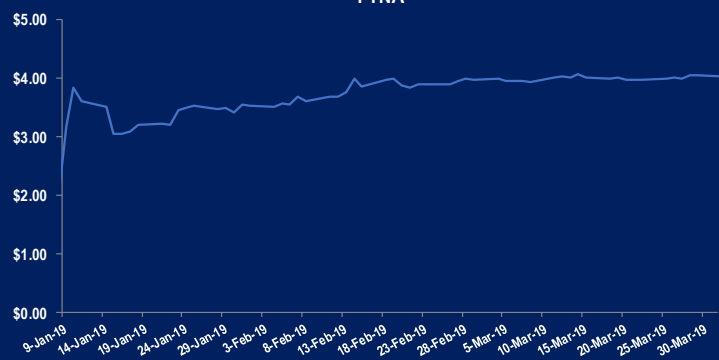


DAILY RECOMMENDATION

LOCAL STOCK MARKET: (JS) ⁺

Stock Symbol	FTNA	DCOVE	MEEG	CHL	LASD
Current Price (\$)	3.94	12.50	5.16	11.00	3.71
Trailing EPS (\$)	0.20	0.76	0.31	0.36	0.31
P/E (times)	19.49	16.42	16.59	30.66	11.94
Projected P/E	15.97	15.55	15.03	31.52	13.82
Projected EPS (\$)*	0.25	0.80	0.34	0.35	0.27
Book Value per share (\$)	0.73	9.38	1.85	1.02	1.48
Price/Book Value (times)	5.40	1.33	2.79	10.81	2.50
Dividend Yield (2018 %)	N/A	3.75%	N/A	2.45%	3.03%
Volumes	139,911	NIL	7,139	3,500	39,800
Recommendation	BUY	HOLD	HOLD	SELL	BUY

FTNA



STOCK OF THE DAY: Fontana Limited (FTNA)

For the six months ended December 31, 2018:-

Fontana Limited recorded a 7% increase in revenues to total \$2.16 billion compared to \$2.01 billion for the same period in 2017. Revenue for the 2nd quarter went up by 9% to \$1.22 billion (2017: \$1.12 billion).

Cost of Sales for the period increased 7%, closing at \$1.41 billion, up from \$1.32 billion reported the prior year, while for the second quarter there was a 15% increase closing at \$769.34 million (2017: \$667.25 million).

As such, gross profit for the six months amounted to \$747.39 million, an 8% uptick when compared to \$694.27 million recorded last year. However, gross profit for the second quarter slightly declined by 1% from \$457.50 million to \$451.67 million for the corresponding period in 2017.

Administrative expenses climbed by 10% for the period, to total \$483.26 million versus \$437.95 million in 2017, while selling and promotion closed the six months at \$35.56 million (2017: \$35.24 million).

As such operating profit saw a 3% increase to \$228.58 million relative to \$221.09 million booked a year ago.

Finance Cost for the six months totalled \$31.12 million, a increase of 3% when compared to the \$30.16 million recorded for the same period last year, while other income amounted to \$16.58 million relative to \$16.08 million the prior year.

This resulted in profit before taxation totalling \$214.03 million compared to \$207.01 million recorded last year, a 3% growth year over year. For the second quarter profit before taxation moved from \$195.51 million in 2017 to \$161.98 million in 2018.

Income taxes for the period was \$39.81 million versus \$38.08 million for the comparable period in 2017. Net Profit increased by 3% to end the period at \$174.22 million relative to \$168.92 million recorded the prior financial year. Net profit for the quarter amounted to \$131.86 million, a 17% drop compared to \$159.54 million booked for the prior quarter of 2017.

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	132.600	98.630	128.3855	145.966	106.261	130.6634
CAN	100.000	76.001	98.6166	106.720	91.500	99.6336
GBP	171.500	131.200	167.7633	188.800	160.300	170.5800
EURO	143.420	109.020	137.8848	162.840	136.500	147.2197

*Rates as at April 10, 2019

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (April 11, 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%.

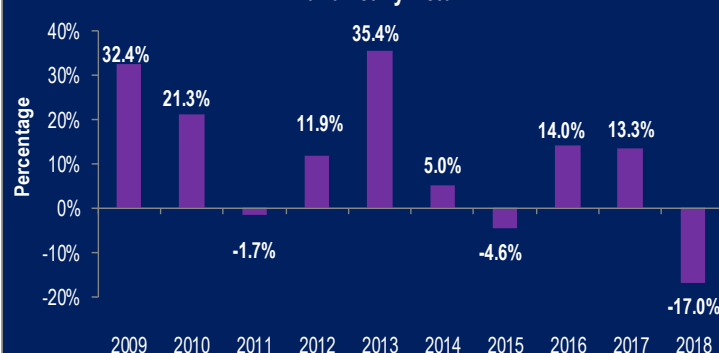
The US dollar fixed income market was also liquid during today's (April 11, 2019) trading session; The overnight market rates were quoted at 2.00% to 2.20% while the 30-day market rates stood at 2.40% to 2.70%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI 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 5.9% and a 5 year return of 3.4% as at March 31, 2019. The Fund also has a 10 year return of 12.4%.

Fund Yearly Return



U.S.: Fed Signals a Year of Patience Is Ahead With a Grab Bag of Growth Risks

Federal Reserve officials signaled on Wednesday they're prepared to move interest rates higher or lower as needed, but an unusual mix of risks means they could remain on hold all year. Despite an economy that is forecast to grow above trend with low unemployment, policy makers are worried about external drags such as slowing European growth, the potential of a disruptive Brexit and the ongoing Trump trade war. Domestically, they are concerned about an inflation rate that is decelerating despite a labor market that is below their estimates of full employment. The result is an interest rate policy that is on hold and might remain so even if some of these risks resolve into a more optimistic outlook. That's basically the message in the minutes of the Federal Open Market Committee's March 19-20 policy meeting released in Washington. "The bar is high on moving up or down from here," said Laura Rosner, senior economist at MacroPolicy Perspectives LLC in New York. "They don't want to be boxed in, but the reality is they are unlikely to shift their stance." Central bankers tried to signal they had options, saying in the minutes that several participants' views on the policy rate "could shift in either direction based on incoming data and other developments." At the same time, however, they said a "majority" of officials expected the economic outlook and risks "would likely warrant leaving the target range unchanged for the remainder of the year," the minutes stated.

<https://www.bloomberg.com/news/articles/2019-04-10/fed-flags-year-of-living-patiently-amid-grab-bag-of-growth-risks?srnd=economics-vp>

Europe: ECB's Knot Calls for Less Generous Round of Funding for Banks

The European Central Bank's new round of loans for banks needs to be "more conservative and less generous" than the previous one, according to Governing Council member Klaas Knot. The ECB doesn't "want to prolong dependence of the banking sector on longer-term funding from central bank any longer than necessary," the Dutch governor said in a Bloomberg Television interview with Francine Lacqua at the International Monetary Fund gathering in Washington. Details of the new program "will be forthcoming in one of future meetings." ECB President Mario Draghi said on Wednesday that the assessment of the economic outlook will determine how stimulative the bank-loan program should be, amid mounting concern that the growth recovery projected for the second half of the year may not materialize. Knot, one of the most hawkish members of the Governing Council, declined to speculate on what measures policy makers will need to deploy if the slowdown continues, adding that they are dealing with a soft patch for now. "We were never out of ammunition," he said. "If we need ammunition we can find ammunition." The Dutchman also expressed his opposition to a potential move by the ECB to soften the effect of its negative interest rates on banks, insisting that the policy has actually stimulated credit growth. "I would prefer stronger banks, but mainly for financial stability," Knot said, adding that it was "a little bit outside the realm of monetary objectives."

<https://www.bloomberg.com/news/articles/2019-04-11/ecb-s-knot-calls-for-less-generous-round-of-funding-for-banks?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.

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.

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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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