeting this year," he said. Rusnok said he can imagine one or two hikes in 2019, but there's also a possibility of no change at all if external conditions deteriorate further. Czech manufacturing worsened more than expected last month, one of the first signs that a slowdown abroad is spilling into the export-reliant country. Apart from the impact of weaker euro-area demand, the central bank is trying to avoid pushing rates too high above those in the currency region.

<https://www.bloomberg.com/news/articles/2019-02-07/euro-area-slowdown-risks-keep-the-brake-on-czech-rate-hike-binge?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at February 4, 2019

| | Percentage (%) |
|--------------------------------|----------------|
| Yield to Maturity | 6.36 |
| Weighted Average Coupon | 5.539 |
| Current Yield | 5.61 |

The platinum portfolio has an effective maturity of 13.52 years and duration of 4.70 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, www.bloomberg.com, www.investopedia.com, www.tradewire.com

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