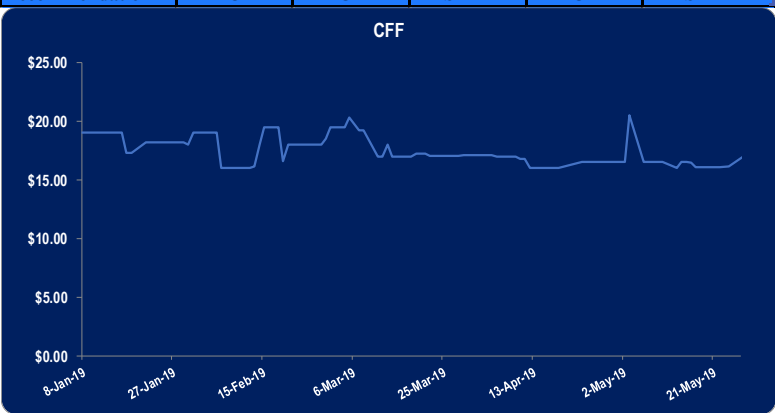


## DAILY RECOMMENDATION



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

Stock Symbol	CAR	CFF	BIL	JMMBGL	JSE
Current Price (\$)	8.96	16.75	44.66	38.87	19.00
Trailing EPS (\$)	0.73	0.78	1.17	2.44	0.62
P/E (times)	12.35	21.54	38.08	15.91	30.60
Projected P/E	11.67	19.57	68.87	15.67	26.80
Projected EPS (\$)*	0.77	0.86	0.65	2.48	0.71
Book Value per share (\$)	0.28	4.88	4.31	15.38	1.54
Price/Book Value (times)	32.40	3.43	10.35	2.53	12.37
Dividend Yield (2018 %)	N/A	N/A	13.39%	2.14%	4.28%
Volumes	163,996	290	1,989	343,179	63,222
Recommendation	BUY	HOLD	SELL	HOLD	SELL



### STOCK OF THE DAY: Caribbean Flavours and Fragrances (CFF)

For the three months ended March 31, 2019:-

Caribbean Flavours and Fragrances (CFF) revenues increased by 27% to \$112.58 million relative to \$88.72 million for the comparable period in 2018. CFF stated that, “the Company’s positive growth was driven by a combination of strategies implemented both in the local and overseas market. CFF expects this trend to continue based on the pipeline of solutions that we are presently working on with these customers and in anticipation that they will be accepted and move from R&D into production.”

Cost of sales amounted to \$75.29 million relative to \$54.03 million in the prior corresponding period. Consequently, gross profit went up 8% to close at \$37.29 million for the period under review, compared to the prior year’s figure of \$34.69 million. Management noted that, “this continues to be heading in the right direction despite lower than anticipated sales of some new products during the quarter. We will continue with the refinement of our strategies and the improvement to our various cost structures in order to drive the desired efficiency whilst improving our cost of sales and gross profit.”

The Company recorded a year over year increase in total expenses to \$26.14 million, up from \$21.18 million in 2018. There was a 68% decline in selling and distribution costs to total \$297,000 (2018: \$935,000). Whereas, administrative expenses for the period went up 28% to \$25.84 million versus \$20.25 million in the prior year’s corresponding period.

Consequently, profit from operations for the period closed at \$11.15 million versus \$13.51 million booked twelve months earlier.

Pretax profit closed at \$14.45 million (2018: \$15.42 million). As a result, after incurring taxes 2.51 million (2018: nil), net profit for the period amounted to \$11.93 million compared to \$15.42 million documented in the same period last year. CFF mentioned that, “the marginal reduction in profit is expected given the platform that the Company is working to ensure that it is more solution driven as well as its quest to gain acceptance in new markets such as Cuba whilst deepening its presence in many of the local and overseas markets. We expect that this will bear fruits in the short to medium term.”

The earnings per share for the period amounted to \$0.13 (2018: \$0.17). The twelve months trailing EPS is \$0.78. The number of shares used in this calculation was 89,920,033 units. As at May 15, 2019 the stock traded at \$16.50.

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	136.800	102.016	132.2042	152.915	105.023	134.8387
CAN	103.093	77.736	95.8708	111.384	91.000	102.4315
GBP	169.500	133.326	163.6346	191.750	160.000	170.4616
EURO	148.000	112.112	142.3155	172.260	140.000	150.3877

\*Rates as at May 27, 2019

### MONEY MARKET

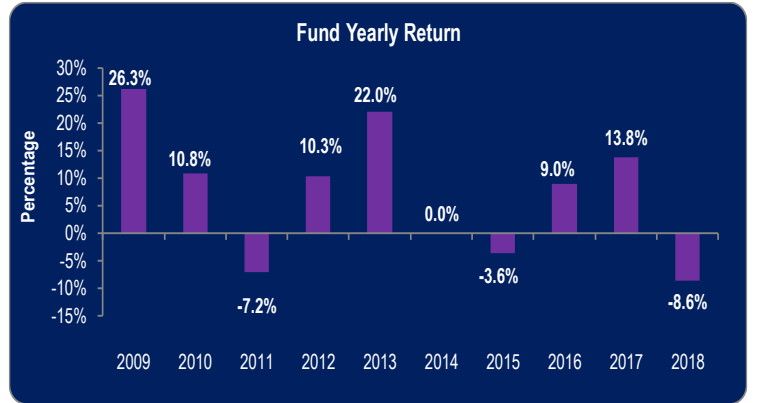
The Jamaican dollar fixed income market was liquid in today’s (May 28, 2019) trading session. The over night rate stood at 0.50% to 1.00% while the 30-day rate ranged at 1.60% to 2.00%.

The US dollar fixed income market was also liquid during today’s (May 28, 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%.



\*Prices are as at May 28, 2019 \*Projections are made to the company’s financial year end

**U.S.: U.S. Economic Outlook Dims as Capital Goods Add to Weak Data**

The outlook for the U.S. economy is dimming after a report showed below-forecast business-equipment orders, adding to a string of weak data in other sectors. JPMorgan Chase & Co. cut its forecast for second-quarter economic growth to 1% from 2.25% and said the Federal Reserve's next interest-rate move is equally likely to be a hike or a cut, instead of an increase, chief U.S. economist Michael Feroli said in a note Friday. Oxford Economics lowered its estimate to 1.3% from 1.6%, while Barclays Plc's tracking forecast went down to 2% from 2.2%. Friday's report showing lower capital and durable goods orders in April -- in addition to earlier data on retail sales, housing and manufacturing -- suggest the economy is losing momentum. That's even before President Donald Trump ratcheted up his trade war with China this month by raising tariffs on some goods and threatening more levies. "The concern is that firms just don't have a strong sense of what the rules of the game are going to be, and that kind of uncertainty in principle, and in practice, can cause firms to be more cautious about undertaking long-term investments," Feroli said by phone. "So that is certainly a risk we've been worrying about, which might be starting to manifest itself in the data." IHS Markit's Macroeconomic Advisers lowered its tracking estimate for second-quarter growth by 0.2 percentage point to 1.7%, while the Atlanta Fed's GDPNow tracker stood at 1.3%.

<https://www.bloomberg.com/news/articles/2019-05-24/u-s-economic-outlook-dims-as-capital-goods-add-to-weak-data>

**Europe: Euro-Area Confidence Improves for First Time in Almost a Year**

Euro-area economic confidence unexpectedly improved in May, snapping an almost yearlong streak of declines when the region was battling through a host of struggles. The improvement was driven by industry and the strongest increase in production expectations in more than six years. That was despite continued negativity about export orders and the business climate. A separate report added to the upbeat news, with lending to households and companies picking up in April. The figures will give hope to those predicting a pickup in momentum in the second half of the year. The confidence report from the European Commission showed stronger figures in Germany, France and Italy, the euro area's three largest economies. Loans to euro-region households climbed 3.4% from a year earlier, the fastest pace since January 2009. Still, in addition to international trade tensions that are weighing on sentiment and crimping corporate earnings, European businesses are grappling with slower global momentum and localized challenges like the structural change in the German car industry. At the European Central Bank, the record of policy makers' last meeting showed a number of officials losing faith in the idea of a return of more solid growth. A fresh batch of ECB growth and inflation forecasts will be unveiled next week, when rate-setters will decide if they warrant any addition stimulus to grease the wheels for the economy.

<https://www.bloomberg.com/news/articles/2019-05-28/euro-area-confidence-improves-for-first-time-in-almost-a-year?srnd=premium>

**PLATINUM PORTFOLIO**

**Platinum Portfolio Yield Measures as at May 27, 2019**

	Percentage (%)
<b>Yield to Maturity</b>	<b>5.98</b>
<b>Weighted Average Coupon</b>	<b>5.535</b>
<b>Current Yield</b>	<b>5.26</b>

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

**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.

**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.

**Company Disclosure** -The information contained herein has been obtained from sources believed to be reliable, however its accuracy and completeness cannot be guaranteed. You are hereby notified that any disclosure, copying, distribution or taking any action in reliance on the contents of this information is strictly prohibited and may be unlawful. Mayberry may effect transactions or have positions in securities mentioned herein. In addition, employees of Mayberry may have positions and effect transactions in the securities mentioned herein.

**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

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

**...BULLISH ON JAMAICA**

**MAYBERRY INVESTMENTS LIMITED**  
 A Member of the Jamaica Stock Exchange

1 1/2 Oxford Road, Kingston 5, Jamaica. (876) 929 1908 - 9  
 research@mayberryinv.com sales@mayberryinv.com www.mayberryinv.com

