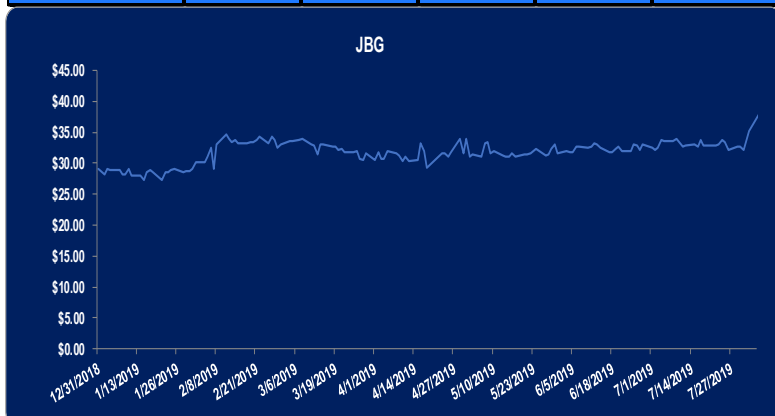


### DAILY RECOMMENDATION

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

Stock Symbol	LASM	JBG	KREMI	VMIL	JSE
Current Price (\$)	5.47	34.48	4.75	7.98	30.02
Trailing EPS (\$)	0.27	1.97	0.14	0.37	0.67
P/E (times)	19.95	17.48	33.35	21.60	45.04
Projected P/E	18.17	16.32	24.65	27.47	42.54
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)	3.81	2.81	2.47	3.57	17.51
Dividend Yield (2018 %)	1.01%	0.95%	N/A	4.32%	N/A
Volumes	267,615	106,248	22,325	352,237	117,542
Recommendation	HOLD	BUY	HOLD	SELL	SELL



#### STOCK OF THE DAY: Jamaica Broilers Group (JBG)

For the year ended April 30, 2019:-

Jamaica Broilers Group (JBG) reported total Revenues of \$55.06 billion for the year ended April 30, 2019, a 14% increase on the \$48.28 billion reported in 2018. The Jamaica Operations contributed \$35.86 billion which represents approximately 65% of total revenues increasing by 5% relative to \$34 billion in 2018. US Operations (approximately 31% of total revenue) contributed \$16.80 billion increasing 40% relative to \$12.04 billion for the comparable period, and Other Caribbean Operations (approximately 4% of total revenue) contributed \$2.40 billion compared to \$2.24 billion reported in 2018.

Cost of Sales for the period increased by 15% to \$40.82 billion from \$35.42 billion in 2018. Consequently, Gross Profit increased to \$14.23 billion, 11% higher relative to \$12.86 billion reported in 2018.

Distribution costs increased 9% to \$2.10 billion for the period compared to \$1.92 billion in the corresponding period last year, while administration and other expenses grew by 15% to \$8.96 billion (2018: \$7.76 billion). The Company reported other income of \$585.25 million for the period relative to \$197.85 million reported in 2018, a 196% increase year on year. Operating Profit increased by 7%, totalling \$3.63 billion for the year end relative to \$3.38 billion last year.

JBG reported Finance income of \$366.82 million (2018: \$474,000) while finance costs climbed by 38% to \$988.59 million relative to \$714.90 million in 2018. Profit before Taxation increased by 13% for the year end amounting to \$3.01 billion (2018: \$2.67 billion). Following taxation for the period of \$639.21 million (2018: \$641.26 million), net profits increased 17% to a total of \$2.37 billion (2018: \$2.03 million).

Net Profits attributable to shareholders amounted to \$2.37 billion, 21% higher than the \$1.96 billion reported in 2018. Net Profits attributable to shareholders for the quarter amounted to \$981.69 million, 64% more than the \$597.92 million reported in 2018.

Earnings per share (EPS) for year ended totalled \$1.97 (2018: \$1.64). The total number of shares employed in our calculations amounted to 1,199,276,400 units.

<sup>+</sup>Prices are as at August 19, 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	137.000	102.305	133.1899	139.860	102.305	135.5996
CAN	102.290	79.212	98.3851	105.000	93.000	102.2864
GBP	164.500	128.717	160.7345	170.000	151.600	163.8047
EURO	147.500	111.955	141.7179	154.764	119.365	152.7973

\*Rates as at August 16, 2019

#### MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (August 19, 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%.

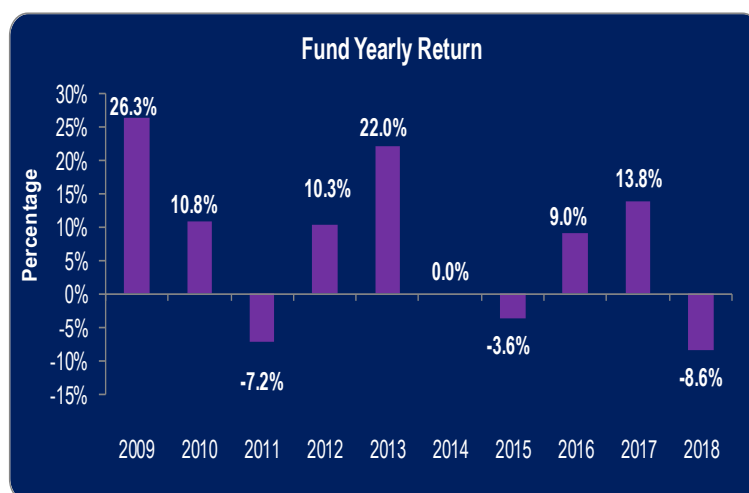
The US dollar fixed income market was also liquid during today's (August 19, 2019) trading session; The overnight market rates were quoted at 2.00% to 2.20% while the 30-day market rates stood at 2.40% to 2.70%.

#### OVER THE COUNTER FUNDS (CI FUNDS)

##### CI 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: Powell Likely to Use Jackson Hole to Suggest Fed Ready to Cut

“Federal Reserve Chairman Jerome Powell will have no lack of material to choose from when he kicks off the central bank’s annual Jackson Hole symposium Friday with a speech on the challenges for monetary policy. A deglobalization shock touched off by Donald Trump’s trade policy; super low interest rates, including \$16.7 trillion in negative-yielding bonds; a never-ending presidential assault on the Fed; and a rising risk of a U.S. and worldwide recession. “There are all sorts of hazards out there,” said former International Monetary Fund chief economist Maury Obstfeld, now a senior fellow at the Peterson Institute for International Economics. And some of them, including the risk of a hard Brexit and political protests in Hong Kong, lie outside of the U.S. and aren’t susceptible to the Fed’s influence. Fed watchers expect Powell to do nothing on Friday to disabuse investors of the widespread perception that the central bank will reduce interest rates by another quarter of a percentage point next month. But whether he’ll open the door to a half-point cut, which some traders are looking for, is unclear. “It’s certainly a possibility,” that the Fed will lower rates by a half point in September, said Bruce Kasman, chief economist at JPMorgan Chase & Co. “But I don’t see it. The data don’t justify that.” He puts the chances of a U.S. recession in the next 12 months at 40% to 45%. Former Fed official Nathan Sheets likened the economic dashboard facing Powell to a Christmas tree.”

<https://www.bloomberg.com/news/articles/2019-08-18/powell-likely-to-use-jackson-hole-to-suggest-fed-ready-to-cut?srd=premium>

## PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at August 19, 2019	
	Percentage (%)
Yield to Maturity	5.41
Weighted Average Coupon	5.473
Current Yield	4.89

The platinum portfolio has an effective maturity of 13.15 years and duration of 4.61 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: Hedge Funds Boost Bets Against Euro on Prospect of ECB Stimulus

“Hedge funds are betting against the euro on the prospect of the European Central Bank amping up its easy monetary policy. Speculators increased their wagers on the shared currency’s decline to the most in almost three months, according to positioning data up to Aug. 13 from the U.S. Commodity Futures Trading Commission. While the euro was supported Monday by the prospect of Germany increasing spending, it touched a two-year low against the dollar on Aug. 1. The common currency is also facing political headwinds with Italy’s government looking close to unraveling, and the U.K. seemingly headed for a crash exit from the European Union in just over two months. Markets are bracing for ECB policy makers to loosen policy even further as soon as next month to prop up the region’s faltering economy. “Despite the softer data, the easing regime-shift by the ECB is not yet fully reflected in positioning or valuations,” said strategists at JPMorgan, including Meera Chandan. “ECB dovishness and weak growth are still the main drivers of our bearish euro stance. Italian politics are an incremental negative in the near term.” The euro traded up 0.1% at \$1.1103 at 12:10 p.m. in London, after falling 1% last week. JPMorgan strategists now see the euro slipping to \$1.10 by September and trading at that level into the end of the year, lower than their earlier end-2019 call of \$1.13. One-month volatility in the shared currency against the dollar has touched a six-month high amid uncertainty over how policy makers will respond to a deepening global downturn.”

<https://www.bloomberg.com/news/articles/2019-08-19/hedge-funds-boost-bets-against-euro-on-prospect-of-ecb-stimulus>

## 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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1 ½ Oxford Road, Kingston 5, Jamaica. (876) 929 1908 – 9

research@mayberryinv.com sales@mayberryinv.com www.mayberryinv.com