

# MAYBERRY INVESTMENTS LIMITED

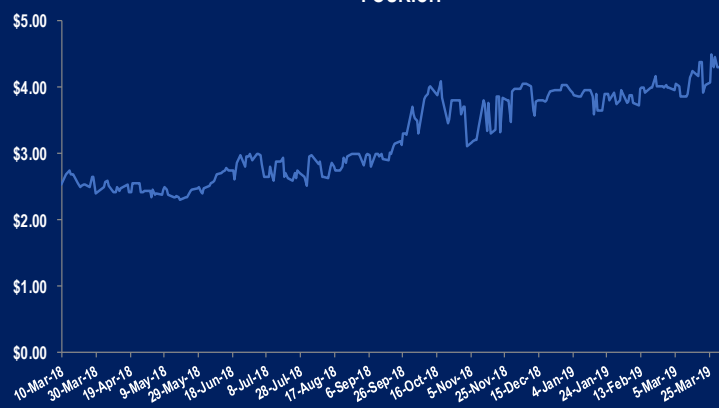
## DAILY RECOMMENDATION



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

Stock Symbol	KREMI	GK	ECL	FOSRICH	PTL
Current Price (\$)	5.51	59.91	7.53	4.28	2.50
Trailing EPS (\$)	0.30	5.03	0.27	0.18	0.02
P/E (times)	18.20	11.91	27.66	23.78	108.14
Projected P/E	17.81	10.63	23.92	19.66	106.22
Projected EPS (\$)*	0.31	5.63	0.31	0.22	0.02
Book Value per share (\$)	1.89	44.84	0.15	1.38	0.46
Price/Book Value (times)	2.92	1.34	50.73	3.10	5.41
Dividend Yield (2018 %)	N/A	3.08%	13.14%	N/A	1.30%
Volumes	3,782	4,097	3,100	4,462	NIL
Recommendation	HOLD	BUY	BUY	HOLD	SELL

FOSRICH



### STOCK OF THE DAY: Fosrich Company Limited (FOSRICH)

#### For the twelve months December 31, 2018:-

Revenue rose by 24% to \$1.29 billion relative to 2017's \$1.05 billion. Revenue for the quarter amounted to \$347.33 million, 39% above the \$250 million booked for the similar quarter of 2017.

Cost of sales increased by 32% to \$759.23 million (2017: \$73.01 million). As a result, gross profit increased by 13% to \$534 million compared to \$473.23 million in 2017. Gross profit for the quarter amounted to \$123.64 million (2017: \$113.10 million).

Other income totalled \$47.41 million for the period relative to the previous year's gain of \$41.91 million.

Total expenses increased by 7% to \$490.29 million (2017: \$456.26 million). Of this, administrative and other expenses increased to \$422.79 million (2017: \$404.83 million), while finance costs expenses recorded an increase of 31%, closing at \$67.50 million (2017: \$51.43 million). Total expenses for the quarter amounted to \$133.57 million compared to \$123.03 million.

Consequently, profit before taxation amounted to \$91.11 million relative to \$58.88 million in 2017, representing a 55% increase year-on-year.

Tax charges for the year was \$718,259, a 82% decrease when compared with \$3.94 million. As a result, net profit for the year amounted to \$90.39 million relative to \$54.94 million. Net profit for the quarter amounted to \$19.37 million (2017: \$32.37 million).

Earnings per share amounted to \$0.18 for the period relative to earnings per share of \$0.11 in 2017. EPS for the quarter amounted to \$0.04 (2017: \$0.06). The number of shares used in our calculations is 502,275,555.

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	143.960	97.556	126.1380	143.960	98.001	128.1924
CAN	98.500	76.001	94.9064	105.734	90.000	99.4701
GBP	170.500	131.364	161.0489	189.036	155.000	165.3659
EURO	139.000	107.835	134.2201	161.070	130.900	142.7925

\*Rates as at April 04, 2019

### MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (April 5, 2019) trading session. The over night rate stood at 1.30% to 1.70% while the 30-day rate ranged at 2.20% to 2.40%.

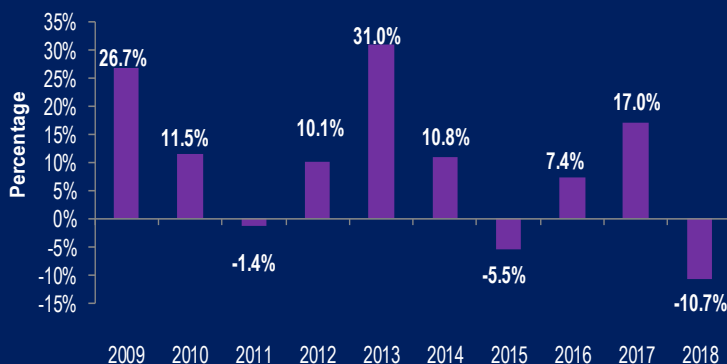
The US dollar fixed income market was also liquid during today's (April 5, 2019) trading session; The overnight market rates were quoted at 2.0% to 2.30% while the 30-day market rates stood at 2.60% to 3.00%.

### 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 10.2% and a 5 year return of 5.6% as at December 31, 2018. The Fund also has a 10 year return of 11.7%. The Fund also has a 3 month return of 0.8%.

Fund Yearly Return



## U.S.: U.S. Payrolls Top Estimates With 196,000 Rise as Wages Cool

U.S. hiring rebounded more than forecast in March and the prior month was stronger than first reported, potentially relieving some concerns about a cooling economy. Wage gains eased and the unemployment rate held near a 49-year low. Payrolls rose 196,000 after a 33,000 advance, a Labor Department report showed Friday. The median estimate in a Bloomberg survey saw an increase of 177,000 after an initially reported 20,000 gain in February. Treasury yields pared their gains briefly, but recovered to pre-report levels. U.S. stock futures advanced. The jobless rate was unchanged at 3.8 percent, while average hourly earnings increased 3.2 percent from the prior year, below all estimates and down from the best pace of the expansion. The data signal the labor market is solid enough to support economic growth in coming months even if job gains are moderating from last year's pace. Unemployment near historic lows bodes well for consumer spending, though weaker wage gains suggest inflation will be even more muted as Fed policy makers wait to see how the U.S. economy weathers a global slowdown. "This a perfect report for the Fed because it actually corroborates what they've been saying all along, which is there are no wage pressures," Subadra Rajappa, head of U.S. rates strategy at Societe Generale SA, said in a Bloomberg Television interview. "There's very little risk of wage inflation." The data come as investors expect an interest-rate cut this year after four hikes in 2018. The Fed early in 2019 removed projections for rate rises in the near term while flagging increasing economic risks amid slowing global growth.

<https://www.bloomberg.com/news/articles/2019-04-05/u-s-payrolls-top-estimates-with-196-000-rise-wage-gains-ease?srnd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at April 1, 2019

	Percentage (%)
Yield to Maturity	6.03
Weighted Average Coupon	5.526
Current Yield	5.31

The platinum portfolio has an effective maturity of 13.55 years and duration of 4.60 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.

**Company Disclosure** -The information contained herein has been obtained from sources believed to be reliable, however its accuracy and completeness cannot be guaranteed. You are hereby notified that any disclosure, copying, distribution or taking any action in reliance on the contents of this information is strictly prohibited and may be unlawful. Mayberry may effect transactions or have positions in securities mentioned herein. In addition, employees of Mayberry may have positions and effect transactions in the securities mentioned herein.

### 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)

## Asia: Kudlow Sees No Letup in China Talks as Both Sides Cite Progress

President Donald Trump's top economic adviser said the U.S. and China will continue intense discussions to reach a trade deal as both sides tout progress at the negotiating table. Chinese Vice Premier Liu He and U.S. officials resumed talks on Friday in Washington, said White House National Economic Council Director Larry Kudlow. Next week, negotiators will "be in touch" by phone, Kudlow said in an interview on Bloomberg TV. "There is no letup," he said. Trump, speaking to reporters on Friday, hailed the latest round of discussions in Washington as a "big success" but said he didn't want to predict whether a deal would be reached. The president said before meeting Liu on Thursday in the Oval office that the U.S. and China were close to a trade agreement, with an announcement possible in the next four to six weeks. President Xi Jinping has called for an early conclusion to negotiations, the official Xinhua News Agency reported. Liu said the two sides had "reached new consensus on such important issues as the text" of a trade agreement, according to Xinhua. Liu met with the president after two days of talks between Chinese and American trade negotiators in Washington. Trump didn't announce a summit with Xi -- a meeting Trump has said is critical to finalizing an agreement. A month ago, Trump was touting the idea of a "signing summit" with Xi, with aides suggesting the meeting could take place at Trump's Mar-a-Lago resort in Florida. "If we have a deal, then we'll have a summit," Trump said on Thursday.

<https://www.bloomberg.com/news/articles/2019-04-04/trump-says-china-trade-deal-isn-t-ready-but-may-be-monumental?srnd=economics-vp>

## STRUCTURED PRODUCT

### Mayberry Managed Equity Portfolio (MMEP)

We offer a managed equity portfolio for both institutions and individuals. The MMEP is a full discretionary managed portfolio of a diversified group of stocks. The stocks included in the portfolio represent Mayberry's top recommended stocks. Persons who find it difficult to manage their equity portfolios on a day to day basis should consider the MMEP. Further, the MMEP is for individuals and institutions who would like to pursue a medium to long term equity strategy.

OVER 20 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH  
= POSITIVE TRANSFORMATION FOR OUR CLIENTS

MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS



...BULLISH ON JAMAICA



**MAYBERRY**  
INVESTMENTS LIMITED  
A Member of the Jamaica Stock Exchange

1 1/2 Oxford Road, Kingston 5, Jamaica. (876) 929 1908 - 9  
[research@mayberryinv.com](mailto:research@mayberryinv.com) [sales@mayberryinv.com](mailto:sales@mayberryinv.com) [www.mayberryinv.com](http://www.mayberryinv.com)