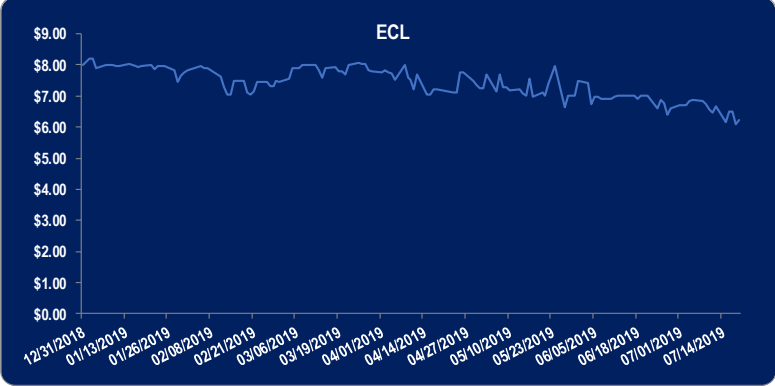


## DAILY RECOMMENDATION



### LOCAL STOCK MARKET: (JS) +

Stock Symbol	ISP	ECL	AMG	LASD	BPOW
Current Price (\$)	13.85	6.21	2.12	3.17	6.48
Trailing EPS (\$)	0.48	0.27	0.07	0.17	0.25
P/E (times)	28.82	22.74	31.34	18.60	26.29
Projected P/E	25.15	21.30	22.37	16.91	25.43
Projected EPS (\$)*	0.55	0.29	0.09	0.19	0.25
Book Value per share (\$)	3.20	0.16	0.96	1.48	1.59
Price/Book Value (times)	4.32	38.91	2.21	2.14	4.08
Dividend Yield (2018 %)	N/A	13.14%	N/A	3.03%	0.45%
Volumes	NIL	56,655	227,000	38,196	20,800
Recommendation	SELL	BUY	HOLD	HOLD	SELL



### STOCK OF THE DAY:

For the nine months ended February 28, 2019:-

Express Catering Limited (ECL) for the nine months ended February 28, 2019 reported a 7% increase in revenue to US\$12.11 million (2017: US\$11.27 million). Revenue for the quarter advanced 4% to close at US\$4.93 million relative to US\$4.39 million reported the previous year. Notably, the company stated, "The upgrading works being undertaken at the Sangster Int'l Airport continues to put stress on the operations. We anticipate that this will benefit Express Catering tremendously."

Cost of sales (COS) increased by 9% for the period to US\$3.25 million (2017: US\$2.99 million). As a result gross profit increased year-on-year for the nine month period by 7%, from US\$8.28 million in 2018 to US\$8.86 million in 2018. Gross profit for the third quarter improved from US\$3.25 million in 2018 to US\$3.61 million, a 11% increase year over year.

Total expenses increased by 10% for the period in review to US\$6.04 million for 2017, up from US\$5.48 million booked for the nine months ended February 2018. The increase was associated with a 11% growth in administrative expenses to US\$5.59 million from US\$5.05 million. Depreciation and Amortization saw a 4% increase to US\$415,946 compared to US\$400,475 for the comparable period in 2017. Promotional expenses saw a 19% increase from US\$30,380 to US\$36,108. Total expenses for the quarter increased 20% to close at US\$2.40 million (2017: \$2.00 million).

Consequently, operating profit for the period inched up by 1% to US\$2.81 million (2017: US\$2.80 million). However, operating profit for the quarter totalled US\$1.21 million, which dipped by 3% relative to US\$1.25 million booked for the corresponding quarter of 2017.

Finance cost of US\$259,075 (2017: US\$287,178) was incurred for the period, while foreign exchange losses amounted to US\$8,463 (2017: FX losses:US\$10,986). Consequently, profit for the period amounted to US\$2.55 million, a 1% increase above the US\$2.52 million recorded for the corresponding period in the prior year. For the quarter, profits amounted to US\$1.13 million versus US\$1.14 million booked for the comparable period in 2017, a 1% decrease.

Earnings per share (EPS) for the nine months totalled US\$0.16 cents (2017: US\$0.15 cents). Earnings per share for the quarter amounted to US\$0.069 cents (2017: US\$0.069 cents). The trailing EPS amounted to US\$0.21 cents.

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	138.300	101.868	136.477	142.354	104.480	138.102
CAN	106.750	81.877	105.264	107.850	98.000	105.819
GBP	172.414	133.655	164.678	176.102	160.000	169.760
EURO	153.600	114.856	148.596	158.220	144.000	154.066

\*Rates as at July 18, 2019

### MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (July 19, 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%.

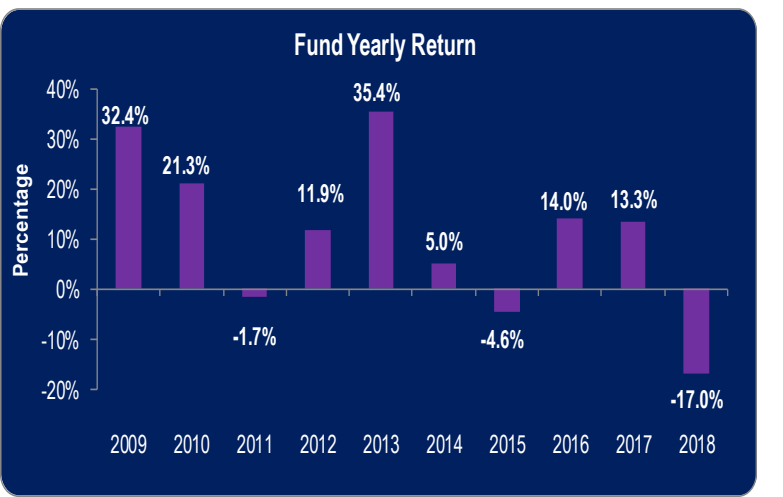
The US dollar fixed income market was also liquid during today's (July 19, 2019) trading session; The overnight market rates were quoted at 2.00% to 2.20% while the 30-day market rates stood at 2.40% to 2.70%.

### 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 5.5% and a 5 year return of 3.3%. The Fund also has a 10 year return of 10.5%. Rates are as at June 30, 2019.



\*Prices are as at July 19, 2019 \*Projections are made to the company's financial year end

**U.S.: Fed Officials Shake Markets With Rate Cut Comments**

“Two senior Federal Reserve officials stressed the need to act quickly if the U.S. economy looked likely to stumble, reinforcing bets the central bank could cut interest rates by as much as half a percentage point later this month. Fed Vice Chairman Richard Clarida and New York Fed chief John Williams buoyed stocks with their dovish remarks Thursday afternoon, in some of the final comments from central bankers before they enter their blackout period ahead of a July 30-31 policy meeting. Equities rose in Asia on Friday along with European futures, lifted by the prospect of a more aggressive policy move by the Fed. S&P 500 Index futures also gained, building on the U.S. gains seen late on Thursday, despite the New York Fed trying to walk back the comments from Williams. U.S. money markets priced in 41 basis points of easing in July after the two men spoke. Traders later wound that back after a New York Fed spokeswoman said that Williams’s comments had been in the context of an academic speech and were not about potential upcoming policy actions. Clarida was discussing the current economic outlook in a television interview.”

<https://www.bloomberg.com/news/articles/2019-07-18/clarida-says-fed-shouldn-t-delay-rate-cuts-until-economy-falters?srd=premium>

**Europe: U.K. Budget Deficit Offers Worrying Hints for Next Government**

“Britain posted its largest June budget deficit in four years as spending surged and taxes failed to grow, underscoring the fiscal risks facing the next prime minister. The increase means the gap in the second quarter is a third higher than a year earlier. That’s a wake-up call for Conservative leadership candidates Boris Johnson and Jeremy Hunt, whose proposed spending plans have already been criticized. While part of the widening was driven by higher interest payments on inflation linked debt, Samuel Tombs at Pantheon Macroeconomics said it’s a “tentative sign that the economy is flagging.” The economy may have stagnated this quarter, payback for a strong start to the year. After years of post-crisis austerity that narrowed Britain’s budget deficit, both candidates to be prime minister are seeking a change of tack, promising tens of billions of pounds of tax cuts and spending increases. Chancellor Philip Hammond, who oversaw part of that austerity drive, has been among those critical of the plans. The outlook for the public finances is additionally uncertain because of the threat of a no-deal Brexit hanging over the economy.”

<https://www.bloomberg.com/news/articles/2019-07-19/u-k-june-budget-deficit-widens-sharply-amid-spending-surge?srd=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.

**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.

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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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