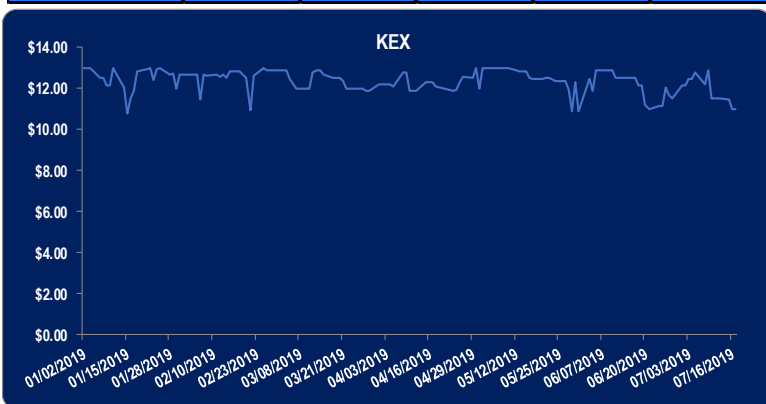


DAILY RECOMMENDATION

LOCAL STOCK MARKET: (J\$) +

Stock Symbol	PURITY	MEEG	HONBUN	KEX	FOSRICH
Current Price (\$)	1.69	6.52	6.00	10.94	5.00
Trailing EPS (\$)	0.03	0.36	0.28	0.41	0.18
P/E (times)	64.15	18.27	21.25	26.40	27.16
Projected P/E	23.95	14.86	20.85	25.43	24.74
Projected EPS (\$)*	0.07	0.44	0.29	0.43	0.20
Book Value per share (\$)	3.29	2.05	1.51	1.50	1.45
Price/Book Value (times)	0.51	3.17	3.97	7.30	3.46
Dividend Yield (2018 %)	N/A	N/A	1.00%	0.47%	N/A
Volumes	112,883	114,524	19,210	4,940	209,864
Recommendation	SELL	BUY	HOLD	HOLD	SELL



STOCK OF THE DAY: Knutsford Express Services Limited (KEX)

For the nine months ended February 28, 2019:-

Knutsford Express Services Limited for the nine months ended reported total revenue of \$841.93 million, a 24% or \$164.80 million increase when compared with the \$677.13 million reported for the same period in 2018. For the third quarter, revenues amounted to \$286.82 million, a 24% increase relative to the \$231.71 million booked for the corresponding period in 2018. According to KEX, "the increase was due in part to the increased patronage of overseas visitors travelling between our various destinations, in particular to and from Negril where the number of our departures doubled in the quarter."

Administrative and general expenses for the period grew 25% to total \$671.03 million (2017: \$535.18 million). Consequently, gross profit for the period rose 20% to close at \$170.90 million compared to the \$141.95 million reported for the same period a year ago. For the quarter, Gross profit fell by 9% from \$41.07 million in 2018 to \$37.30 million.

In addition, finance income surged to \$9.58 million from \$1.53 million in 2018. Finance costs also climbed 33%, to total \$22.15 million for the period up from \$16.67 million recorded for 2018.

Profit before taxation for the nine months amounted to \$158.34 million relative to \$128.31 million reported in 2018, a 23% increase year over year. Taxes of \$400,304 were incurred this year compared to nil last year.

Consequently, net profit for the period also amounted to \$157.94 million, representing a 23% increase over the prior year's corresponding period net profit of \$128.31 million. Net Profit for the quarter however declined by 9% to close at \$33.93 million relative to the \$37.33 million booked for the corresponding period in 2018. The Company noted this was as a result of, "start-up expenses associated with our subsidiaries -KE Connect and KE Connect US. KE Connect has focused on providing connections and specialized local charters while KE Connect US, which began operations in January 2019, will target charters in South Florida market.

As such, earnings per share (EPS) for the nine months ended amounted to \$0.32 (2017: \$0.26), whilst earning per share for the quarter amounted to \$0.07 (2018:\$0.07). The twelve-month trailing EPS amounted to \$0.41. The number of shares used in our calculations is 500,000,015.

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	138.500	104.000	135.118	142.027	103.200	137.028
CAN	107.000	81.423	104.457	107.500	97.000	106.262
GBP	170.000	133.630	164.117	175.824	157.500	167.564
EURO	158.730	114.464	145.798	158.730	144.000	154.785

*Rates as at July 16, 2019

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (July 17, 2019) trading session. The over night rate stood at 0.50% to 0.80% while the 30-day rate ranged at 1.60% to 1.90%.

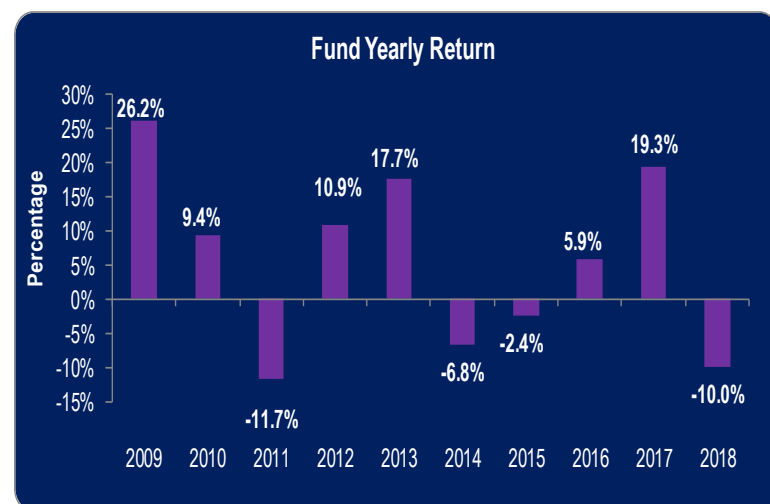
The US dollar fixed income market was also liquid during today's (July 17, 2019) trading session; The overnight market rates were quoted at 2.00% to 2.20% while the 30-day market rates stood at 2.40% to 2.70%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI International Value Corporate Class

This fund invests primarily in equity and equity-related securities of companies whose primary operations are outside of North America.

The fund has a 3 year return of 7.6% and a 5 year return of 2.1%. The Fund also has a 10 year return of 5.5%. Rates are as at June 30, 2019.



U.S.: U.S. Housing Starts Fell in June on Fewer Multifamily Units

"U.S. new-home construction fell in June for a second month as a drop in apartment building outweighed a pickup in single-family projects. Residential starts declined 0.9% to a 1.25 million annualized rate, the slowest in three months, according to government figures released Wednesday. Permits, a proxy for future construction, dropped 6.1% to a 1.22 million rate, also reflecting a slump in applications to build multifamily units. Single-family starts advanced 3.5% to an annualized rate of 847,000, and permits edged up 0.4% to 813,000. The figures on one-family home construction signals the sector is relatively stable as lower borrowing costs and more subdued price appreciation make homeownership more affordable. Home construction hasn't contributed to economic growth since the fourth quarter of 2017. A report Tuesday showed homebuilder sentiment increased in July amid solid demand for single-family homes and prospective buyer traffic. Starts of multifamily homes, a category that tends to be volatile and includes apartment buildings and condominiums, slumped 9.2%, and permits plunged 16.8%. Fed Chairman Jerome Powell addressed the issue last week when he told lawmakers homebuilders are being held back by a "series of factors" including higher material costs, a skilled-labor shortage, and President Donald Trump's tariff and immigration policies in a congressional hearing last week. Two of four regions posted an increase in housing starts last month, led by a 31.3% rise in the Northeast and a 27.1% advance in the Midwest. New construction declined 9.2% in the South and 4.9% in the West."

<https://www.bloomberg.com/news/articles/2019-07-17/u-s-housing-starts-fell-in-june-on-fewer-multifamily-units?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at July 15, 2019

	Percentage (%)
Yield to Maturity	5.63
Weighted Average Coupon	5.514
Current Yield	5.10

The platinum portfolio has an effective maturity of 13.24 years and duration of 4.73 years.

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.

Europe: Pound Could Plunge to Parity Against Dollar on a No-Deal Brexit

"The pound may fall to parity with the dollar on a no-deal Brexit, according to Morgan Stanley. A drop to historic lows would come under the market's worst-case scenario of the U.K. leaving the European Union without a deal, a risk that the bank says is growing. The pound hit a two-year low below \$1.24 Wednesday after both contenders for prime minister hardened their Brexit rhetoric, and for Morgan Stanley it could get much worse with a tumble to \$1.00-\$1.10 on a crash exit. The only time the pound has dropped below \$1.10 was in 1985, when it briefly touched \$1.05 after the U.S. devalued its currency to fight a strong dollar. A Bloomberg survey of strategists in March saw the pound falling to \$1.20 on a no-deal Brexit, yet the currency has been the world's worst performer since then to take its drop from the 2016 Brexit referendum to 17%. "The pound has come under intense selling pressure since Prime Minister May withdrew from her party leadership position, leaving markets with increased concern that the U.K. may be heading towards a harder Brexit," said strategists including global head of currency strategy Hans Redeker. "Should this scenario materialize, pound-dollar could fall into the \$1.00-\$1.10 range." A 19% plunge to parity with the dollar would rival the currency's 25% tumble on Black Wednesday, when the U.K. was forced to withdraw from the European exchange-rate mechanism. The Bank of England also said in November that the pound could fall to below parity with the dollar under a no-deal scenario, an analysis that was decried as too negative at the time."

<https://www.bloomberg.com/news/articles/2019-07-17/pound-seen-plunging-to-parity-against-dollar-on-a-no-deal-brexit?srnd=premium-europe>

STRUCTURED PRODUCT

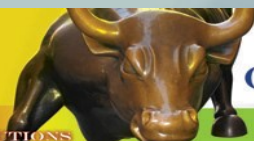
Mayberry Gold

This portfolio is ideal for investors, both retail and corporate, seeking a conservative, short-term investment. The securities in the Gold are directly owned by the client and provide them with a safe investment option. Our Gold portfolio can also provide investors with coupon payments that can generate a positive income stream.

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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