

DAILY RECOMMENDATION

LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	CFF	SVL	PJX	JP	PURITY
Current Price (\$)	19.90	27.95	7.90	27.52	2.38
Trailing EPS (\$)	0.78	0.80	-0.30	0.92	0.03
P/E (times)	25.59	35.09	n/a	29.97	90.34
Projected P/E	23.25	23.22	39.42	28.19	33.73
Projected EPS (\$)*	0.86	1.20	0.20	0.98	0.07
Book Value per share (\$)	4.88	1.31	10.78	12.02	3.29
Price/Book Value (times)	4.08	21.32	0.73	2.29	0.72
Dividend Yield (2018 %)	2.27%	7.03%	N/A	0.72%	N/A
Volumes	NIL	106,815	NIL	13,251	NIL
Recommendation	HOLD	BUY	HOLD	SELL	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	136.500	102.305	133.5043	139.860	102.305	135.4864
CAN	105.000	80.510	102.0924	106.000	93.000	102.4142
GBP	167.000	128.141	158.9956	168.218	151.800	162.1621
EURO	147.800	116.409	145.3092	155.000	140.000	152.3948

*Rates as at August 13, 2019

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (August 14, 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 14, 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%.

STOCK OF THE DAY: Caribbean Flavours and Fragrances (CFF)

For the three months ended March 31, 2019:-

Caribbean Flavours and Fragrances (CFF) revenues increased by 27% to \$112.58 million relative to \$88.72 million for the comparable period in 2018. CFF stated that, "the Company's positive growth was driven by a combination of strategies implemented both in the local and overseas market. CFF expects this trend to continue based on the pipeline of solutions that we are presently working on with these customers and in anticipation that they will be accepted and move from R&D into production."

Cost of sales amounted to \$75.29 million relative to \$54.03 million in the prior corresponding period. Consequently, gross profit went up 8% to close at \$37.29 million for the period under review, compared to the prior year's figure of \$34.69 million. Management noted that, "this continues to be heading in the right direction despite lower than anticipated sales of some new products during the quarter. We will continue with the refinement of our strategies and the improvement to our various cost structures in order to drive the desired efficiency whilst improving our cost of sales and gross profit."

The Company recorded a year over year increase in total expenses to \$26.14 million, up from \$21.18 million in 2018. There was a 68% decline in selling and distribution costs to total \$297,000 (2018: \$935,000). Whereas, administrative expenses for the period went up 28% to \$25.84 million versus \$20.25 million in the prior year's corresponding period.

Consequently, profit from operations for the period closed at \$11.15 million versus \$13.51 million booked twelve months earlier.

Pretax profit closed at \$14.45 million (2018: \$15.42 million). As a result, after incurring taxes 2.51 million (2018: nil), net profit for the period amounted to \$11.93 million compared to \$15.42 million documented in the same period last year. CFF mentioned that, "the marginal reduction in profit is expected given the platform that the Company is working to ensure that it is more solution driven as well as its quest to gain acceptance in new markets such as Cuba whilst deepening its presence in many of the local and overseas markets. We expect that this will bear fruits in the short to medium term."

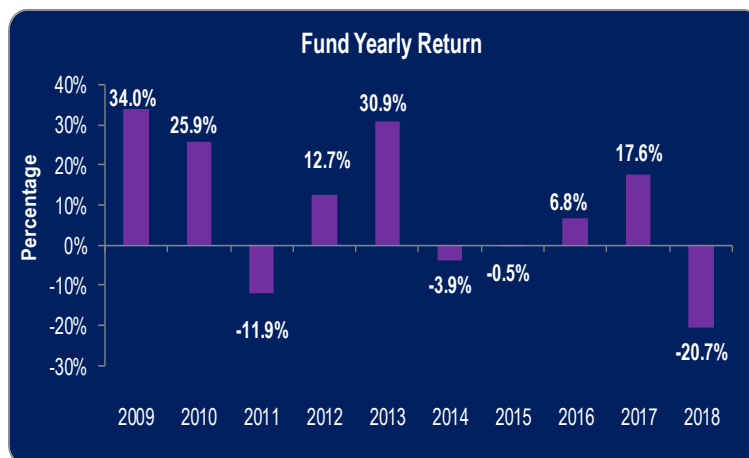
The earnings per share for the period amounted to \$0.13 (2018: \$0.17). The twelve months trailing EPS is \$0.78. The number of shares used in this calculation was 89,920,033 units.

OVER THE COUNTER FUNDS (CI FUNDS)

CI Global Small Companies Corporate Class

This fund invests primarily in equity and equity-related securities of small to mid-capitalization companies around the world.

The fund has a 3 year return of 2.1% and a 5 year return of 1.5%. The Fund also has a 10 year return of 6.7%. Rates are as at July 31, 2019.



U.S: Trump's New Farm Tariffs No Match for China's Retaliatory Duties

"President Donald Trump's new tariffs on Chinese agricultural products are likely to hurt the Asian nation a lot less than the retaliatory duties Beijing already imposes on the U.S. The White House, while delaying tariffs on big-ticket consumer products until December, decided to push ahead with 10% tariffs on Chinese agricultural products as well as antiques, clothes, kitchenware and footwear from Sept. 1. The list ranges from the exotic -- live primates, whales and foxes -- to the more usual fare of milk and edible oils. But the amount of farm products China exports to the U.S. is much smaller than what it imports from America, even with the retaliatory tariffs in place. China shipped \$3.1 billion worth of farm goods to America in the first half of this year, while it purchased \$5.6 billion of U.S. agricultural items over the same period, according to Chinese customs data. One area where Beijing may feel some pain is in textile exports. The material is already subject to U.S. tariffs and shipments have been falling, according to an industry trade agency. Sales of garments to the U.S. fell 19% in the first half of this year and will drop further as more textile products have been included in the fresh U.S. tariffs, the trade group said. This could hurt China's cotton imports, which were revised down by China's agriculture ministry this week."

<https://www.bloomberg.com/news/articles/2019-08-14/trump-tariffs-to-hurt-u-s-farmers-more-than-china-counterparts?smd=premium>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at August 12, 2019

	Percentage (%)
Yield to Maturity	5.47
Weighted Average Coupon	5.502
Current Yield	4.87

The platinum portfolio has an effective maturity of 13.16 years and duration of 4.59 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, www.bloomberg.com, www.investopedia.com, www.tradewire.com

Europe: U.K. Gears Up for Brexit-Driven Election That Boris Johnson Can't Call

"Prime Minister Boris Johnson's staff talk about an imminent general election as though it were a fact, and on Tuesday, a Conservative politician accidentally published a draft email about his "GE2019 team." But amid growing expectations that the next chapter in the U.K.'s political crisis will see the country go to the polls, it's still not clear how it will happen. The argument for an election is clear. Johnson has a governing majority in Parliament of just one seat, meaning he doesn't have the votes to pass any controversial legislation. It's also far from clear there's majority for any kind of Brexit deal, while MPs are plotting to block his "do or die" plan to take Britain out of the European Union on Oct. 31, without a deal if necessary. To underline the threat, former Chancellor of the Exchequer Philip Hammond warned Johnson he'll work in Parliament with other ex-ministers to try to stop a no-deal Brexit, which he called a "betrayal" of the 2016 referendum result. "I'm very confident that Parliament has the means to make its voice heard," Hammond told BBC Radio on Wednesday. Calling an election would stop those plots -- MPs would cease to be MPs and have to fight again for their seats -- and could potentially deliver Johnson a majority. The Conservatives see the prime minister as an electoral asset, a politician who's also a celebrity."

<https://www.bloomberg.com/news/articles/2019-08-13/u-k-gears-up-for-brexit-driven-election-that-johnson-can-t-call?smd=premium-europe>

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.

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



...BULLISH ON JAMAICA



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