

LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	ECL	SOS	JMMBGL	KW	VMIL
Current Price (\$)	6.50	11.14	47.45	62.52	7.96
Trailing EPS (\$)	0.30	0.51	2.45	1.60	0.37
P/E (time)	21.48	21.90	19.36	39.14	21.55
Projected P/E	20.57	19.98	16.28	36.34	27.40
Projected EPS (\$) [*]	0.32	0.56	2.92	1.72	0.29
Book Value per share (\$)	0.26	2.29	20.11	17.86	2.24
Price/Book Value (times)	24.93	4.86	2.36	3.50	3.56
Dividend Yield (2018 %)	13%	1%	N/A	1%	N/A
Volumes	2,700	7,594	10,426	4,138	98,190
Recommendation	BUY	HOLD	HOLD	SELL	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

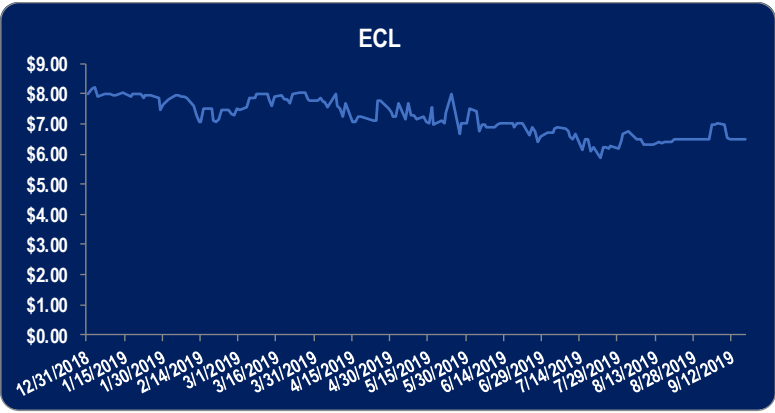
Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	138.500	103.350	135.5585	143.648	103.350	137.1244
CAN	106.500	81.508	99.2757	108.500	81.918	103.9379
GBP	171.500	135.219	163.6968	177.444	156.000	168.7948
EURO	148.500	113.602	143.0819	156.600	140.000	151.9388

*Rates as at September 16, 2019

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (September 17, 2019) trading session. The overnight rate stood at 0.30% to 0.50% while the 30-day rate ranged at 1.30% to 1.70%.

The US dollar fixed income market was also liquid during today's (September 17, 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: Express Catering Limited (ECL)

For the year ended May 31, 2019:-

Express Catering Limited (ECL) for the year ended May 31, 2019 reported a 10% increase in revenue to US\$17.32 million (2018: US\$15.71 million). Revenue for the quarter advanced 17% to close at US\$5.21 million relative to US\$4.44 million reported the previous year.

Cost of sales (COS) increased by 10% for the period to US\$5.07 million (2018: US\$4.60 million). As a result gross profit increased year-on-year by 10%, from US\$11.10 million in 2018 to US\$12.25 million in 2019. Gross profit for the fourth quarter improved from US\$1.62 million in 2018 to US\$1.82 million, a 20% increase year over year.

Total expenses increased by 15% for the period in review to US\$8.23 million for 2019, up from US\$7.15 million booked for 2018's year end. The rise was associated with a 15% increase in administrative expenses to US\$7.63 million from US\$6.61 million. Depreciation and Amortization saw an 8% increase to US\$554,827 compared to US\$511,804 for the comparable period in 2018. Promotional expenses also saw a 33% increase from US\$35,931 to US\$47,794. Total expenses for the fourth quarter climbed 31% to close at US\$2.19 million (2018: US\$1.67 million).

Consequently, operating profit for the period grossly increased by 2% to US\$4.02 million (2018: US\$3.95 million). Operating profit for the quarter totalled US\$1.21 million, a growth of 5% relative to US\$1.15 booked for the corresponding quarter of 2018.

Finance cost of US\$342,047 (2018: US\$341,131) was incurred for the period, while foreign exchange gain amounted to US\$50,565 relative to the loss of US\$44,379 booked in 2018.

Pre-tax profit for the year totalled US\$3.73 million, a 5% increase above the US\$3.56 million recorded for 2018. There was no tax for the FY2019, however, taxation for the FY2018 totalled US\$114,969. Consequently, net profit for the period amounted to US\$3.73 million, an 8% increase above the US\$3.45 million recorded for 2018. For the quarter, net profit amounted to US\$1.18 million versus US\$925,167 booked for the comparable period in 2018, a 28% increase.

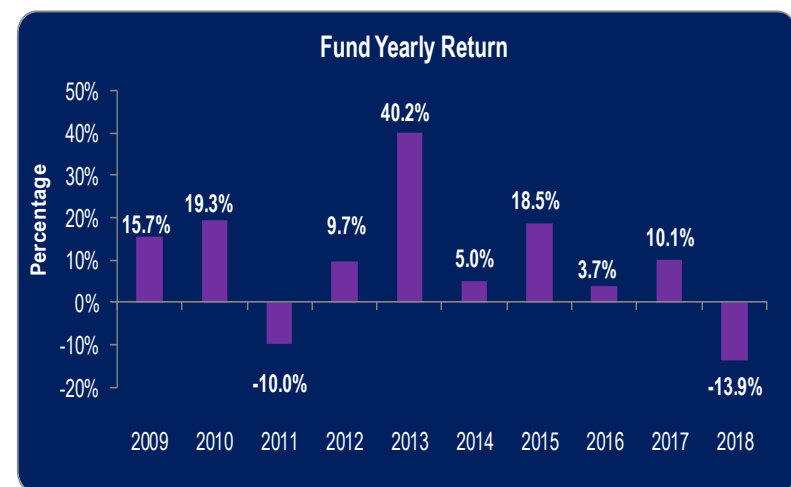
Earnings per share (EPS) for the year ended totalled US\$0.23 cents (2018: US\$0.21 cents). Earnings per share for the quarter amounted to US\$0.07 cents (2018: US\$0.06 cents). The number of shares used in the calculation was 1,637,500,000 units.

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 1.4% and a 5 year return of 4.4%. The Fund also has a 10 year return of 8.1%. Rates are as at August 31, 2019.



U.S: Overnight Funding Rate Surges to Record Levels Above 8%

“U.S. money-market interest rates surged for a second day Tuesday as cash reserves in the banking system remained out of balance with the volume of securities on dealer balance sheets. Amid the squeeze, the effective fed funds rate rose to 2.25%, in line with the top of the Federal Reserve’s target range of 2% to 2.25%. The rate on overnight general collateral repurchase agreements soared by more than 600 basis points to 8.75%, based on ICAP pricing, before settling back around 7.25%. Surges are commonplace only around quarter- and month-end, so market participants had expected things might return to normal. “This is certainly painful for firms that have to fund positions,” said Thomas Simons, an economist at Jefferies LLC.”

<https://www.bloomberg.com/news/articles/2019-09-17/overnight-funding-rate-surges-above-8-in-early-tuesday-trading>

Europe: ECB’s Villeroy Says Oil Price Spike Will Hurt If It Lasts

“The jump in oil prices following the attack on Saudi Aramco’s giant Abqaiq plant risks raising inflation and damping growth, Bank of France Governor Francois Villeroy de Galhau said. In a wide ranging speech in London that considered the risks presented by digital coins, climate change and Brexit, he said the world economy faces unsustainable levels of uncertainty, and that the loss of confidence needs to be addressed by politicians, not central bankers. The strike on Saudi Arabia, which knocked out roughly 5% of global oil supply, is just the latest example, he said. “It is too early to rush to hasty conclusions; we should closely monitor the consequences on the oil market, which is characterized by a rather flexible supply and a subdued demand,” Villeroy said. “

<https://www.bloomberg.com/news/articles/2019-09-17/ecb-s-villeroy-says-oil-price-spike-will-hurt-if-it-lasts>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at September 16, 2019

	Percentage (%)
Yield to Maturity	5.47
Weighted Average Coupon	5.442
Current Yield	4.81

The platinum portfolio has an effective maturity of 13.06 years and duration of 4.57 years.

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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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



www.mayberryinv.com

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