

## DAILY RECOMMENDATION

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

Stock Symbol	GENAC	ECL	INDIES	KREMI	DCOVE
Current Price (\$)	5.43	6.32	3.50	5.00	12.05
Trailing EPS (\$)	0.29	0.30	0.11	0.14	0.69
P/E (times)	18.85	20.88	31.50	35.10	17.52
Projected P/E	18.06	20.00	28.46	25.95	16.01
Projected EPS (\$)*	0.30	0.32	0.12	0.19	0.75
Book Value per share (\$)	1.99	0.26	0.49	1.92	9.57
Price/Book Value (times)	2.73	24.24	7.21	2.60	1.26
Dividend Yield (2018 %)	5.20%	13.14%	N/A	1.00%	N/A
Volumes	1,065,500	126,901	31,777	2,000	2,987
Recommendation	HOLD	BUY	HOLD	SELL	HOLD

DCOVE



## STOCK OF THE DAY: Dolphin Cove (DCOVE)

## For the three months ended March 31, 2019:-

Dolphin Cove (DCOVE) for the three months ended March 31, 2019 reported total revenue of US\$3.89 million, a 3% increase when compared to US\$3.79 million booked the year prior. Revenue from Dolphin Attraction contributed US\$2.20 million to total revenue; this represents a 2% decline when compared to the US\$2.24 million reported in the prior year. Revenues from the Ancillary Services totalled US\$1.69 million, a 9% increase from last year's US\$1.55 million. Total direct cost for the period totalled US\$458,509 million, a 56% hike when compared to the US\$294,425 reported in 2018.

As such, gross profit for the period went down by 2%, amounting to US\$3.43 million relative to 2018's total of US\$3.50 million. Other income increased 8% to US\$66,256 million relative to US\$61,322 booked in 2018.

Total Operating Expenses advanced 6% moving from US\$2.38 million in 2018 to US\$2.51 million. Of this, administrative expenses totalled US\$670,209 (2018: US\$549,194) while Selling Expenses amounted to \$1.03 million (2018: US\$950,671). Other operating expenses for the period declined 7% to US\$816,373 (2018: US\$876,446)

Finance income declined by 86%, totalling US\$8,923 relative to US\$64,124 last year while finance cost moved down from US\$74,942 for the same period in 2018 to US\$69,348. Profit before Taxation saw a decline of 21% to US\$927,728 from US\$1.17 million. Following taxation of US\$84,926 (2018: US\$125,860), Net Profit for the period was US\$842,802, 19% less than the US\$1.05 million charged the prior year.

Earnings per stock unit for the three months totalled US\$0.0021 relative to US\$0.0027 in 2018. The trailing twelve-month EPS amounted to US\$0.005. The number of shares used in the calculation was 392,426,376.

\*Prices are as at August 09, 2019 \*Projections are made to the company's financial year end

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	137.750	102.305	133.8255	140.076	102.937	135.4809
CAN	102.300	79.376	101.8526	106.000	80.196	102.2257
GBP	166.500	128.717	162.8256	170.500	153.500	164.3404
EURO	148.600	113.288	144.0201	156.600	140.000	152.2276

\*Rates as at August 8, 2019

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (August 09, 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%.

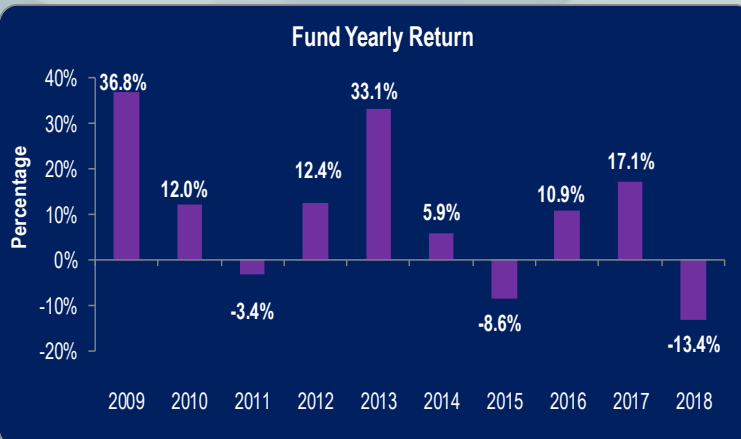
The US dollar fixed income market was also liquid during today's (August 09, 2019) trading session; The overnight market rates were quoted at 2.00% to 2.20% while the 30-day market rates stood at 2.40% to 2.70%.

## OVER THE COUNTER FUNDS (CI FUNDS)

## CI American Managers Corporate Class

This fund invests primarily in equity and equity-related securities of companies that are located in countries that have signed the North American Free Trade Agreement (NAFTA) (or its successor).

The fund has a 3 year return of 8.9% and a 5 year return of 4.1%. The Fund also has a 10 year return of 10.3%. Rates are as at June 30, 2019.



## U.S: Trump Still Has Plenty of Ways to Escalate His China Trade War

"The trade war's August escalation has spooked markets -- and central banks -- around the world. The bad news, though, is that while President Donald Trump has fired two large weapons in the past week by green-lighting his biggest swathe of tariffs yet and formally branding China a currency manipulator, his arsenal is far from exhausted. The loudest shot Trump could take may be the one that he increasingly appears focused on: weaponizing the dollar, the world's reserve currency. In a series of tweets on Thursday he called for the Federal Reserve to cut rates and weaken the dollar to benefit American exporters, effectively shrugging off a long-standing G-20 compact the U.S. signed again just weeks ago for the world's major economies not to engage in competitive currency devaluations. Inside the White House, hawks have been pushing for a direct intervention in currency markets by the Treasury by pointing to a slowdown in U.S. manufacturing, which many economists have blamed on tariffs imposed by Trump and uncertainty surrounding his trade war with China. Just how effective either a Fed cut or an intervention would be is unclear. The relevant Treasury fund has \$92 billion in it. Even if the Fed were to join in, as it has in past interventions, and match that amount -- a \$180 billion injection into a \$5 trillion per day global foreign-exchange market might have a limited effect. It might also unnervingly markets and have longer-term economic consequences. But while the president and markets are focused on a possible currency intervention, that's far from the last weapon he has available, according to current and former U.S. officials, advisers to the administration and analysts."

<https://www.bloomberg.com/news/articles/2019-08-09/trump-still-has-plenty-of-ways-to-escalate-his-china-trade-war?srnd=premium-asia>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at August 5, 2019

	Percentage (%)
Yield to Maturity	5.55
Weighted Average Coupon	5.514
Current Yield	4.89

The platinum portfolio has an effective maturity of 13.17 years and duration of 4.60 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.

Source: [www.jamstockex.com](http://www.jamstockex.com), [www.bloomberg.com](http://www.bloomberg.com), [www.investopedia.com](http://www.investopedia.com), [www.tradewire.com](http://www.tradewire.com)

## Europe: First U.K. Contraction Since Wake of Crisis Raises Brexit Stakes

"Britain succumbed to its first economic contraction since the aftermath of the financial crisis, raising the stakes for Boris Johnson's government as it seeks an imminent exit from the European Union. The unexpected 0.2% decline in gross domestic product during the second quarter -- the worst performance since 2012 -- provides a foretaste of the potential damage to growth that most economists are warning of if Brexit happens without any transition. The pound fell after the report, sliding to \$1.2117 as of 10:17 a.m. in London. The drop in output means the U.K. is in danger of falling into a technical recession with one more quarterly decline. It also highlights the predicament of the Bank of England, whose central forecasts see the need for gradual interest rate increases. Governor Mark Carney says the reaction to a no-deal Brexit, which would push down the pound and drive up inflation while further denting growth, could go in either direction. "Underlying momentum remains lukewarm, choked by a combination of slower global growth and Brexit uncertainty," said Alpesh Paleja, lead economist at the Confederation of British Industry. "As a result, business sentiment is dire." The abrupt drop came as many firms ran down inventories built up ahead of the original March 29 deadline to leave the European Union. Stock levels fell by 4.4 billion pounds (\$5.3 billion), knocking 2.15 percentage points off GDP. The economy was also hit by auto factories bringing forward summer maintenance shutdowns to April to avoid the threat of supply disruptions around the original Brexit deadline. Manufacturing, which enjoyed a bumper first quarter, shrank 2.3% in the following three months, the most since 2009."

<https://www.bloomberg.com/news/articles/2019-08-09/u-k-economy-unexpectedly-shrinks-for-first-time-since-2012?srnd=premium>

## 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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**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