

## LOCAL STOCK MARKET: (JS) +

Stock Symbol	ECL	SALF	JETCON	JAMT	VMIL
Current Price (\$)	6.67	29.30	1.99	6.02	7.80
Trailing EPS (\$)	0.32	1.89	0.06	0.41	0.37
P/E (times)	20.70	15.46	32.92	14.58	21.11
Projected P/E	19.80	15.57	25.92	21.21	26.85
Projected EPS (\$)*	0.34	1.88	0.08	0.28	0.29
Book Value per share (\$)	0.36	9.14	0.91	2.08	2.69
Price/Book Value (times)	18.65	3.21	2.20	2.89	2.90
Dividend Yield (2018 %)	13.14%	9.33%	0.73%	N/A	N/A
Volumes	326,306	100	9,300	74,100	197,067
Recommendation	BUY	BUY	SELL	HOLD	SELL

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

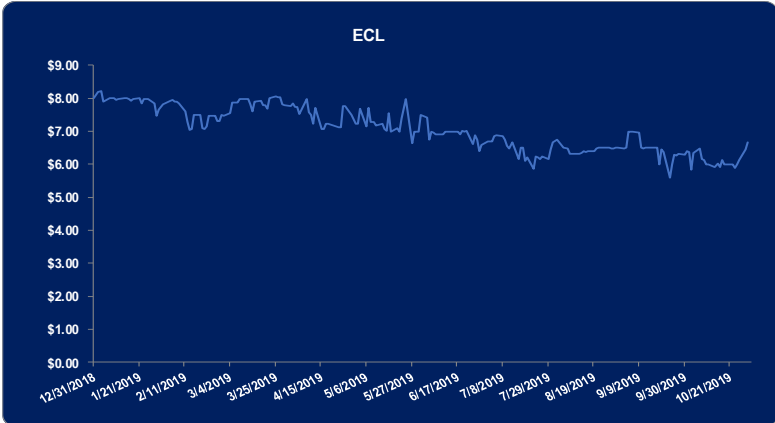
Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	139.800	104.130	136.4908	144.839	104.130	138.6664
CAN	107.150	82.738	103.9121	109.188	95.000	106.2440
GBP	178.000	139.663	169.6000	183.276	162.000	175.4887
EURO	152.000	115.013	149.5585	158.436	145.600	154.8917

\*Rates as at October 28, 2019

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (October 29, 2019) trading session. The overnight rate stood at 0.30% while the 30-day rate ranged at 1.30% to 1.50%.

The US dollar fixed income market was also liquid during today's (October 29, 2019) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.



## STOCK OF THE DAY: Express Catering Limited (ECL)

### For the three months ended August 31, 2019:

Express Catering Limited's (ECL), for the three months ended August 31, 2019, revenues increased by 12% for the period to US\$4.54 million (Q1 2018: US\$4.06 million).

Cost of sales (COS) increased by 13% for the period to US\$1.23 million (Q1 2018: US\$1.09 million). As a result gross profit increased year-on-year for the three month period by 11%, to US\$3.31 million in Q1 2019 from US\$2.97 million in Q1 2018.

Total expenses increased by 13% for the period in review to US\$2.21 million in Q1 2019, up from US\$1.94 million in Q1 2018. This increase was associated with a 14% increase in administrative expenses to US\$2.04 million from US\$1.79 million in 2018.

Depreciation and Amortization saw an 11% increase to US\$155,291 compared to US\$140,442 for 2018. Promotion expenses also rose 12% for the quarter from US\$9,746 to US\$10,918.

Consequently, operating profit increased by 8% to US\$1.11 million (Q1 2018: US\$ 1.03 million).

Finance cost of US\$83,706 (2018: US\$84,555) was booked for the period. Foreign exchange gain of US\$12,636 was also booked for the quarter compared to a foreign exchange loss of US\$4,398 booked the prior corresponding period.

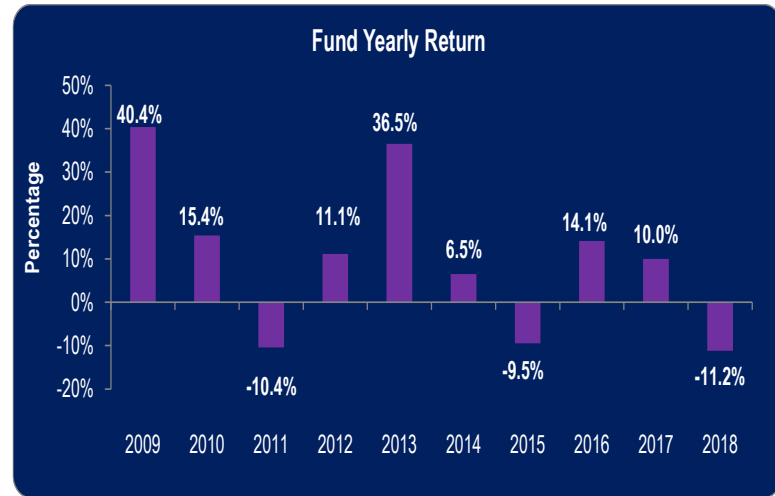
This resulted in total comprehensive profit for the year increasing by 11% from US\$937,891 in 2018 to US\$1.04 million.

## OVER THE COUNTER FUNDS (CI FUNDS)

### CI American Equity 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 6.9% and a 5 year return of 4.5%. The Fund also has a 10 year return of 7.8%. Rates are as at September 30, 2019.



\*Prices are as at October 29, 2019 \*Projections are made to the company's financial year end

■ U.S: America's Middle Class Is Addicted to a New Kind of Credit

“The payday-loan business was in decline. Regulators were circling, storefronts were vanishing and investors were abandoning the industry’s biggest companies en masse. And yet today, just a few years later, many of the same subprime lenders that specialized in the debt are promoting an almost equally onerous type of credit. It’s called the online instalment loan, a form of debt with much longer maturities but often the same sort of crippling, triple-digit interest rates. If the payday loan’s target audience is the nation’s poor, then the instalment loan is geared to all those working-class Americans who have seen their wages stagnate and unpaid bills pile up in the years since the Great Recession.”

<https://www.bloomberg.com/news/articles/2019-10-29/america-s-middle-class-is-getting-hooked-on-debt-with-100-rates?srd=premium>

■ Asia: Pig Disease Means China Will Struggle to Meet U.S. Import Target

“President Donald Trump touted China’s promise to buy as much as \$50 billion in agricultural goods over two years in a trade deal, a boost to Midwest soybean farmers suffering from the current slump in trade. But a deadly disease in China has killed off many of the pigs who would have eaten those American soybeans, possibly putting that target out of reach. “Meeting this target will be quite challenging because around 70% of China’s agricultural imports from the U.S. before the trade war were soybeans” and almost all soybean imported into China are used for animal feed, Nomura economists led by Lu Ting wrote in a research note.

<https://www.bloomberg.com/news/articles/2019-10-29/pig-disease-means-china-will-struggle-to-meet-u-s-import-target?srd=premium-asia>

■ PLATINUM PORTFOLIO

**Platinum Portfolio Yield Measures as at October 28, 2019**

	Percentage (%)
<b>Yield to Maturity</b>	5.28
<b>Weighted Average Coupon</b>	5.442
<b>Current Yield</b>	4.27

The platinum portfolio has an effective maturity of 13.07 years and duration of 4.62 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



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