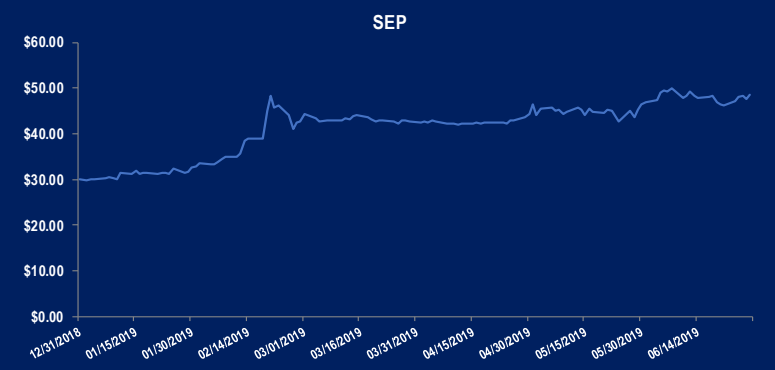




LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	SEP	CAR	PURITY	JSE	SALF
Current Price (\$)	48.54	8.02	1.77	28.02	34.00
Trailing EPS (\$)	1.63	0.70	0.03	0.62	1.86
P/E (times)	29.70	11.43	67.19	45.13	18.30
Projected P/E	19.79	11.88	25.09	39.52	21.47
Projected EPS (\$)*	2.45	0.68	0.07	0.71	1.58
Book Value per share (\$)	20.48	0.28	3.29	1.54	9.01
Price/Book Value (times)	2.37	29.15	0.54	18.25	3.77
Dividend Yield (2018 %)	3.17%	7.63%	N/A	4.28%	9.33%
Volumes	17,650	178,347	NIL	42,784	3,665
Recommendation	HOLD	BUY	SELL	SELL	HOLD



STOCK OF THE DAY: Seprod Limited (SEP)

For the three months ended March 31, 2019:-

Seprod Limited (SEP), for the three months ended March 31, 2019, posted revenue totalling \$9.04 billion compared to \$4.95 billion recorded for the same period of the prior financial year, representing a 83% increase year over year. The Manufacturing Division recorded a marginal increase to close at \$4.89 billion (2018: \$4.82 billion), while the Distribution Division increased grossly by 266% closing at \$6.07 billion (2018: \$1.66 billion).

Cost of sales increased by 93% from \$3.47 billion in 2018 to \$6.70 billion in 2019, resulting in gross profit increasing by 58% to close at \$2.34 billion (2018: \$1.48 billion). Finance and other operating income totalled \$295.92 million compared to \$126.36 million in 2018. Selling expenses increased by 152% to close the first quarter of 2019 at \$391.14 million (2018: \$155.03 million). Additionally, administrative expenses for the period climbed by 70% to total \$1.55 billion versus \$912.26 million in 2018.

As such, operating profit grew 30%, moving from \$537.12 million in 2018 to \$696.16 million to close the period in review. Finance costs amounted to \$287.38 million (2018: \$139.10 million).

Profit before taxation increased to \$427.34 million in 2019, an increase of 7% on \$400.95 million reported a year prior. Seprod reported net profit of \$311.96 million, a growth of 7% relative to last year's corresponding period of \$292.90 million, after incurring taxes of \$115.38 million (2018: \$108.05 million). Net profits attributable to shareholders amounted to \$354.60 million, a year over year improvement from the \$337.73 million recorded a year earlier. Total comprehensive income for the quarter amounted to \$280.92 million compared to \$306.90 million booked for the first quarter of 2018.

Consequently, earnings per share (EPS) for the three months ended March 31, 2019 amounted to \$0.48 versus \$0.46 booked in the corresponding period of 2018. The twelve months trailing EPS is \$1.63.

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	136.000	101.430	129.9708	150.535	101.027	131.1039
CAN	101.250	78.392	99.2276	111.852	83.776	101.3971
GBP	167.500	130.790	160.8162	171.719	155.000	165.9515
EURO	146.000	111.328	141.0232	170.400	141.500	150.5247

*Rates as at June 27, 2019

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (June 28, 2019) trading session. The over night rate stood at 0.50% to 0.90% while the 30-day rate ranged at 1.50% to 1.80%.

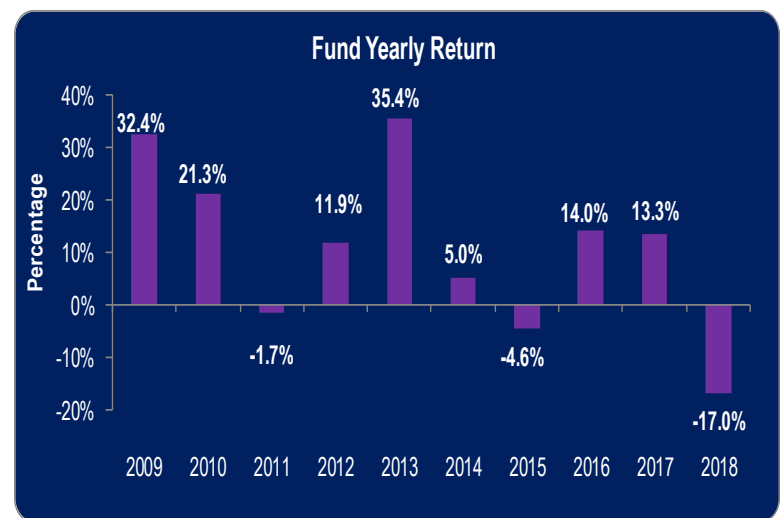
The US dollar fixed income market was also liquid during today's (June 28, 2019) trading session; The overnight market rates were quoted at 2.00% to 2.20% while the 30-day market rates stood at 2.40% to 2.70%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI American Small Companies Fund

This fund invests primarily in equity and equity-related securities of small to mid-capitalization North American companies.

The fund has a 3 year return of 3.4% and a 5 year return of 3%. The Fund also has a 10 year return of 10.2%. Rates are as at May 31, 2019.



*Prices are as at June 28, 2019 *Projections are made to the company's financial year end

U.S.: U.S. Core Inflation Shows Signs of Life as Fed Weighs Cut

“The Federal Reserve’s preferred measure of underlying U.S. inflation showed signs of picking up in May toward the central bank’s goal, potentially raising the bar for an interest-rate cut when policy makers meet at the end of next month. The core personal consumption expenditures price gauge, which excludes food and energy, rose 0.2% from the prior month and 1.6% from a year earlier, according to a Commerce Department report Friday. The annual gain was just above the median estimate in a Bloomberg survey, and the three-month annualized increase advanced to about 2%, a five-month high. Purchases, which make up the majority of the economy, rose 0.4% from April, slightly below estimates, following an upwardly revised 0.6% gain in April. Personal income increased 0.5% for a second month, topping forecasts, though wages and salaries climbed at the slowest pace in six months. While Friday’s figures alone are unlikely to spur the Fed to act one way or another, a sustained flow of positive economic news in coming weeks could persuade policy makers to keep interest rates unchanged, despite pressure from financial markets and President Donald Trump. Stronger consumer spending and higher incomes should support future growth as the expansion becomes the longest in U.S. history in July.”

<https://www.bloomberg.com/news/articles/2019-06-28/u-s-core-inflation-shows-signs-of-life-as-fed-weighs-rate-cut?smd=premium>

Europe: U.K. June Consumer Confidence Drops as GfK Sees Turbulent Summer

“U.K. consumer confidence took another dip in June as Britons became more pessimistic about their personal financial situation in the face of Brexit uncertainty. GfK’s headline confidence measure dropped to minus 13, erasing a slight rebound in May, the firm said in a report Friday. All five components of the index -- encompassing scores for personal finances, general economic optimism and major purchase intentions -- dropped from the previous month. The findings indicate the economy could see a rocky time ahead, with a change in prime minister potentially bringing more turmoil. Concerns over a no deal Brexit have resurfaced during the leadership race, with both Boris Johnson and Jeremy Hunt saying they’d consider an exit without a transition period. “While U.K. consumers continue to remain concerned about the wider economy, over which the woman or man in the street has no control, of greater worry are the falls in the measures for personal finance,” said Joe Staton, client strategy director at GfK. “These better reflect our hopes and fears for our everyday financial futures and this, coupled with a decline in the Major Purchase Index, could point to a turbulent time for the economy over the summer months.” A separate report from Lloyds showed business optimism edged higher in June, but remained well below levels seen in 2018.”

<https://www.bloomberg.com/news/articles/2019-06-27/u-k-june-consumer-confidence-drops-as-gfk-sees-turbulent-summer?smd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at June 24, 2019	
	Percentage (%)
Yield to Maturity	5.66
Weighted Average Coupon	5.514
Current Yield	5.08

The platinum portfolio has an effective maturity of 13.31 years and duration of 4.72 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 pro-vide 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 per-sons who do not have the time to actively manage their own portfolio.

DISCLAIMER

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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.

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

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