

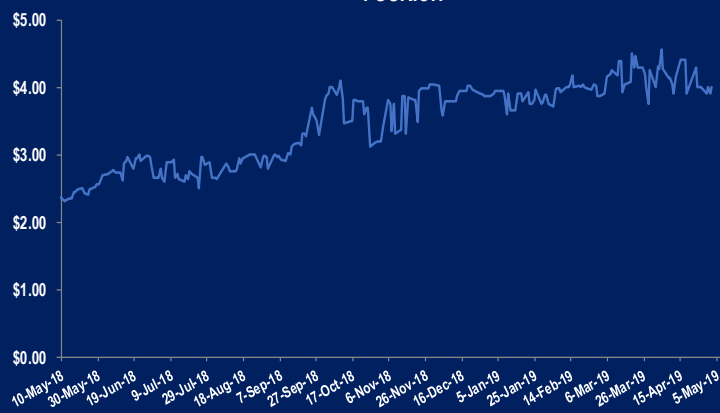
MAYBERRY INVESTMENTS LIMITED

DAILY RECOMMENDATION

LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	FOSRICH	FTNA	MDS	AMG	GK
Current Price (\$)	4.07	4.27	6.55	2.00	61.00
Trailing EPS (\$)	0.18	0.20	0.38	0.06	5.03
P/E (times)	22.62	21.12	17.11	31.98	12.12
Projected P/E	18.70	17.30	16.68	26.01	10.83
Projected EPS (\$)*	0.22	0.25	0.39	0.08	5.63
Book Value per share (\$)	1.38	0.73	2.66	0.93	44.84
Price/Book Value (times)	2.95	5.85	2.46	2.15	1.36
Dividend Yield (2018 %)	N/A	N/A	2.10%	N/A	3.08%
Volumes	11,719	87,760	19,000	24,635	32,616
Recommendation	HOLD	HOLD	HOLD	SELL	BUY

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 million). 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: 573.01 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	138.150	102.415	134.5798	150.686	104.480	136.2298
CAN	102.000	78.435	94.7070	109.852	90.000	98.3053
GBP	179.000	138.195	171.0352	193.140	160.000	173.4289
EURO	153.846	114.000	141.1928	169.932	138.000	152.4764

*Rates as at May 6, 2019

MONEY MARKET

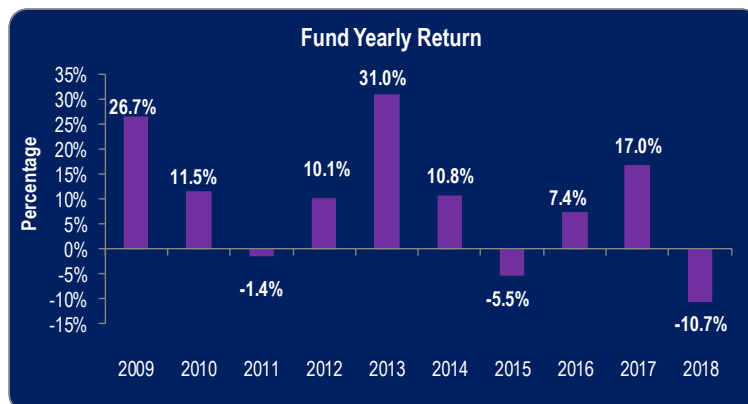
The Jamaican dollar fixed income market was liquid in today's (May 7, 2019) trading session. The over night rate stood at 1.10% to 1.20% while the 30-day rate ranged at 2.20% to 2.40%.

The US dollar fixed income market was also liquid during today's (May 7, 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 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 8.1% and a 5 year return of 5.7% as at March 31, 2019. The Fund also has a 10 year return of 11.1%.



☐ **U.S.: Yes, Trump Tariffs Are Costing Billions. No, China Isn't Paying**

President Donald Trump is justifying raising tariffs on Chinese imports on grounds they are helping the U.S. economy and are mostly paid by China. The opposite is true, economists say. According to data from U.S. Customs and Border Protection, almost \$15.3 billion in duties imposed by the Trump administration last year were assessed on imported goods from China as of April 10. Actual collections could lag and be lower with refunds and other factors. While Trump has suggested on Twitter and in public comments that tariffs are somehow being charged to or paid by China, economists say that's misleading. U.S. importers are responsible for the duties, and ultimately U.S. businesses and consumers pay through higher costs, they say. "Our results imply that the tariff revenue the U.S. is now collecting is insufficient to compensate the losses being born by the consumers of imports," a study published in March by economists from the Federal Reserve Bank of New York, Princeton University and Columbia University concluded. The Trump administration plans to more than double duties on \$200 billion in Chinese imports at 12:01 a.m. on Friday in response to what officials said was China reneging on commitments as the world's two largest economies try to negotiate a sweeping trade deal. China's top trade negotiator Liu He will travel to the U.S. this week as the high-stakes talks continue. Trump announced the increase in duties in a tweet Sunday saying "the Tariffs paid to the USA have had little impact on product cost, mostly borne by China." He has previously suggested that China is paying all but about four of 25 percentage points in duties because Chinese companies would reduce their prices in response to the tariffs.

<https://www.bloomberg.com/news/articles/2019-05-07/trump-china-tariffs-who-pays?srnd=economics-vp>

☐ **PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at May 6, 2019	
	Percentage (%)
Yield to Maturity	6.00
Weighted Average Coupon	5.526
Current Yield	5.12

The platinum portfolio has an effective maturity of 13.52 years and duration of 4.70 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, www.bloomberg.com, www.investopedia.com, www.tradewire.com

☐ **Asia: Malaysia Joins Asia Easing Cycle With Quarter-Point Rate Cut**

Bank of Canada Governor Stephen Poloz said he's confident the nation's housing sector will return to growth later this year, as markets like Toronto and Vancouver stabilize and the impact of new regulations is absorbed. In a speech in Winnipeg that focused on housing and mortgages, Poloz downplayed the effect of higher policy rates and tougher mortgage qualifications in the recent cooling, painting instead a picture of a sector still supported by a growing economy and labor market. For markets undergoing adjustments, Poloz said, it's mostly due to local circumstances. "Fundamentals of the Canadian housing market remain solid, and growth will resume once the effects of reduced expectations for house price inflation and the new mortgage guidelines have been absorbed," said Poloz, according to prepared remarks of a speech he's giving Monday to the Canadian Credit Union Association. For example, he blamed the cooling of markets in Toronto and Vancouver to a build-up of froth in recent years that had been driven by "extrapolative expectations" for price gains. These expectations had fueled speculative demand and prompted other buyers to rush in for fear of missing out in those markets. "What we take from this is that it is not higher interest rates and changes to mortgage lending guidelines that have had the greatest effect on housing," said Poloz. "Rather, it is their interaction with froth that matters most." "How much a housing market adjusts depends on how much froth there is," said Poloz, adding the Toronto and Vancouver are still stabilizing. In contrast, gains in other markets across the country "look quite healthy," he said. Weak markets in Alberta and Saskatchewan, meanwhile, are primarily due to the ongoing weakness in the oil sector.

<https://www.bloomberg.com/news/articles/2019-05-07/malaysia-joins-asia-easing-cycle-with-first-rate-cut-since-2016?srnd=economics-vp>

☐ **STRUCTURED PRODUCT**

USD Money Market

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