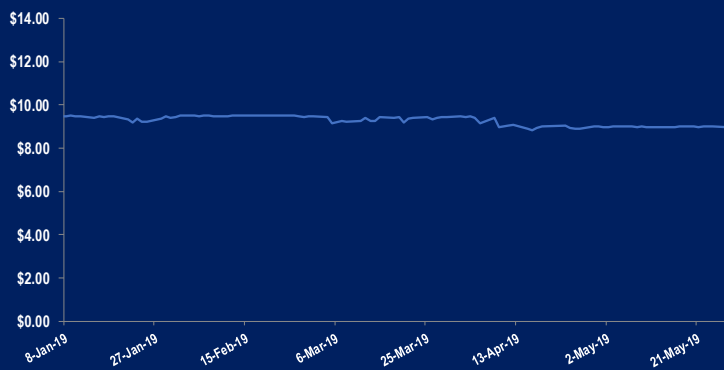


## DAILY RECOMMENDATION

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

Stock Symbol	CAR	ECL	JP	JMMBGL	JSE
Current Price (\$)	8.95	6.65	24.98	38.95	19.06
Trailing EPS (\$)	0.73	0.27	0.80	2.44	0.62
P/E (times)	12.33	24.35	31.34	15.94	30.70
Projected P/E	11.66	22.81	28.98	15.70	26.88
Projected EPS (\$)*	0.77	0.29	0.86	2.48	0.71
Book Value per share (\$)	0.28	0.16	11.54	15.38	1.54
Price/Book Value (times)	32.36	41.67	2.16	2.53	12.41
Dividend Yield (2018 %)	N/A	N/A	0.72%	2.14%	4.28%
Volumes	153,392	383,103	26,867	37,238	178,284
Recommendation	BUY	BUY	SELL	HOLD	SELL

CAR



## STOCK OF THE DAY: Carreras Limited (CAR)

## For the nine months ended December 30, 2018:-

Carreras Limited reported Operating Revenue of \$9.86 billion, 3% more than the \$9.53 billion booked in 2017. Revenue for the quarter increased by 2% compared to the corresponding quarter moving to \$3.55 billion in 2018 from \$3.47 billion in 2017.

Cost of Operating Revenue also increased year over year by 5%, amounting to \$4.96 billion from \$4.74 billion. As such, Gross Operating Profit went up by 2% to total \$4.91 billion relative to the \$4.79 billion in 2017.

Other Operating Income decreased 15% moving from \$56.61 million in 2018 to \$48.31 million.

Administrative, distribution and marketing expenses increased 3% to total \$1.54 billion (2017: \$1.50 million). The company stated that this was attributable to "heightened investments in our brands as well as increased costs for security and motor vehicle running costs, including fuel. The company remains vigilant in seeking opportunities to reduce overheads."

Profit before Income Tax was recorded at \$3.41 billion in 2017 relative to \$3.35 billion in 2017. Taxation of \$856.03 million was incurred for the period (2017: \$837.52 million).

Net Profit for the six months increased 2% to \$2.55 billion relative from \$2.51 billion booked in 2017. Net Profit for the second quarter saw a 4% decline amounting to \$810.93 million compared to the \$842.16 million reported in the third quarter 2017 period.

Total Comprehensive Income attributable to shareholders for the period closed at \$2.55 billion compared to \$2.51 billion reported for the corresponding quarter in 2017.

The Earnings per share (EPS) for the period was \$0.53 as compared to \$0.52 for the corresponding period of last year, while EPS for the quarter amounted to \$0.17 (2017: \$0.17). The twelve month trailing EPS amounted to \$0.73. The number of shares used in the computations amounted to 4,854,400,000 units. CAR closed the trading period on February 14, 2019 at \$9.50.

CAR noted, "Having recorded revenue growth and modest increases in profitability since the beginning of the 2018/19 financial year, we remain cautiously optimistic that this trend will continue into the last quarter of the financial year. This positive trend along with the investments in our brands, our talented and dedicated team and our continued thrust to satisfy consumer moments augers well for the long-term sustainability of the business."

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	138.000	92.000	133.4241	152.915	105.550	134.9235
CAN	101.000	78.064	99.8076	111.618	91.510	100.5721
GBP	175.210	129.840	170.1799	191.750	160.000	170.6170
EURO	149.500	112.112	145.9142	172.260	121.264	152.3983

\*Rates as at May 24, 2019

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (May 27, 2019) trading session. The over night rate stood at 1.00% to 1.10% while the 30-day rate ranged at 2.00% to 2.30%.

The US dollar fixed income market was also liquid during today's (May 27, 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 6.8% and a 5 year return of 4.1% as at April 30, 2019. The Fund also has a 10 year return of 8.2%.

Fund Yearly Return



**U.S.: U.S. 'Not Ready' to Make a Trade Deal With China, Trump Says**

The U.S. isn't ready to make a trade deal with China, President Donald Trump said while on a state visit to Japan. "I think they probably wish they made the deal that they had on the table before they tried to renegotiate it," Trump said Monday at a joint press conference in Tokyo alongside Japanese leader Shinzo Abe. "They would like to make a deal. We're not ready to make a deal." Trump said American tariffs on Chinese goods "could go up very, very substantially, very easily." His comments came after trade talks between the two countries stalled earlier this month. Each side has since blamed the other, and Trump has threatened billions more in tariffs. Trump said businesses were leaving China for countries without tariffs, including the U.S. and Asian neighbors including Japan. Still, he also expressed optimism that the world's biggest economies would eventually reach an agreement. "I think sometime in the future China and the United States will absolutely have a great trade deal, and we look forward to that," Trump said. "Because I don't believe that China can continue to pay these, really, hundreds of billions of dollars in tariffs. I don't believe they can do that." For some time, the U.S. "has had various voices on China-U.S. trade talks. Sometimes it is said that an agreement will be reached soon, and sometimes that it is difficult to reach an agreement," Chinese Foreign Ministry spokesman Lu Kang said in Beijing Monday when asked about Trump's comments.

<https://www.bloomberg.com/news/articles/2019-05-27/u-s-not-ready-to-make-a-trade-deal-with-china-trump-says?srnd=premium>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at May 27, 2019	
	Percentage (%)
Yield to Maturity	5.98
Weighted Average Coupon	5.535
Current Yield	5.26

The platinum portfolio has an effective maturity of 13.50 years and duration of 4.64 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)

**Europe: German Banks Face Higher Capital Buffer Amid Low Profitability**

German banks have long suffered from low profitability. A new capital buffer set to be adopted by regulators isn't going to help. A financial stability committee on Monday recommended an additional capital requirement for German banks as it seeks to force lenders to build up defenses before the next downturn. Adoption of the buffer is a near certainty and it will increase regulatory demands by 0.25 percentage points from the third quarter of next year. That's equivalent to 5.3 billion euros (\$5.9 billion) in additional capital, German banking supervisor Felix Hufeld said at a news conference in Berlin. The burden will come on top of a regulatory regime that's already more onerous than in many other European countries. German banks also tend to be less profitable than their European peers and higher capital requirements may further diminish their prospects. The counter-cyclical capital buffer, as it's known, is meant to guard against banks' tendency to boost lending in boom times and then slash it in a bust, potentially exacerbating an economic slowdown by denying companies credit when they need it most. It's designed to be built up when risks are growing, and released during times of stress. There are no acute financial stability risks but the banking sector needs to be prepared for possible global dangers stemming from Brexit, Deputy German Finance Minister Joerg Kukies said at Monday's news conference. The German banking sector has enough capital to meet the new requirements, he said.

<https://www.bloomberg.com/news/articles/2019-05-27/german-banks-face-higher-capital-buffer-amid-low-profitability?srnd=premium>

**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.