

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

Stock Symbol	MDS	CFF	LASM	ISP	SIL
Current Price (\$)	5.70	12.75	5.11	25.77	3.18
Trailing EPS (\$)	0.42	0.71	0.27	0.50	0.16
P/E (time)	13.67	17.94	18.65	51.31	20.13
Projected P/E	14.70	17.16	16.98	44.42	18.63
Projected EPS (\$) <sup>*</sup>	0.39	0.74	0.30	0.58	0.17
Book Value per share (\$)	2.89	5.14	1.44	3.32	3.09
Price/Book Value (times)	1.98	2.48	3.56	7.75	1.03
Dividend Yield (2018 %)	2%	2%	N/A	N/A	N/A
Volumes	NIL	10,000	3,500	NIL	120,492
Recommendation	BUY	HOLD	HOLD	SELL	SELL

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

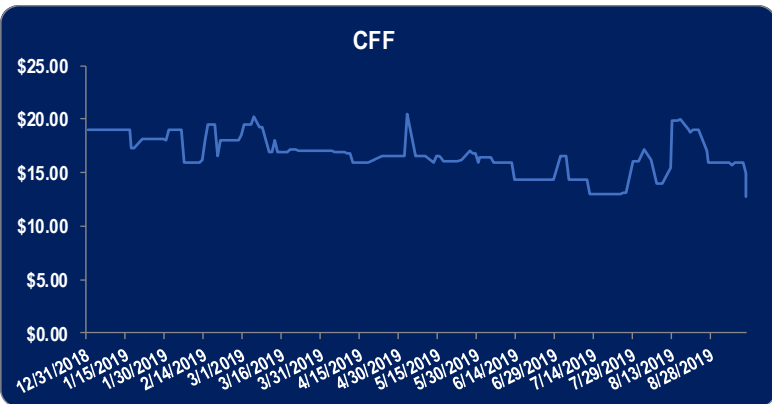
Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	139.300	103.740	136.6157	143.973	104.344	138.0999
CAN	104.600	82.410	101.9391	108.540	96.850	103.9528
GBP	171.700	134.314	166.3514	176.256	155.000	169.9976
EURO	151.000	114.464	144.8103	157.680	144.500	152.6323

\*Rates as at September 10, 2019

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (September 11, 2019) trading session. The overnight rate stood at 0.30% to 0.60% while the 30-day rate ranged at 1.60% to 1.80%.

The US dollar fixed income market was also liquid during today's (September 11, 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%.



## STOCK OF THE DAY: Caribbean Flavours & Fragrances Limited's (CFF)

For the six months ended June 30, 2019:-

For the period ended June 30, 2019, Caribbean Flavours & Fragrances Limited's (CFF) revenue increased by 8% to \$226.33 million relative to \$209.43 million for the comparable period in 2018. For the quarter, the Company generated revenue of \$113.75 million (2018: \$120.71 million), a 6% decrease year over year. CFF noted that, "this was driven by seasonal purchases based on manufacturers demand but we expect to see improvements in sales in the upcoming two quarters of this financial year."

Cost of sales also increased for the period to \$141.83 million, this compares to the prior year's figure of \$125.37 million, representing an increase of 13%. Gross profit increased slightly to \$84.50 million for the period in review and compares to the prior year's amount of \$84.06 million. For the quarter, gross profit closed at \$47.21 million (2018: \$49.37 million). Management stated, "fluctuations in the foreign exchange rate as well as increased logistics costs negatively impacted our gross profit for the reporting quarter."

The company had an 8% year over year increase in total expenses to \$49.74 million, up from \$46 million in 2018. There was a 77% decrease in selling & distribution expenses to \$694,000 (2018: \$2.98 million). Whereas, Administrative Expense for the period climbed to \$49.04 million versus the prior year's corresponding total of \$43.02 million.

Consequently, Profit from Operations for the period decreased to \$34.76 million versus \$38.06 million booked for the period ended June 30, 2019. While for the quarter, there was a 4% decline from \$24.55 million to \$23.61 million in 2019. The company reported a 18% decrease in net finance income from \$6.68 million in 2018 to \$5.48 million in 2019.

Following taxation of \$5.02 million (2018: mil), net profit for the period amounted to \$35.22 million representing a 21% decrease from the comparable period's figure of \$44.74 million, while for the quarter, net profit also decreased by 21% from \$29.32 million to \$23.29 million in 2019. "The marginal reduction in profit is expected given the additional costs incurred which are aligned to the future growth prospects of the Company, CFF stated.

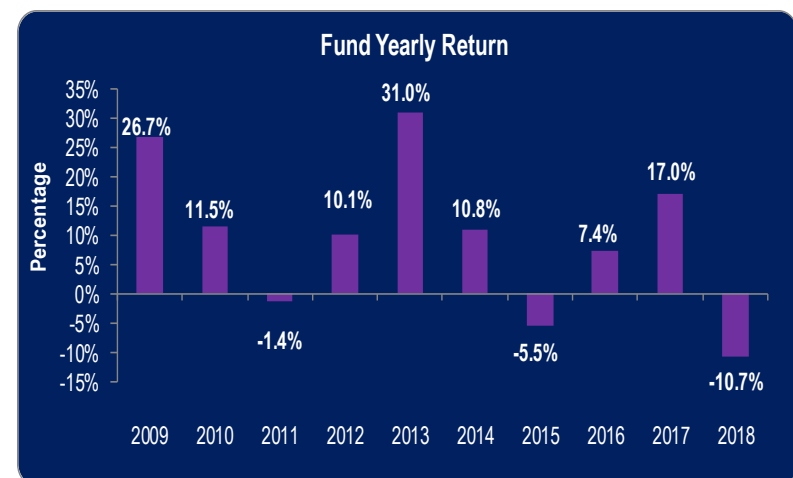
The earnings per share for the period months amounted to \$0.39 (2018: \$0.50). While, the EPS for the quarter amounted at \$0.26 (2018: \$0.33). The twelve months trailing EPS is \$0.71. The number of shares used in this calculation was 89,920,033 units.

## OVER THE COUNTER FUNDS (CI FUNDS)

### CI American Value Corporate Class

This fund invests primarily in equity and equity-related securities of companies in the United States.

The fund has a 3 year return of 9.1% and a 5 year return of 6.7%. The Fund also has a 10 year return of 9.7%. Rates are as at July 31, 2019.



U.S: Trump Ups Pressure on Fed, Seeking Rates of Zero 'Or Less'

"President Donald Trump urged the Federal Reserve to lower interest rates to a level typically reserved for recessions or periods of persistently weak growth, suggesting that such a setting could allow the government to refinance Treasury debt at a lower cost. The Fed should "get our interest rates down to ZERO, or less," Trump said in an early Wednesday tweet that went beyond his previous attacks and demand for a cut of one percentage point. "We should then start to refinance our debt. INTEREST COST COULD BE BROUGHT WAY DOWN, while at the same time substantially lengthening the term."

<https://www.bloomberg.com/news/articles/2019-09-11/trump-calls-on-fed-to-cut-interest-rates-to-zero-or-less?srd=premium>

Asia: China Starts Tariff Exemptions, Keeps Pressure on U.S. Farms

"China announced a range of U.S. goods to be exempted from 25% extra tariffs put in place last year, as the government seeks to ease the impact from the trade war without lifting charges on major agricultural items like soybeans and pork. Pharmaceuticals and lubricant oil are among exclusions to levies on imports announced by the Ministry of Finance on its website on Wednesday. The exemptions, effective from Sept. 17 to Sept. 16 2020, will cover 16 categories of products worth about \$1.65 billion, according to Bloomberg calculations based on China's 2018 trade data."

<https://www.bloomberg.com/news/articles/2019-09-11/china-starts-tariff-exemptions-but-keeps-pressure-on-u-s-farms?srd=premium>

PLATINUM PORTFOLIO

**Platinum Portfolio Yield Measures as at September 09, 2019**

	Percentage (%)
<b>Yield to Maturity</b>	5.33
<b>Weighted Average Coupon</b>	5.473
<b>Current Yield</b>	4.70

The platinum portfolio has an effective maturity of 13.10 years and duration of 4.65 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 per-sons who do not have the time to actively manage their own portfolio.

DISCLAIMER

**Analyst Certification** -The views expressed in this research report accurately reflect the personal views of Mayberry Investments Limited Research Department about those issuer (s) or securities as at the date of this report. Each research analyst (s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation (s) or view (s) expressed by that research analyst in this research report.

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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 30 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH

POSITIVE TRANSFORMATION FOR OUR CLIENTS

MANAGED FUNDS SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS