



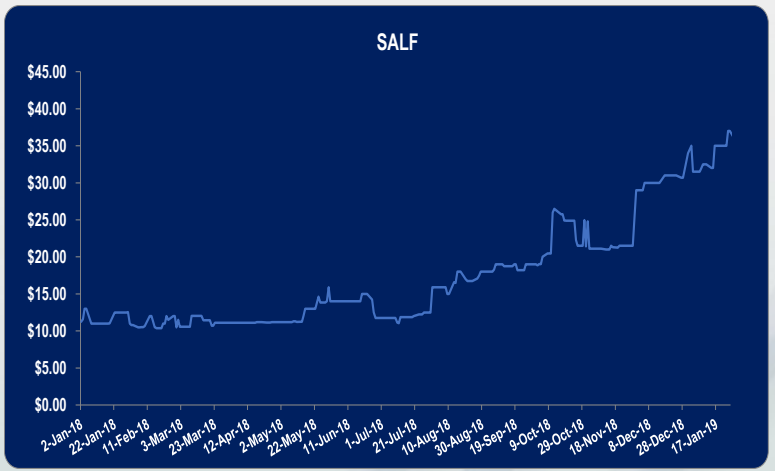
LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	SALF	CAR	CPJ	ISP	BPOW
Current Price (\$)	38.08	9.47	4.72	12.03	6.08
Trailing EPS (\$)	2.11	0.73	0.05	0.44	0.24
P/E (times)	18.01	12.93	90.78	27.60	25.82
Projected P/E	16.60	12.33	16.75	27.97	22.67
Projected EPS (\$)*	2.29	0.77	0.28	0.43	0.27
Book Value per share (\$)	9.04	0.30	2.72	2.98	1.48
Price/Book Value (times)	4.21	31.76	1.74	4.04	4.10
Dividend Yield (2018 %)	9.33%	7.63%	N/A	N/A	0.45%
Volumes	10,860	162,657	NIL	NIL	10,218
Recommendation	BUY	BUY	HOLD	SELL	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	138.000	100.000	133.8858	148.050	102.510	135.2090
CAN	104.130	76.000	102.6376	109.060	90.000	102.9559
GBP	179.000	132.000	172.1269	189.080	159.000	177.8091
EURO	160.000	108.000	146.4058	170.040	136.000	153.7718

*Rates as at February 8, 2019



STOCK OF THE DAY: Salada Foods Jamaica Limited (SALF)

For the year ended September 30, 2018:

Salada Foods, recorded a 19% increase in turnover to close at \$1.04 billion (2017: \$871.73 million). For the fourth quarter revenue amounted to \$292.79 million (2017: \$258.94 million), a 13% rise.

SALF also noted that, “domestic sales continue to perform well, growing by 16.7% above prior year as we deepen our penetration in existing channels and access new ones. Sales to the trade through our distribution partner Lasco was \$655M, 13% above prior year. Export sales also did well, as both the Canadian and Barbadian market performed, growing year on year by 440% and 220% respectively. Our contract packaging sales grew 35% above last year.”

Cost of sales for the year increased by 8% to close the period at \$641.54 million relative to \$595.48 million in 2017. As such, gross profit amounted to \$399.96 million, a 45% increase year over year from the \$276.25 million booked in the prior year. Gross profit for the quarter posted a 75% growth to close at \$107.16 million relative to \$61.18 million booked for the comparable quarter in 2017.

Administrative expenses fell by 43% to \$84.98 million (2017: \$148.86 million). Also, selling and promotional expense increased by 37% from \$32.76 million in 2017 to \$44.90 million. Management stated that, “The launch of the MB876 and other marketing activities pushed selling and promotional expenses up 37.3% or \$12.14M above prior year”. SALF also incurred other operating expenses in 2017 amounting to \$14.59 million relative to nil in 2018.

Consequently, this resulted in an operating profit of \$270.07 million, up 237% compared with the \$80.05 million reported for the prior year. Operating profit for the fourth quarter surged to \$105.18 million (2017: \$4.27 million). The company reported net finance income of \$20.64 million for the period; this compares to the net finance income of \$7.46 million for the same period in 2017. Profit before taxation increased by 232% to \$290.71 million versus \$87.51 million booked for the previous year.

Net profit climbed significantly by 219%, from \$68.69 million in 2017 to \$219.18 million following taxation of \$71.53 million (2017: \$18.82 million). Net profit for the quarter rose to \$82.32 million in 2018 relative to \$5.40 million in 2017.

Net profit attributable to shareholders amounted to \$219.68 million relative to \$69.63 million booked twelve months earlier. Management noted, “profits we buoyed by strong sales performance, with the Group achieving sales over one billion (\$1.041B), for the first time in the Company’s history. SALF noted, “the optimization of factory operations resulted in improved margins, which also contributed.” Earnings per stock for the year amounted to \$2.11 (2017: \$0.67). The EPS for the quarter was \$0.79 (2017: \$0.04). SALF stock price closed the trading period on November 27, 2018 at a price of \$21.50.

In May we launched our Mountain Bliss 876 (MB876) brand in keeping with our strategy to engage younger consumers. MB876 featured two SKU’s the Gold, which is a freeze-dried coffee and Classic, an agglomerated coffee. Within 5 months of launch we have gained retail distribution of 70%.

⁺Prices are as at February 11, 2019 *Projections are made to the company’s financial year end

MONEY MARKET

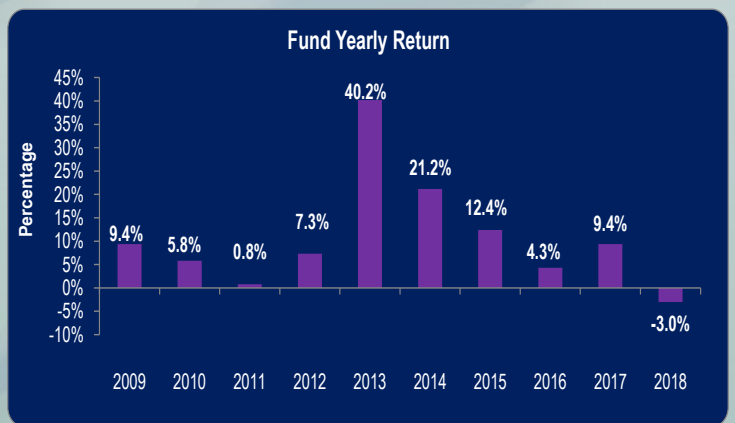
The Jamaican dollar fixed income market was liquid in today’s (February 11, 2019) trading session. The overnight rate stood at 1.90% to 2.10% while the 30-day rate ranged at 2.30% to 2.50%.

The US dollar fixed income market was also liquid during today’s (February 11, 2019) trading session; The overnight market rates were quoted at 2.0% to 2.30% while the 30-day market rates stood at 2.40% to 2.60%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI American Value Corporate Class

This fund's objective is to provide superior returns with a limited level of risk by investing in a diversified portfolio of high quality undervalued companies. It invests primarily in equity and equity-related securities of companies in the United States. Any change to the investment objective must be approved by a majority of votes cast at a meeting of shareholders held for that reason. The fund has a 3 year return of 6.7% and a 5 year return of 9.4% as at December 31, 2018. The Fund also has a 10 year return of 11.2%.



U.S: U.S. Stocks Mixed as Key Week for Trade Starts: Markets Wrap

U.S. equities were mixed at the start of a week that could be pivotal for global trade, while lawmakers in Washington continue to negotiate a contentious spending bill. The dollar strengthened for an eighth day, and 10-year Treasuries fell. The S&P 500 slipped Monday after starting the session higher. Industrials, anchored by railroads, were among the biggest gainers, while the communication services sector faltered. Health-care shares -- including UnitedHealth, Pfizer and Merck -- weighed on the Dow Jones Industrial Average. Stocks are coming off a lackluster week, with investors awaiting high-level U.S.-China trade talks. The threat of a shutdown in Washington is also in focus, as political tensions flare between Congress and the president. Volumes have been lower than average all session, and some investors may be sitting on the sidelines waiting for more potent market catalysts to emerge. Equities gained in China as exchanges reopened after a holiday. Trading in the rest of Asia was mixed. Trade tensions are ratcheting up as investors evaluate the prospects for a U.S.-China deal before the March 1 deadline for higher tariffs, as warnings mount that the dispute is curbing the global economic expansion and denting corporate profits. Japan's securities markets were shut for a holiday, and the yen weakened.

<https://www.bloomberg.com/news/articles/2019-02-10/stocks-in-asia-set-to-dip-as-china-traders-return-markets-wrap>

Europe: U.K. Economy Wilts as Brexit Jitters Hit Business Investment

Brexit uncertainty dragged U.K. investment to its worst slump since the financial crash a decade ago, leaving the economy with barely any momentum. Gross domestic product increased a smaller-than-forecast 0.2 percent in the fourth quarter, while December alone saw the economy shrink by 0.4 percent, the most since before the 2016 vote to leave the European Union. The pound fell 0.4 percent to \$1.2897 as of 10:36 a.m. in London. The slowdown came as businesses cut investment for a fourth consecutive quarter, the longest continuous decline since 2008-2009. The fear gripping business was illustrated this month when Japanese carmaker Nissan Motor Co. scrapped plans to build a new model in Sunderland. Airbus SE, which makes wings for commercial aircraft in Britain, has also threatened to switch investment elsewhere. Business investment fell 0.9 percent in 2018. The U.K. is due to leave the European Union in a little over six weeks, and politicians are yet to agree on an exit deal. With businesses demanding clarity, and Bank of England Governor Mark Carney warning of damage from the "fog of Brexit," Monday's report underlines that the political wrangling in Westminster comes at a real cost.

<https://www.bloomberg.com/news/articles/2019-02-11/u-k-economy-wilts-as-brexit-jitters-hit-business-investment>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at February 11, 2019	
	Percentage (%)
Yield to Maturity	6.3
Weighted Average Coupon	5.539
Current Yield	5.56

The platinum portfolio has an effective maturity of 13.55 years and duration of 4.72 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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