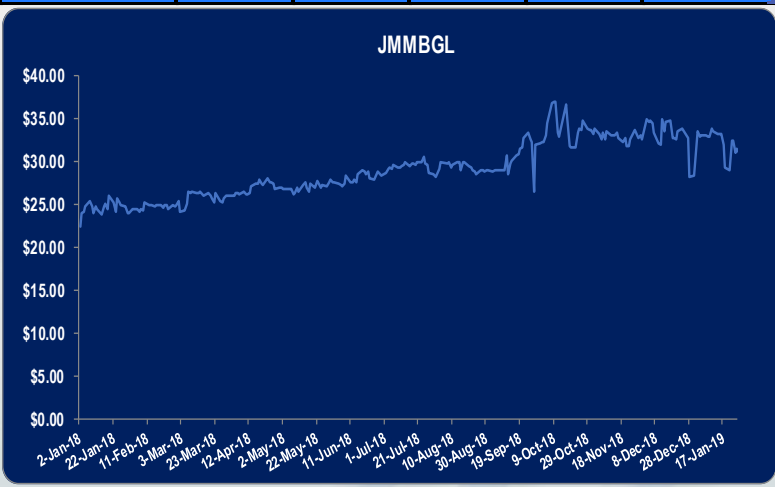




### LOCAL STOCK MARKET: (JS)<sup>+</sup>

Stock Symbol	ISP	GK	JSE	JMMBGL	SEP
Current Price (\$)	12.03	57.80	13.55	32.80	34.85
Trailing EPS (\$)	0.44	4.04	0.52	2.40	1.44
P/E (times)	27.60	14.31	26.05	13.66	24.15
Projected P/E	27.97	13.53	22.88	12.64	14.61
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	9.33	2.00	2.38
Dividend Yield (2018 %)	N/A	3.08%	4.28%	2.14%	3.17%
Volumes	NIL	1,521,787	81,864	1,076	367,676
Recommendation	SELL	HOLD	SELL	BUY	BUY



### STOCK OF THE DAY: JMMB Group Limited (JMMBGL)

**For six months ended September 30, 2018:-**

JMMB Group Limited - (JMMBGL) booked net interest income of \$4.35 billion compared to \$3.76 billion in 2017, an increase of 16%. Of this, interest income grew by 11% to close at \$8.67 billion, from the \$7.83 billion booked in 2017, while interest expenses increased by 6% to total 4.32 billion relative to \$4.07 billion in the prior year.

Fees and commission income for the period amounted to \$1.19 billion, an improvement of 50% on the \$797.10 million recorded for last year's corresponding period. Foreign exchange margins from cambio trading recorded an increase of 133% year over year to close the quarter at \$1.27 billion (2017: \$544.70 million), while net gains from securities trading showed a decline of 17% totalling \$2.50 billion (2017: \$3.01 billion). Dividend income for the period fell 30% to close at \$8.91 million (2017: \$12.881 million).

Operating revenue net of interest expense for the six months improved 15% to \$9.32 billion versus \$8.13 billion in 2017. For the quarter, operating revenue net of interest expense also increase 15% to close at \$4.66 billion in contrast to the \$4.06 billion recorded in 2017.

JMMBGL recorded an impairment loss on financial assets of \$172.05 million, 4% up from the \$165.01 million booked for the same period in 2017.

Operating expenses amounted to \$6.38 billion, a year over year growth of 12% (2017: \$5.67 billion) which led to an operating profit of \$2.78 billion, an increase when compared to the \$2.29 billion booked the year prior.

Other income booked for the period declined 49% to \$28.63 million relative to a total \$56.63 million reported for the corresponding period in 2017. As such, the JMMBGL booked profit before taxation of \$2.80 billion for the period, 19% higher than the \$2.35 billion recorded in 2017.

Following taxes of \$731.39 million (2017: \$680.94 million), JMMBGL booked a 24% increase in net profit to \$2.07 billion compared to \$1.67 billion reported for the similar period of 2017. Net profit for the quarter totalled \$1.12 billion, a 6% increase compared to \$1.06 billion recorded in 2017.

Net profit attributable to the shareholders of the company totalled \$2.03 million relative to \$1.67 million in 2017, a 22% improvement year over year. Net profit attributable to the shareholders of the company for the quarter totalled \$1.10 billion, 4% higher than \$1.06 billion in 2017.

<sup>+</sup>Prices are as at February 8, 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	134.1620	148.050	102.510	136.3391
CAN	107.000	76.000	103.7982	108.010	92.000	103.4712
GBP	176.450	129.000	169.0803	188.060	159.380	177.4254
EURO	153.800	108.000	148.1463	167.060	142.000	154.9689

\*Rates as at February 7, 2019

### MONEY MARKET

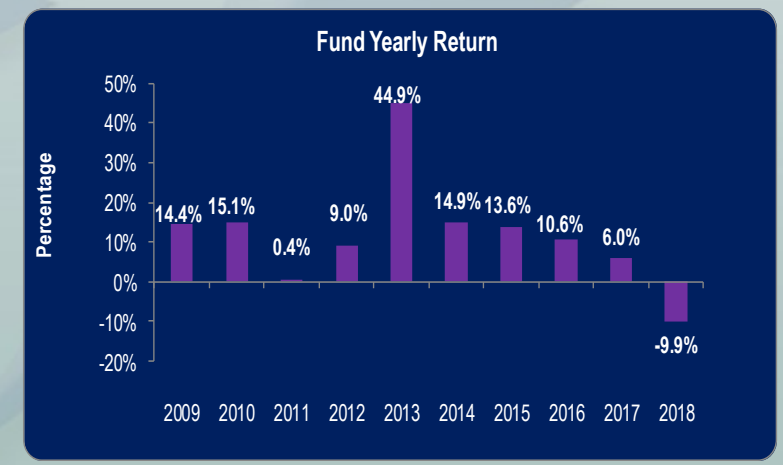
The Jamaican dollar fixed income market was liquid in today's (February 08, 2019) trading session. The overnight rate stood at 1.90% to 2.20% while the 30-day rate ranged at 2.30% to 2.50%.

The US dollar fixed income market was also liquid during today's (February 08, 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. Warns EU Tariff Threat Will Return Unless Juncker Delivers**

The U.S.-European trade truce struck last summer that's helped keep punitive tariffs at bay is at risk of unraveling, with America's top diplomat to the European Union citing a lack of good will and progress in negotiations. "The good faith and understanding that existed on July 25 has not been followed through on," U.S. Ambassador to the EU Gordon Sondland said in an interview in Brussels, referring to the day President Donald Trump met with European Commission President Jean-Claude Juncker to discuss trade. The meeting was supposed to launch a "phase of close friendship" and "strong trade relations," according to a joint statement at the time. And while official trade talks haven't yet started, a disagreement over how to proceed and what was even agreed upon at the encounter has left the two sides at an impasse. The deteriorating relations come at a difficult time, with the U.S. Commerce Department poised to present a report on the national-security implications of auto imports to the president that could lead to tariffs on foreign cars. Trump used the same argument last year to hit steel and aluminum imports with duties, which led the EU to retaliate with its own targeted tariffs. Complicating matters is the fact that the two sides don't agree on what was included in the scope of their discussions, particularly when it comes to agriculture. The joint statement said efforts would be made to ease trade in non-auto industrial goods, pharmaceuticals, chemicals, medical products and soy beans while opening markets for farmers and workers.

<https://www.bloomberg.com/news/articles/2019-02-07/trans-atlantic-goodwill-ebbs-putting-trade-detente-at-risk?srnd=economics-vp>

**Asia: India's New Central Bank Chief Delivers Election Cut for Modi**

India's new central bank chief delivered an unexpected interest rate cut, providing Prime Minister Narendra Modi with the kind of stimulus he needs to stoke economic growth in an election year. In a sharp reversal from October, when the Reserve Bank of India took rate cuts off the table, Governor Shaktikanta Das -- who took office in December -- opened the door to more policy easing and brought growth firmly back onto the Monetary Policy Committee's agenda. That was a departure from his predecessor Urjit Patel, whose singular aim was to meet the RBI's 4 percent inflation mandate. The surprise move came almost a week after Modi's administration unveiled an expansionary budget, which included \$13 billion of help for consumers ahead of the poll that's due by May, and days after a top adviser to the prime minister said the RBI should cut rates. The U.S. Federal Reserve's shift to a more dovish stance is giving emerging markets like India a reprieve after last year's rate hikes. Central banks in the Philippines and Thailand also held rates steady this week, while developed economies, like the Reserve Bank of Australia are also shifting stance. Das, a career bureaucrat, was appointed shortly after Patel resigned as governor amid a heated public battle with the state, which led to questions about the central bank's independence from politics. Modi's government has been pushing the RBI to transfer more of its excess capital to the state as well as ease lending restrictions on banks to spur growth.

<https://www.bloomberg.com/news/articles/2019-02-07/india-central-bank-unexpectedly-cuts-rate-changes-stance?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](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  
 MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS

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