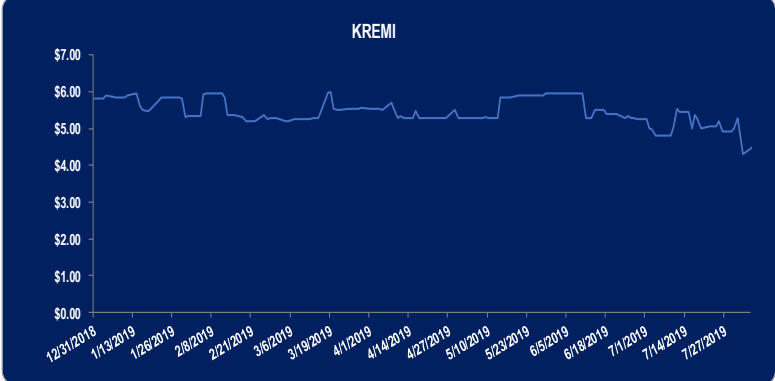




### LOCAL STOCK MARKET: (JS)<sup>+</sup>

Stock Symbol	LASM	JBG	KREMI	VMIL	JSE
Current Price (\$)	5.55	33.22	4.61	7.77	30.01
Trailing EPS (\$)	0.27	1.97	0.14	0.37	0.67
P/E (times)	20.25	16.84	32.36	21.03	45.03
Projected P/E	18.44	15.72	23.92	26.75	42.53
Projected EPS (\$)*	0.30	2.11	0.19	0.29	0.71
Book Value per share (\$)	1.44	12.27	1.92	2.24	1.71
Price/Book Value (times)	3.86	2.71	2.40	3.47	17.50
Dividend Yield (2018 %)	1.01%	0.95%	N/A	4.32%	N/A
Volumes	9,286,631	2,564,812	NIL	230,773	716,146
Recommendation	HOLD	BUY	HOLD	SELL	SELL



### STOCK OF THE DAY: Caribbean Cream Limited (KREMI)

For the three months ended May 31, 2019:-

For the three months ended May 31, 2019, Caribbean Cream Limited (KREMI)'s turnover rose by 1% to \$417.67 million (2018: \$411.75 million). According to the Company, "sales were impacted due to a 2 weeks factory closure during this quarter to undertake modifications and repairs to enable us to gain HACCP Certification."

Cost of sales also increased by 7% to \$282.64 million (2018: \$265.15 million) and according to management was attributable "to general local price increases". Gross profit decreased by 8% to \$135.02 million compared to \$146.60 million in 2018.

Administrative Expenses climbed 21% to close at \$91.72 million (2018: \$75.90 million). According to management, "this is primarily due to increased costs in utilities, rental and repairs and maintenance of the depots." In addition, Selling and Distribution Costs rose by 13% from \$13.22 million to \$14.88 million. Consequently, operating profit for the quarter amounted to \$29.02 million, down 50% relative to \$58.04 million book in the prior year.

Finance costs for the first quarter was grew 79% to \$6.06 million a vast increase when compared to the prior year's first quarter of \$3.38 million. Interest Income decreased by 14% to \$610,758 from \$711,475.

Consequently, profit before taxation amounted to \$23.57 million relative to \$55.37 million in 2018 representing a 57% decrease year-on-year for the period.

Taxes of \$2.95 million were charged for the period relative to nil the prior year, as such net profit attributable to shareholders had a decline of 63% from \$55.37 million in 2018 to \$20.62 million.

As such, the earnings-per-share for the first three months of 2019 amounted to \$0.05 relative to \$0.15 for the same quarter last year. The trailing twelve months earnings per share totaled \$0.14 (EPS:2018: \$0.14 ). The number of shares used in our calculation is 378,568,115.

<sup>+</sup>Prices are as at August 16, 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	136.000	102.305	133.2103	139.860	102.305	135.2899
CAN	101.500	79.212	98.3289	104.436	95.700	102.0142
GBP	164.000	128.059	157.4791	168.912	153.000	165.1581
EURO	147.500	112.347	143.2556	155.196	142.000	153.9894

\*Rates as at August 15, 2019

### MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (August 16, 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%.

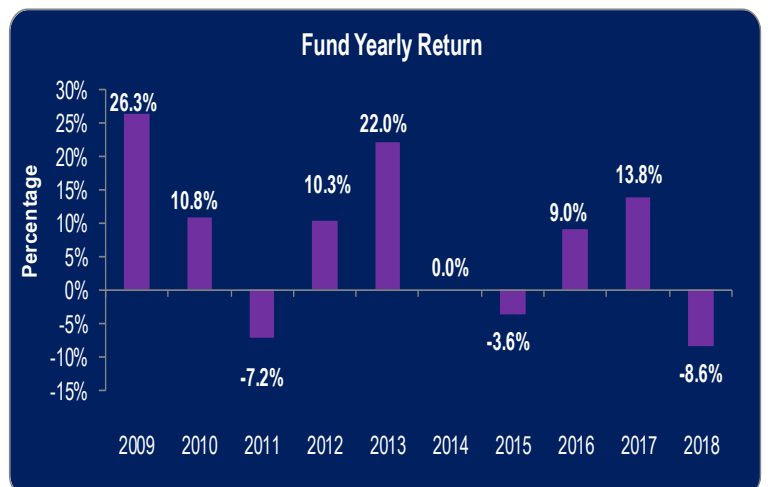
The US dollar fixed income market was also liquid during today's (August 16, 2019) trading session; The overnight market rates were quoted at 2.00% to 2.20% while the 30-day market rates stood at 2.40% to 2.60%.

### OVER THE COUNTER FUNDS (CI FUNDS)

#### CI Global Value Corporate Class

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

The fund has a 3 year return of 5.0% and a 5 year return of 3.6%. The Fund also has a 10 year return of 6.4%. Rates are as at July 31, 2019.



**U.S: U.S. Home Starts Fall on Further Weakness in Apartment Building**

“U.S. new-home construction unexpectedly fell in July for a third month on another drop in starts of apartment buildings that masked a gain in single-family units. Residential starts dropped 4% to a 1.19 million annualized rate after a downwardly revised 1.24 million pace in the prior month, according to government figures released Friday. The median forecast in a Bloomberg survey of economists called for a 1.26 million pace. Multifamily home construction slumped for a second month, while starts of single-family housing increased to the highest level since January. The data on single-family homebuilding, bolstered by the highest level of permits in that category since November, suggest homebuilding remains stable in the face of lot and labor shortages. Some builders are trying to alleviate a nationwide deficit of affordable housing as solid wages and low mortgage rates support demand. Total building permits, a proxy for future construction, rose 8.4% to a 1.34 million rate, exceeding estimates. The monthly increase was the largest in more than two years. Data out Thursday showed sentiment among U.S. homebuilders rose in August to match this year’s high, but a weaker outlook suggests upward momentum in the months ahead may prove fleeting. Single-family starts climbed 1.3% to 876,000 annualized rate, and permits rose for a third month. Data out next week are forecast to show existing-home sales, which make up the majority of the U.S. housing market, increased in July while the pace of new home sales eased. Starts for multifamily homes, a category that tends to be volatile and includes apartment buildings and condominiums, decreased 16.2% after a 16.4% decline in June, while permits increased 21.8% last month. Three of four regions posted a decline in starts.”

<https://www.bloomberg.com/news/articles/2019-08-16/u-s-home-starts-fall-on-further-weakness-in-apartment-building?srnd=premium-europe>

**Europe: Trump’s Oil Sanctions Leave Russian Exporters \$1 Billion Richer**

“U.S. President Donald Trump’s sanctions against Iran and Venezuela have inadvertently increased demand for a Russian brand of crude oil, boosting revenues for the nation’s exporters. Russian oil companies received at least \$905 million in additional revenues between November and July, data compiled by Bloomberg show. The calculation is based on difference between the Urals spread to the Brent benchmark over the period compared to the five-year average. The sanctions added to a jump in demand for Russian crude in the wake of output cuts from the Organization of Petroleum Exporting Countries and their partners. As a result, Russia’s Urals blend of crude has started to regularly trade at a premium to Brent. “There is a shortage of competing heavier, sourer crude right now as a result of sanctions on Iran and Venezuela, but also because of OPEC+’s current production cut agreement,” Konstanta Rangelova, analyst at JBC Energy, said by email. “Urals in the Mediterranean is at an all-time high.” The Bloomberg calculations are based on terminal data, oil loading programs for Russian ports and information from a trader monitoring S&P Global Platts oil assessments. The estimate doesn’t include any of the overall effect on Brent prices from Trump’s policies or the OPEC+ deal, just the shift in relative prices. The U.S. announced sanctions against Venezuela in late January and removed the remaining waivers for buyers of Iranian oil from May. The measure created a shortage of the heavy, sour kind of crude that the two export, a variety similar to that produced in Russia. While this oil is considered to be of lower quality, some refineries are built to process it and switching to other grades is costly. Russia’s total oil export revenues totaled \$58.5 billion in the first half of the year, according to the Federal Customs Service.

<https://www.bloomberg.com/news/articles/2019-08-16/trump-s-oil-sanctions-leave-russian-exporters-1-billion-richer?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 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.

**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

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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**MAYBERRY INVESTMENTS LIMITED**  
 A Member of the Jamaica Stock Exchange

1 ½ Oxford Road, Kingston 5, Jamaica. ☎ (876) 929 1908 – 9  
 research@mayberryinv.com • sales@mayberryinv.com • www.mayberryinv.com

