

DAILY RECOMMENDATION



LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	CFF	SVL	PJX	JP	BPOW
Current Price (\$)	19.90	27.35	7.90	28.93	8.88
Trailing EPS (\$)	0.78	0.80	-0.30	0.92	0.25
P/E (times)	25.59	34.33	n/a	31.51	36.02
Projected P/E	23.25	22.72	39.42	29.40	34.84
Projected EPS (\$)*	0.86	1.20	0.20	0.98	0.25
Book Value per share (\$)	4.88	1.31	10.78	12.02	1.59
Price/Book Value (times)	4.08	20.86	0.73	2.41	5.59
Dividend Yield (2018 %)	2.27%	7.03%	N/A	0.72%	N/A
Volumes	NIL	138,518	NIL	938	69,292
Recommendation	HOLD	BUY	HOLD	SELL	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	137.000	102.305	133.5139	139.860	102.305	135.7181
CAN	103.000	79.540	100.8822	105.500	93.000	102.4246
GBP	166.670	128.059	160.0134	168.314	151.300	163.2280
EURO	147.200	113.131	143.3133	155.844	120.771	152.6813

*Rates as at August 14, 2019

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (August 15, 2019) trading session. The overnight 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 15, 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: Supreme Ventures Limited (SVL)

For the six months ended June 30, 2019:-

Supreme Ventures Limited (SVL), for the six months ended June 30, 2019, reported a 15% increase in 'Total Gaming Revenue' from \$16.12 billion in 2018 to \$18.62 billion in 2019. For the quarter, 'Total Gaming Revenue' closed at \$9.31 billion (2018: \$8.06 billion).

Revenues from the Company's segments were as follows: Revenue from 'Non fixed odd wagering games, horse racing and pin codes' amounted to \$10.90 billion (2018: \$9.60 billion), a 14% increase. Income from fixed odd wagering games, net of prizes totaled \$7.72 billion (2018: \$6.52 billion), an 18% rise.

Cost of sales recorded an increase to close the period at \$14.74 billion when compared to \$12.91 billion for the same period in 2018. As such, gross profit for the period improved 21% to \$3.88 billion (2018: \$3.21 billion). For the quarter, gross profit closed at \$1.97 billion (2018: \$1.55 billion).

Operating expenses grew 8% for the period to \$2.01 billion (2018: \$1.86 billion), while recording 'Other losses' of \$16.03 million relative to 'Other income' of \$91.51 million for the prior period in 2018. For the quarter, operating expenses amounted to \$1.06 billion versus \$954.18 million booked in the previous comparable quarter.

Consequently, operating profit for the period increase 28% to \$1.85 billion relative to \$1.44 billion reported in 2018. While, for the quarter, operating profit closed at \$907.77 million (2018: \$613.47 million).

Finance costs fell to \$43.06 million (2018: \$44.02 million). As such, profit before taxation amounted to \$1.81 billion, up from \$1.40 billion in 2018. For the quarter, profit before taxation totaled \$896.01 million (2018: \$589.41 million).

Taxation for the period rose 61% to close at \$562.70 million compared to \$349 million in 2018, thus resulting in net profit of \$1.25 billion, a 19% increase from the \$1.05 billion recorded in the prior comparable period. For the quarter, net profit closed at \$624.28 million (2018: \$432.42 million).

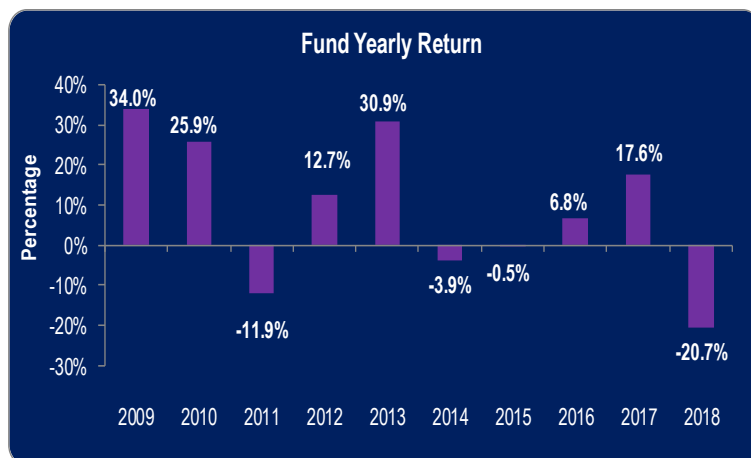
Earnings per share totaled \$0.47 versus \$0.40 in the previous period in 2018, while EPS for the quarter amounted to \$0.24 (2018: \$0.16). The twelve months trailing earnings per share amounted \$0.87. The number of shares used in our calculations 2,637,254,926 units.

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 Re-Election Now at the Mercy of a Slowing Economy

"The growing odds of a recession before the 2020 election threaten to crush President Donald Trump's hopes of a second term. Though still uncertain, such a scenario would be a political gift to Democrats, who have avoided talking about the nearly full employment, record stocks and low inflation so far in the Trump presidency. Instead, the candidates have highlighted rising income inequality and untenable costs of health care and college to argue that the working class isn't feeling the boom. But this week, fears of a broader downturn arose. The S&P 500 sank almost 3% on Wednesday and the Dow Jones Industrial Average plunged 800 points in its worst rout of the year, sparked when the 10-year Treasury rate slid below the two-year for the first time since 2007, a harbinger of a possible downturn. With a global factory slowdown and Trump's trade war already weighing on growth, the chances that the U.S. will tip into a recession within the next year have risen to 35%, according to an August survey of economists by Bloomberg News. "Short of Justices Gorsuch and Kavanaugh disclosing membership in the Communist Party, it is hard to think of any development that could undercut Trump more than a recession," said Jack Pitney, a professor of government at Claremont McKenna College. "He promised the religious right that he would give them judges and he promised the rest of his base that he would give them prosperity. Take away prosperity, and he won't have a prayer," he said. At least one Democrat took notice of the signs. Senator Elizabeth Warren, who posted a Medium blog in July about the economic slowdown, tweeted Wednesday that "the warning signs for another recession are flashing. We need to pay attention and act now, while we still have time to avert a downturn."

<https://www.bloomberg.com/news/articles/2019-08-15/trump-s-re-election-now-at-the-mercy-of-a-slowng-economy?srnd=premium>

Europe: As Europe Struggles, Ukraine's Economy Heads for an Upswing

"As economic growth falls across Europe, Ukraine may be embarking on an upswing. Data this week showed expansion in the former Soviet republic surged last quarter, even as U.S.-China trade tensions and a wider global slowdown weighed on most of the continent. The pace -- 4.6% -- was unexpectedly quick. The World Bank had warned that if growth didn't top the rate of recent years it would take half a century to bring income up to the levels of neighboring Poland, which has thrived since joining the European Union. President Volodymyr Zelenskiy, who won control of parliament last month, has set his sights on expansion of 5% or more in the coming years. A reform plan is fueling optimism among investors and has made the hryvnia this year's best-performing currency. "The initial signs are encouraging," said Viktor Szabo, investment director at Aberdeen Asset Management PLC in London, who helps oversee \$14 billion in emerging-market debt. Aberdeen has an overweight position in Ukrainian bonds and Szabo rues the company's early disposal of warrants linked to economic growth issued after a 2015 government debt restructuring. He expects a "bold" program with the International Monetary Fund to be agreed on once a new government is in place next month, though says an overhaul of the country's murky court system is vital to the new president's success. Ukraine's economy has had a rocky ride since 2014, when protesters ousted Kremlin-backed Viktor Yanukovich and Russia seized Crimea before fomenting a war on the two nations' border. With the pro-EU administration that followed not tough enough on corruption, the rebound from recession was meager. That paved the way for Zelenskiy, a former TV comic and political novice, to take power. His plans highlight where the previous government fell short: judicial reform, privatization and loosening rules on owning farmland."

<https://www.bloomberg.com/news/articles/2019-08-15/as-europe-struggles-ukraine-s-economy-heads-for-an-upswing?srnd=premium-europe>

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.

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.

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

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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