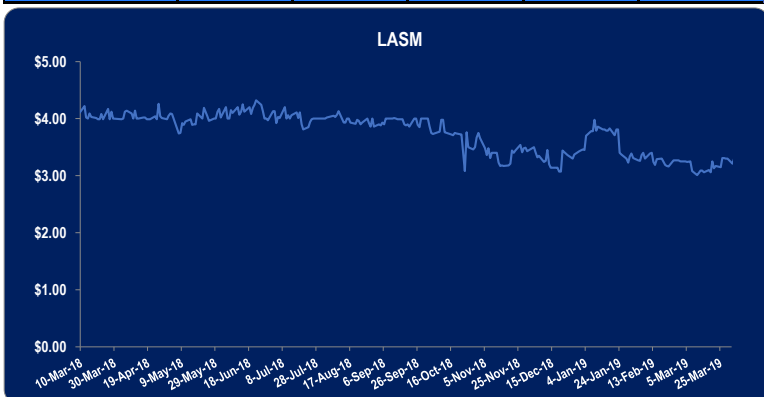


# MAYBERRY INVESTMENTS LIMITED

## DAILY RECOMMENDATION

### LOCAL STOCK MARKET: (J\$)<sup>+</sup>

Stock Symbol	LASM	ECL	FOSRICH	JP	SEP
Current Price (\$)	3.47	7.99	4.57	23.74	42.27
Trailing EPS (\$)	0.18	0.27	0.18	0.73	1.84
P/E (times)	19.49	29.35	25.39	32.66	22.92
Projected P/E	17.97	25.38	21.00	28.99	13.95
Projected EPS (\$)*	0.19	0.31	0.22	0.82	3.03
Book Value per share (\$)	1.34	0.15	1.38	10.79	21.66
Price/Book Value (times)	2.60	53.82	3.31	2.20	1.95
Dividend Yield (2018 %)	N/A	13.14%	N/A	0.72%	3.17%
Volumes	24,028	1,900	24,408	14,286	100,755
Recommendation	HOLD	BUY	HOLD	SELL	BUY



### STOCK OF THE DAY: Lasco Manufacturing Limited (LASM)

#### For the nine months ended December 31, 2018:

Total revenue increased by 6% from \$5.28 billion in 2017 to \$5.61 billion in 2018. Revenue increased \$32.91 million or 2% to a total of \$1.81 billion in the third quarter, relative to the \$1.78 billion recorded for the comparable quarter in 2017. Cost of sales amounted to \$3.68 billion (2017: \$3.61 billion) for the period, an increase of 2% year on year. However, for the third quarter cost of sales was recorded at \$1.20 billion in 2018 relative to \$1.22 billion in 2017, a 1% decline.

As a result, gross profit of \$1.93 billion was recorded for the period, 16% more than the \$1.66 billion booked for the corresponding period in 2017. Gross profit for the third quarter increased by 9% to \$611.24 million when compared to the \$561.12 million booked for the quarter ended December 3, 2017. LASM posted other income of \$4.61 million relative to \$14.76 million for the prior year.

Operating expenses increased 5% to close the period at \$1.02 billion versus \$970.31 million booked for the corresponding period last year. The company mentioned the capital investments were primarily focused on the continued build out of the new 65,000 square feet warehousing facility which was completed in the period. Expenses for the quarter also moved up by 23% to close at \$368.31 million (2017: \$300.61 million).

Consequently, LASM recorded operating profits of \$919.19 million, 30% higher than the \$707.85 million booked in 2017. Finance costs for the period fell 9% to \$90.03 million compared to \$99.26 million in the prior year's comparable period.

As such, profit before taxation amounted to \$829.15 million, a increase of 36% from the \$608.59 million recorded for the previous corresponding period. Taxes recorded for the period amounted to \$128.64 million compared to \$76.07 million incurred for the corresponding period in 2017. Net profit for the nine months totaled \$700.51 million, a 32% uptick when compared to \$532.52 million in 2017, while for the quarter totaled \$197.44 million (2017: \$195.29 million).

Consequently, earnings per share (EPS) for the period amounted to \$0.17 relative to \$0.13 in 2017. The EPS for the quarter amounted to \$0.05 relative to \$0.05 reported for 2017. The twelve months trailing EPS amounts to \$0.18. The number of shares used in the calculations amounted to 4,087,130,170 units.

<sup>+</sup>Prices are as at April 5, 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	131.850	97.556	126.6237	144.550	96.051	129.4051
CAN	94.100	76.001	90.6808	105.792	89.500	94.9805
GBP	171.200	130.790	167.4623	188.682	157.500	169.0902
EURO	143.500	107.914	135.0238	161.188	136.500	145.6399

\*Rates as at April 05, 2019

### MONEY MARKET

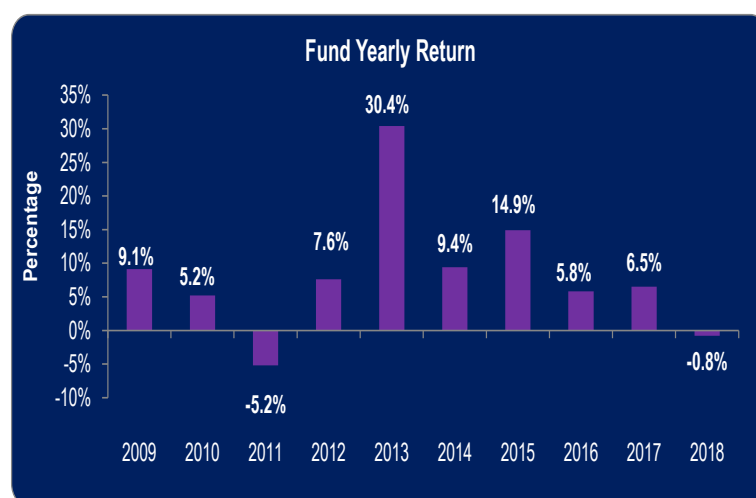
The Jamaican dollar fixed income market was liquid in today's (April 8, 2019) trading session. The over night rate stood at 1.30% to 1.70% while the 30-day rate ranged at 2.20% to 2.40%.

The US dollar fixed income market was also liquid during today's (April 8, 2019) trading session; The overnight market rates were quoted at 2.00% to 2.20% while the 30-day market rates stood at 2.40% to 2.70%.

### OVER THE COUNTER FUNDS (CI FUNDS)

#### CI Global Value Corporate Class

This fund invests primarily in equity and equity-related securities of companies around the world. The fund has a 3 year return of 8.4% and a 5 year return of 7.5% as at December 31, 2018. The Fund also has a 10 year return of 10%. The Fund also has a 1 month return of 2.5%.



With his call for lower interest rates, President Donald Trump has weighed into a debate inside the Federal Reserve about what central bankers should do about sub-par inflation. It's not totally crazy to think he'll eventually carry the day. In advocating easier credit, Trump and senior economic adviser Larry Kudlow have harped on the paucity of inflation to justify their call for a change of course by the central bank, even with the U.S. economy still expanding. "The Fed should drop rates," Trump told reporters on Friday after the government reported a larger-than-expected jump in payrolls for March. "They really slowed us down. There's no inflation." By highlighting weak inflation, Trump touched on a sensitive subject for Fed officials who've been struggling to understand why. Monetary policy makers have been surprised by how tame inflation has been and have cited "muted" price pressures as a reason why they can afford to be patient in deciding their next move, after four rate increases in 2018. Indeed, Chairman Jerome Powell has said he doesn't feel the Fed has "convincingly" hit its 2 percent inflation target after years of running mostly below it.

<https://www.bloomberg.com/news/articles/2019-04-07/fed-may-bow-to-trump-s-call-for-rate-cuts-if-inflation-softens?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at April 8, 2019	
	Percentage (%)
Yield to Maturity	6.04
Weighted Average Coupon	5.526
Current Yield	5.45

The platinum portfolio has an effective maturity of 13.56 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.

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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)

The European Union is zeroing in on its offer to the U.K. on the length of a Brexit delay as a small core group of leaders discuss a plan to hold a meeting to decide Britain's fate shortly before Wednesday's crucial summit. After several days of talks between diplomats of the EU's 27 remaining governments, a compromise between France, which is very skeptical about extending Britain's membership beyond April 12, and governments that think the U.K. should be given an extra year is beginning to emerge, four officials said. It is now likely that the offer to the U.K. on its Brexit delay will fall somewhere between June 30, 2019, and April 1, 2020, the officials said. At a minimum that would be contingent on the U.K. holding European Parliament elections May 23, but France is leading a group of countries that wants further conditions to ensure the U.K. doesn't disrupt EU business before it leaves.

<https://www.bloomberg.com/news/articles/2019-04-08/eu-said-closer-to-brexit-delay-deal-as-core-leaders-plan-talks?srnd=premium>

STRUCTURED PRODUCT

**USD Money Market**

This portfolio is a full discretionary managed bond portfolio, ideal for clients who have short-term USD liquidity needs. As-sets 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 prevail-ing devaluation in the local currency.