

# MAYBERRY INVESTMENTS LIMITED

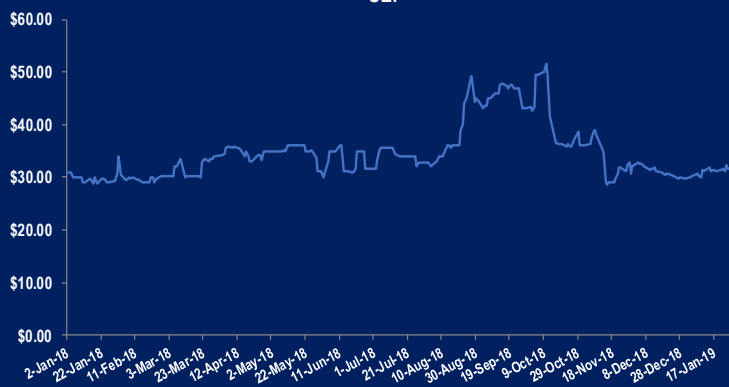
## DAILY RECOMMENDATION



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

Stock Symbol	SEP	LASM	SGJ	PTL	EPLY
Current Price (\$)	39.00	3.19	53.99	2.40	13.00
Trailing EPS (\$)	1.44	0.18	4.10	0.02	0.56
P/E (times)	27.02	17.91	13.15	103.81	23.01
Projected P/E	16.35	16.52	12.74	101.97	19.58
Projected EPS (\$)*	2.38	0.19	4.24	0.02	0.66
Book Value per share (\$)	14.66	1.34	37.17	0.46	3.95
Price/Book Value (times)	2.66	2.39	1.45	5.19	3.29
Dividend Yield (2018 %)	3.17%	1.01%	3.70%	1.30%	2.30%
Volumes	36,767	138,653	5,498	35,364	1,000
Recommendation	BUY	HOLD	HOLD	SELL	HOLD

SEP



### STOCK OF THE DAY: Seprod Limited (SEP)

For the nine months ended September 30, 2018:

Seprod Limited (SEP) posted revenue totalling \$15.50 billion compared to \$12.14 billion recorded for the same period of the prior financial year, representing a 28% increase year over year. The Manufacturing Division recorded a 34% growth to close at \$14.61 billion (2017: \$10.94 billion), while the Distribution Division recorded a slight increase by 1% closing at \$5.24 billion (2017: \$5.20 billion). For the third quarter, Revenue climbed by 34% to total \$5.07 billion relative to \$3.77 billion reported the prior year's corresponding quarter.

Cost of sales increased by 14% from \$9.19 billion to \$10.50 billion, resulting in gross profit increasing by 70% to close at \$5 billion (2017: \$2.95 billion). For the quarter, gross profit closed the period at \$1.56 billion relative to \$895.48 million in the previous comparable period.

Finance and other operating income totalled \$682.01 million compared to \$639.59 million in 2017, a 7% improvement year over year. For the quarter, finance and other operating income went up significantly by 78% to close at \$452.87 million (2017: \$255.04 million).

Selling Expenses increased slightly by 5% to close the nine months period of 2018 at \$584.64 million (2017: \$558.23 million). However, Administrative Expenses for the period climbed by 84% to total \$3.35 billion versus \$1.82 billion in 2017. For the third quarter, 'Selling Expense' and 'Administrative Expenses' closed at \$348.23 (2017: \$197.23 million) and \$1.07 billion (2017: \$588.80 million), respectively.

As such, Operating Profit grew 45%, moving from \$1.21 billion to \$1.75 to close the nine months period of 2018. For the quarter, operating profit went up 64% to total \$598.63 million (2017: \$364.48 million).

Finance costs totalled \$473.44 million (2017: \$252.46 million), an increase of 88% year over year. For the quarter, finance cost closed at \$164.13 million compared to \$82.45 million in the prior comparative quarter. Profit before taxation increased to \$1.30 billion in 2018, a 45% increase on \$892.25 million reported a year prior. Profit before taxation for the third quarter amounted to \$437.34 million (2017: \$256.40 million).

Seprod reported net profit of \$969.66 million, a growth of 66% relative to last year's corresponding period of \$582.79 million, after incurring taxes of \$327.66 million (2017: \$309.45 million). For the quarter, net profit increased by 207% to \$371.26 million compared to \$120.95 million in 2017.

Net Profits attributable to shareholders amounted to \$1.05 billion, a year over year improvement from the \$725.15 million recorded a year earlier. For the third quarter, Net Profit attributable to shareholders totalled \$386.26 million (2017: \$194.16 million).

\*Prices are as at February 15, 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	136.200	100.000	133.1186	148.310	100.530	134.1966
CAN	102.400	76.550	101.6724	109.580	90.000	101.6721
GBP	173.200	128.000	170.4461	189.820	160.000	172.1614
EURO	149.500	108.740	140.7843	169.060	138.000	150.1906

\*Rates as at February 14, 2019

### MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (February 15, 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%.

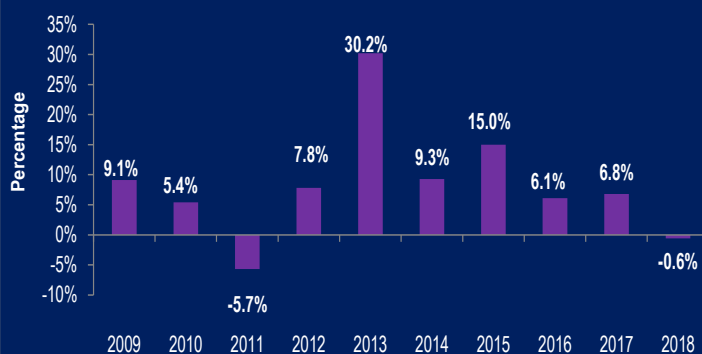
The US dollar fixed income market was also liquid during today's (February 15, 2019) trading session; The overnight market rates were quoted at 2.0% to 2.30% while the 30-day market rates stood at 2.40% to 2.60%.

### OVER THE COUNTER FUNDS (CI FUNDS)

#### CI Global Value Fund

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 6.0% and a 5 year return of 7.8% as at December 31, 2018. The Fund also has a 10 year return of 9.0%.

Fund Yearly Return



U.S: Salt Lake City Tops U.S. in Diversity of Jobs; Las Vegas Is Last

If you're looking for a career change, you might want to consider a move to Salt Lake City, Utah for the best range of job options. That's one takeaway from LinkUp's 4Q report which ranked Salt Lake City the highest in terms of job market diversification in 2018 among metropolitan statistical areas with a population over 1.1 million. Salt Lake City is home to a number of large businesses such as Zions Bancorp, the largest lender in the state of Utah, Extra Space Storage Inc., a self-managed real estate investment trust, health care concern Myriad Genetics Inc., discount e-commerce retailer Overstock.com Inc. and Instructure Inc., an online education provider, just to name a few of the city's diverse employers. The Utah capital and most populous city attracts employers because of its strong labor-force growth, according to the report published Friday. Cities with more diverse job markets are less likely to be affected by a single company's actions, according to Molly Moseley, CMO of job search engine LinkUp. "You can have a strong economy but if you focus on just one or two sectors, it's not diversified," Moseley said. "If something were to happen, like one employer went under, that market could plummet."

<https://www.bloomberg.com/news/articles/2019-02-15/most-diverse-jobs-are-in-salt-lake-city-a-linkup-report-shows?srnd=economics-vp>

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.

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](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)

Europe: ECB Moves Closer to Global Dovish Shift as Coeure Mulls Loans

The European Central Bank took a step closer to injecting fresh stimulus into the weakening euro-area economy as one of its top policy makers said discussions are under way on offering banks new long-term loans. The comments by Benoit Coeure, the ECB Executive Board member in charge of markets, provided the strongest signal yet that euro-area policy makers are considering another round of funding. He also echoed ECB President Mario Draghi that there must be a monetary policy case for such action. Central banks around the world are following the Federal Reserve in reining in plans to tighten monetary policy. The ECB itself has already changed its language to warn of downside risks to the outlook, while India's central bank unexpectedly cut interest rates last week and easing inflation bolstered bets that more reductions could be on the cards. With the euro-area outlook deteriorating, the ECB is expected to cut its economic growth forecasts at its next meeting in March. That gathering is also at the center of speculation about new loans, known as TLTROS. "I can see that there is a big discussion in the market of adding a new, as we call it, TLTRO, targeted long-term refinancing operation," Coeure said. "It is possible. We are discussing it, but we want to be sure that it serves a monetary purpose."

<https://www.bloomberg.com/news/articles/2019-02-15/coeure-says-new-longer-term-loans-possible-ecb-is-discussing?srnd=economics-vp>

STRUCTURED PRODUCT

Mayberry Platinum

The Mayberry Platinum portfolio is ideal for investors seeking a short to medium-term investment with returns denominated in hard currency. The portfolio comprises Investment Grade corporate and sovereign bonds, which provide strong yield and performance. The primary objective of this product is to provide our clients with income as well as capital appreciation. The Platinum portfolio enables the client to take full advantage of a diversified bond portfolio and is ideal for persons who do not have the time to actively manage their own portfolio.