



LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	PURITY	MEEG	HONBUN	KEX	FOSRICH
Current Price (\$)	1.60	6.52	5.95	11.00	4.94
Trailing EPS (\$)	0.03	0.36	0.28	0.41	0.18
P/E (times)	60.73	18.27	21.08	26.54	26.83
Projected P/E	22.68	14.86	20.67	25.57	24.44
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)	0.49	3.17	3.93	7.34	3.42
Dividend Yield (2018 %)	N/A	N/A	1.00%	0.47%	N/A
Volumes	1,000	NIL	10,000	600	11,437
Recommendation	SELL	BUY	HOLD	HOLD	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	142.000	104.240	135.082	145.000	102.500	137.309
CAN	105.900	81.590	100.496	107.838	94.000	103.121
GBP	168.550	132.500	162.529	175.122	158.000	167.691
EURO	152.000	114.268	146.026	158.220	145.500	153.819

*Rates as at July 17, 2019

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (July 18, 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 18, 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%.

STOCK OF THE DAY: Main Events Entertainment Group (MEEG)

For the three months ended March 31, 2019:-

Main Events Entertainment Group reported revenue of \$457.69 million, 27% higher than the \$361.41 million booked in 2018. Management attributed the performance to, "increased opportunities in our business."

Cost of Sales increased 30% to close at \$260.57 million (2018: \$200.93 million). This resulted in Gross profit increasing by 23%, amounting to \$197.12 million for the period relative to \$160.48 million in 2018. Other income for the quarter, declined by 92% to close at \$150,000 (2018: \$1.87 million).

Total expenses amounted to \$161.86 million for the period, a 28% increase when compared to the prior year. Of that, administrative and other expenses rose by 34%, moving from \$97.30 million in 2018 to \$130 million. Selling and promotions fell 23% to \$5.96 million from \$7.77 million reported in 2018. Depreciation rose 24% to total \$25.91 million for the period (2018: \$20.90 million). Management noted that the increase was due to general increases as well as an increase in the staff complement. MEEG also indicated, "lease, maintenance, utilities and security increased by a combined \$6.50 million or 41%; which is consistent with increases in assets and operational space used in our business."

As such, operating profit decreased by 3% from \$36.38 million in 2018 to \$35.41 million. Finance costs increased by 12% to close the period at \$3.80 million (2018: \$3.41 million),

Profit before taxation decreased by 4% to close the period at \$31.60 million (2018: \$32.97 million). Once again, MEEG incurred no taxes for the quarter. Thus net profit amounted to \$31.60 million (2018: \$32.97 million).

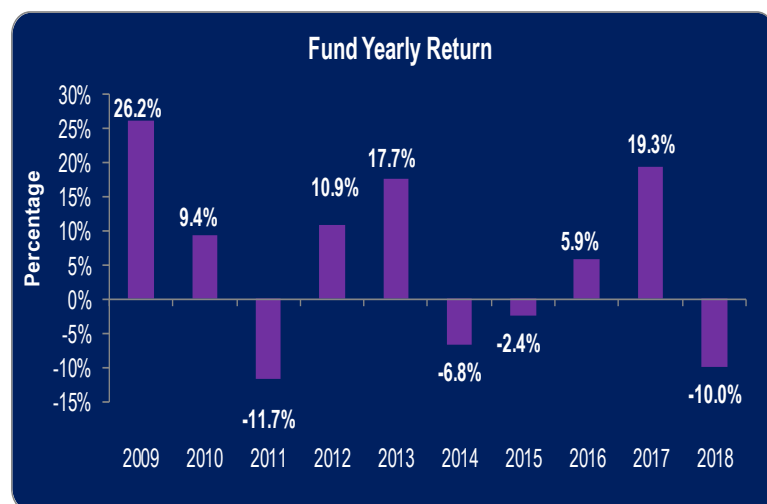
Consequently, earnings per share (EPS) for the quarter amounted to \$0.105 compared with \$0.110 for the corresponding period of last year. The trailing twelve months earnings per share amounted to \$0.31. The numbers of shares used in the calculations are 300,005,000 units.

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. Job Growth Looks Set to Power Record Back-to-School Spending

“Last Christmas may have been a let down, but American shoppers are finally warmed up just in time for back-to-school spending. U.S. outlays this summer will rise 5.1% -- the most in eight years -- as wage gains and near-peak employment translate to higher sales, retail research firm Customer Growth Partners estimates. Americans will spend a record \$616 billion this year, accelerating from last year’s growth of 4.5%. “After a slow start due to the long winter, retail has inflected sharply up since mid-April, and has hardly looked back,” President Craig Johnson said in the report. However, if new tariffs on Chinese goods are implemented, growth could be as low as 3.5%, according to the study. New duties on an additional \$300 billion of Chinese goods had been slated to go into effect but were put on hold after U.S. and Chinese leaders agreed to renew trade talks. Still, tensions linger as President Donald Trump has repeatedly said he could impose more tariffs on Chinese imports if he wants. Online sales are forecast to climb almost 12% this back-to-school season while sales at big-box stores will rise 5.5%, according to Customer Growth Partners’ surveys of more than 100 malls and shopping venues. For now, 5.1% back-to-school growth “is fully consistent with a 3% GDP pace for the second half of 2019,” Johnson said, “as the consumer -- again -- straps the economy on her back and powers forward.””

<https://www.bloomberg.com/news/articles/2019-07-18/u-s-job-growth-seen-powering-record-back-to-school-spending?srnd=economics-vp>

Europe: ECB Studies Revamping Inflation Goal in Twilight of Draghi Era

“European Central Bank staff have begun studying a potential revamp of their inflation goal, according to officials familiar with the matter, in a move that could embolden policy makers to pursue monetary stimulus for longer. The staff are informally analyzing the institution’s policy approach, including the question of whether the current target of consumer-price growth “below, but close to, 2%” is still appropriate for the post-crisis era. President Mario Draghi favors a “symmetrical” approach, meaning flexibility to be either above or below a specific 2% goal, the officials said, asking not to be identified as the work so far is confidential and preliminary. That would allow the ECB to keep inflation elevated for a while after a period of weakness to ensure price growth is entrenched. Governing Council members were given a presentation last week on symmetrical approaches to the current target. Changing the goal itself would probably require a formal review, the officials said. An ECB spokesman declined to comment. Bonds and stocks jumped on the report. The euro slid to its lowest of the day, trading down 0.2% at \$1.1206 at 12:40 p.m. Frankfurt time. A shakeup of the framework would be another step in the ECB’s transformation over the past two decades from a traditional central bank, modeled on the Bundesbank, to one adopting innovative strategies for a world in which standard economic models no longer seem to work.”

<https://www.bloomberg.com/news/articles/2019-07-18/ecb-studies-revamping-inflation-goal-in-twilight-of-draghi-era?srnd=premium-europe>

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.

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.

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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

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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