



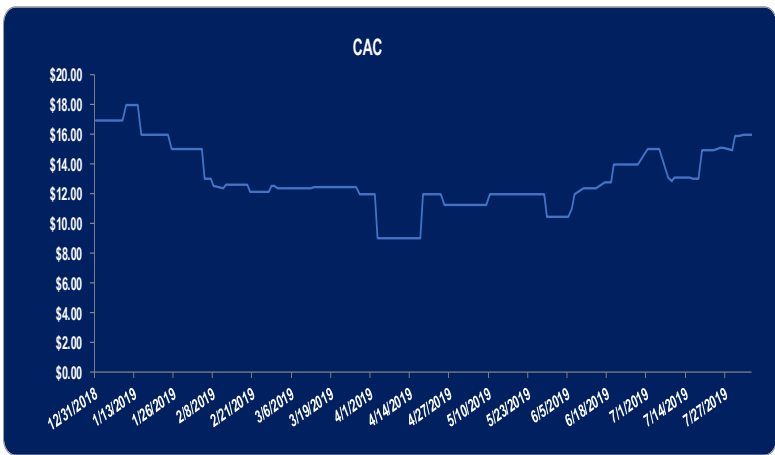
### LOCAL STOCK MARKET: (JS)<sup>+</sup>

Stock Symbol	CAC	ECL	FOSRICH	KREMI	BIL
Current Price (\$)	15.00	6.34	4.74	5.04	88.25
Trailing EPS (\$)	0.19	0.30	0.18	0.14	2.27
P/E (times)	80.04	20.95	26.04	35.38	38.81
Projected P/E	24.36	20.07	22.88	26.15	136.89
Projected EPS (\$)*	0.62	0.32	0.21	0.19	0.64
Book Value per share (\$)	3.80	0.26	1.50	1.92	13.09
Price/Book Value (times)	3.95	24.32	3.15	2.62	6.74
Dividend Yield (2018 %)	1.23%	13.14%	N/A	1.00%	N/A
Volumes	NIL	27,902	25,542	54,100	38,146
Recommendation	HOLD	BUY	HOLD	HOLD	SELL

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	135.720	102.305	133.3399	139.860	100.800	135.4165
CAN	102.500	79.704	100.5824	105.192	85.477	102.0471
GBP	164.150	127.977	157.7593	168.264	145.040	163.4360
EURO	154.490	113.131	144.7719	155.844	142.500	150.9615

\*Rates as at August 12, 2019



### STOCK OF THE DAY: CAC 2000 (CAC)

For the six months ended April 31, 2019:-

CAC 2000 (CAC), for the six months ended April 30, 2019, reported revenues of \$516.48 million versus \$623.44 million booked in 2018. Revenues for the quarter fell by 9% to \$350.06 million (2018: \$383.93 million).

Cost of sales fell by 8% for the period to \$342.83 million (2018: \$374.27 million). Consequently, gross profit for the period declined by 30% closing at \$173.65 million compared to \$249.17 million for the same period last year. For the quarter, gross profit decreased 29% to \$119.09 million (2018: \$166.75 million).

The Company reported a 4% increase in total expenses to \$204.16 million (2018: \$195.50 million). This was as a result of a 8% increase in General Administration to \$193.64 million (2018: \$178.53 million), which was tempered by a downward movement in Selling & Distribution to \$10.52 million (2018: \$16.97 million). For the quarter, the Company reported a 15% decline in total expenses which closed the quarter at \$92.37 million (2018: \$109.25 million).

Other income of \$47.14 million was recorded for the period under review, up from \$4.42 million reported for the same period in the prior year. Consequently, profit before taxation and finance cost fell by 71% to \$16.64 million (2018: \$58.09 million).

Net finance costs went up to \$13.57 million (2018: \$4.43 million). Of this, interest expense for the six months amounted to \$11.35 million (2018: \$11.10 million). Interest income closed at \$134,283 (2018: \$468,005) whereas other gains and losses closed at \$2.35 million versus other gains of \$6.20 million reported in the same period last year.

Profit before taxation amounted to \$3.07 (2018: \$53.65 million). No taxes were recorded for the period (2018: nil) as such net profit for the six months fell by 94% to \$3.07 million (2018: \$53.65 million). Net profit for the quarter was reported at \$40.76 million compared to \$55.88 million booked in the corresponding quarter of 2018.

Earnings per share (EPS) for the six months amounted to \$0.02 compared to \$0.42 in 2018, while for the quarter EPS amounted to \$0.32 versus \$0.43 documented in the prior comparable quarter. The twelve months trailing EPS amounted to \$0.19. The number of shares used in our calculations is 129,032,258 units.

\*Prices are as at August 13, 2019 \*Projections are made to the company's financial year end

### MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (August 13, 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%.

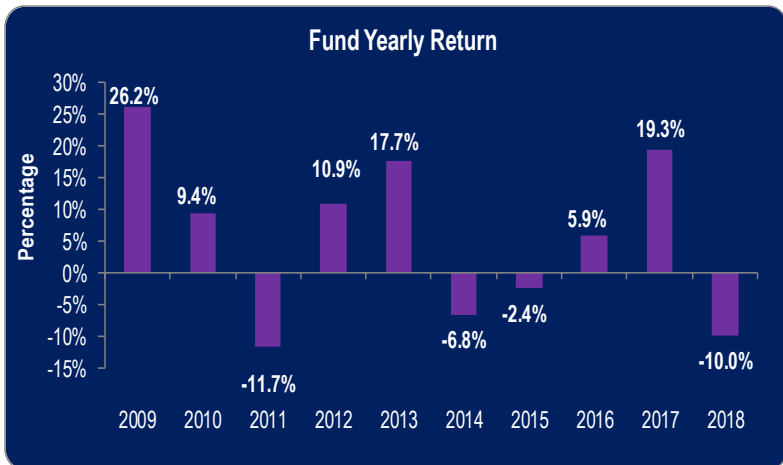
The US dollar fixed income market was also liquid during today's (August 13, 2019) trading session; The overnight market rates were quoted at 2.00% to 2.20% while the 30-day market rates stood at 2.40% to 2.60%.

### 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 5.2% and a 5 year return of 2.5%. The Fund also has a 10 year return of 4.7%. Rates are as at July 31, 2019.



**U.S: Recession Fears Spike to 2011 High as Risk of Bubbles Spreads**

“Recession fears are spreading among investors at a time when valuations across major assets are looking dangerously stretched following years of monetary stimulus, the latest Bank of America Corp. survey shows. About a third of asset managers polled believe a global recession is likely in the next 12 months, the highest probability since 2011 -- when Europe was engulfed by a sovereign-debt crisis. Trade war concerns rose, topping the list of the biggest tail risks, followed by the fear of monetary policy impotence, according to Bank of America’s report. This month’s escalation in the U.S.-China trade spat sent investors searching for havens as the growth outlook darkened. Central banks across the world this year have been trying to support the economy by pledging further stimulus. However, such efforts have also increased the threat of bubbles in key markets. Fund managers surveyed by Bank of America see corporate and government bonds as particularly vulnerable to bubbles created by monetary officials, followed by U.S. stocks and gold. At the same time, only 11% of polled investors see fiscal policy as overly stimulative. Amid fears of an economic slump, fund managers in August were the most bullish on bonds since 2008, with 43% expecting lower short-term rates over the next 12 months and just 9% of investors predicting higher long-term rates. A total of 171 fund managers overseeing \$455 billion in assets responded to the global fund manager survey.”

<https://www.bloomberg.com/news/articles/2019-08-13/recession-fears-spike-to-2011-high-as-risk-of-bubbles-spreads?srnd=premium>

**Europe: U.K. Wages Rise at Fastest Pace Since 2008, Employment Jumps**

“U.K. wages rose at their fastest pace in 11 years in the three months through June and employment climbed to a record high. Basic earnings growth is now close to 4%, far above inflation and good news for consumers. The figures were bolstered by increases for National Health Service staff and a higher minimum wage introduced in April. The headline figures point to ongoing strength in the labor market, with employment growth far outstripping economists’ forecasts. However, there were some signs of the Brexit jitters weighing on the wider economy, with vacancies falling to their lowest level since early 2018. Productivity also slumped from a year earlier, its fourth straight decline. “This is far from a perfect jobs report. Employer caution is limiting the supply of new vacancies, yet stiff competition for recruits is still driving up wages,” said Pawel Adrjan, U.K. economist at the global job site Indeed. “Given the wider slowdown in the economy, the labor market is holding up surprisingly well,” he said. For now, the stronger-than-forecast figures show the labor market remains tight, meaning the Bank of England is currently unlikely to join the global rate-cutting trend. It also means consumer spending may provide support to the economy, which shrank in the second quarter for the first time since 2012. Average earnings excluding bonuses rose 3.9% from a year earlier, the most since the second quarter of 2008. Total earnings growth accelerated to 3.7%, also comfortably outpacing inflation.”

<https://www.bloomberg.com/news/articles/2019-08-13/u-k-wages-rise-at-fastest-pace-since-2008-employment-jumps?srnd=premium-europe>

**PLATINUM PORTFOLIO**

**Platinum Portfolio Yield Measures as at August 12, 2019**

	Percentage (%)
<b>Yield to Maturity</b>	<b>5.47</b>
<b>Weighted Average Coupon</b>	<b>5.502</b>
<b>Current Yield</b>	<b>4.87</b>

The platinum portfolio has an effective maturity of 13.16 years and duration of 4.59 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 provide 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 persons 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.

Source: www.jamstockex.com, www.bloomberg.com, www.investopedia.com, www.tradewire.com

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