

## DAILY RECOMMENDATION

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

Stock Symbol	EPLY	JMMBGL	GK	CHL	ECL
Current Price (\$)	11.04	32.17	60.41	10.96	7.24
Trailing EPS (\$)	0.63	2.44	5.03	0.36	0.27
P/E (times)	17.64	13.17	12.01	30.55	26.51
Projected P/E	18.00	12.97	10.72	31.40	24.83
Projected EPS (\$)*	0.61	2.48	5.63	0.35	0.29
Book Value per share (\$)	3.95	15.38	44.84	1.02	0.16
Price/Book Value (times)	2.79	2.09	1.35	10.77	45.36
Dividend Yield (2018 %)	N/A	2.14%	3.08%	2.45%	13.14%
Volumes	NIL	37,209	3,643	100	7,000
Recommendation	HOLD	HOLD	HOLD	SELL	BUY

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	136.000	101.000	132.5182	149.624	103.500	134.9608
CAN	101.500	77.302	99.2465	110.039	90.000	100.4641
GBP	176.000	136.400	166.6779	193.518	158.000	172.7644
EURO	150.000	113.467	140.8375	154.800	141.000	151.5816

\*Rates as at April 30, 2019

## MONEY MARKET

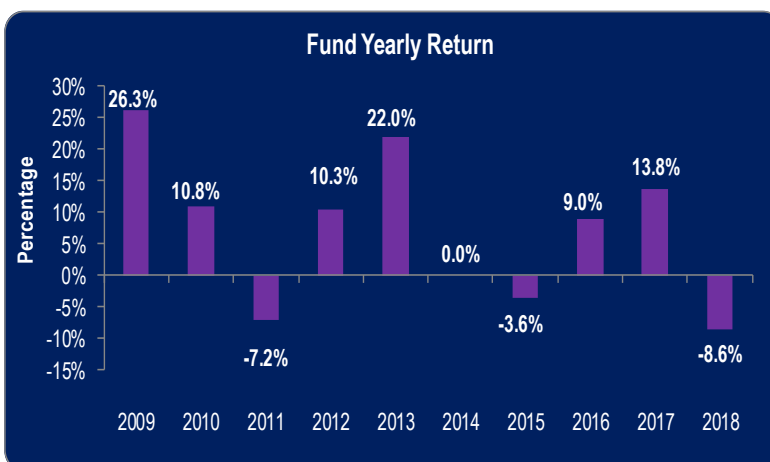
The Jamaican dollar fixed income market was liquid in today's (May 1, 2019) trading session. The over night rate stood at 1.10% to 1.20% while the 30-day rate ranged at 2.20% to 2.40%.

The US dollar fixed income market was also liquid during today's (May 1, 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'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 7.2% and a 5 year return of 3.7% as at March 31, 2019. The Fund also has a 10 year return of 8.9%.



## STOCK OF THE DAY: Grace Kennedy Limited (GK)

## For the year ended December 31, 2018:

GraceKennedy Limited (GK) recorded revenue of \$97.54 billion for the period (2017: \$92.48 billion, a year over year increase of 5%. Revenue for the quarter of 2018 improved by 2% to \$23.72 billion (2017: \$23.18 billion). The Food Trading Business reported revenue of \$77.1 billion. Banking & Investments booked revenue of \$5.77 billion (2017: \$5.98 billion), Insurance revenue closed at \$6.98 billion (2017: \$6.04 billion), while Money Services amounted to \$7.68 billion (2017: \$7.85 billion).

Total expenses amounted to \$94.40 billion relative to \$88.94 billion booked in 2017, indicating a 6% growth compared to twelve months earlier. Expenses for the quarter amounted to \$22.79 billion, up from \$22.68 billion for the same quarter in 2017. As such, gross profit for the year end amounted to \$3.14 billion relative to \$3.53 billion booked for the comparative period of 2017. Gross profit for the quarter closed at \$928.04 million compared to \$494.17 million reported for the quarter of 2017.

Other income for the year-end period grew by 67% to total \$3.49 billion (2017: \$2.09 billion). While for the quarter, other income closed at \$1.22 billion relative to \$394.83 million in the prior corresponding period. Interest income from non-financial services rose 13% to total \$427.50 million compared to \$378.21 million reported in the prior year's corresponding period. Interest expenses from non-financial services amounted to \$581.87 million versus \$662.86 million a year earlier, a 12% reduction.

Pretax profits increased by 20% to approximately \$6.96 billion compared to pretax profit of \$5.82 billion documented for the year ended December 2017. Additionally, GK incurred taxation expenses amounting to \$1.32 billion compared to \$1.05 billion in the prior corresponding quarter.

Consequently, net profit increased by 18% to \$5.64 billion from \$4.77 billion booked for the corresponding period of 2017. For the quarter, net profit closed at \$1.93 billion (2017: \$1.02 billion).

Net Profits attributable to shareholders amounted to \$5.01 billion compared to \$4.12 billion in the previous year's corresponding period. Net profit attributable to shareholders for the quarter amounted to \$1.79 billion, up from \$801.12 million booked for the same quarter of 2017.

## U.S.: Fed Holds Main Rate Steady, Repeats Patience on Future Path

Federal Reserve officials left their main interest rate unchanged and continued to pledge patience as they grappled with conflicting currents in the U.S. economy. Central bankers, who've been slammed by President Donald Trump for not doing more to support the economy, took note of livelier growth while acknowledging weak inflation. The committee repeated language from its previous meeting, saying it "will be patient as it determines what future adjustments to the target range for the federal funds rate may be appropriate," according to a statement Wednesday following a two-day gathering in Washington. Policy makers gave no clear signal that their next move would be a hike or a cut, or that any adjustment should be expected at their next meeting in June. The unanimous 10-0 decision left the target range for the benchmark federal funds rate at 2.25 percent to 2.5 percent. The Fed's emphasis on subdued inflation prompted more buying of government debt as traders added to positioning for a rate cut. That drove the two-year Treasury yield down 4 basis points to 2.21 percent -- now 24 basis points below the benchmark overnight rate -- and the 10-year yield extended its slide below 2.5 percent. The Fed's latest statements add further support to the conviction among money market traders that the next move for the target policy rate will be down. Even before the meeting, Fed fund futures contracts were pricing in 26 basis points of easing by the end of the year, and now it's 28. The U.S. dollar extended its losses over the past week, sliding another 0.3 percent on the day. Chairman Jerome Powell will hold a press conference at 2:30 p.m. Reporters are likely to prod him over whether upside and downside risks remain truly balanced in the eyes of policy makers.

<https://www.bloomberg.com/news/articles/2019-05-01/fed-holds-main-rate-steady-reiterates-patience-on-future-path?srnd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at April 29, 2019

	Percentage (%)
Yield to Maturity	6.00
Weighted Average Coupon	5.526
Current Yield	5.16

The platinum portfolio has an effective maturity of 13.55 years and duration of 4.73 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)

## United Kingdom: U.K. House Price Growth Stays Subdued as Brexit Woes Persist

U.K. house-price growth stayed subdued in April in a sign the delay to Brexit failed to reinvigorate the market, according to Nationwide Building Society. Values rose 0.9 percent last month from a year earlier, still well below levels seen in 2018, the firm said Wednesday. On the month, prices rose 0.4 percent to an average of 214,920 pounds (\$280,000). A separate report from the Bank of England underscored the property market malaise, showing mortgage lending unexpectedly fell in March. The data is the first from Nationwide since the government secured an extension to its Brexit deadline until October, and provides few signs that the housing market may significantly benefit from the delay. While uncertainty about the future relationship with the European Union has hurt growth in recent months, a shortage of homes, record employment and low interest rates are preventing a sharp downturn. Households are growing more cautious about taking on debt for other uses. Unsecured credit grew at its weakest pace in more than five years due to a drop in lending for car purchases and more subdued borrowing on credit cards, the BOE said. "Measures of consumer confidence weakened around the turn of the year and surveys report that new buyer inquiries have remained subdued," said Robert Gardner, Nationwide's chief economist. "April marks the fifth month in a row in which annual house price growth has been below 1 percent." The lack of clarity over Brexit weighed on manufacturers last month too, as firms dialed back Brexit-related stockpiling and new export business fell. IHS Markit's Purchasing Managers Index for the sector dropped from a 13-month high as production growth also slowed and job losses in the industry mounted.

<https://www.bloomberg.com/news/articles/2019-05-01/u-k-house-price-growth-stays-subdued-as-brexit-woes-persist?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.

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



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