

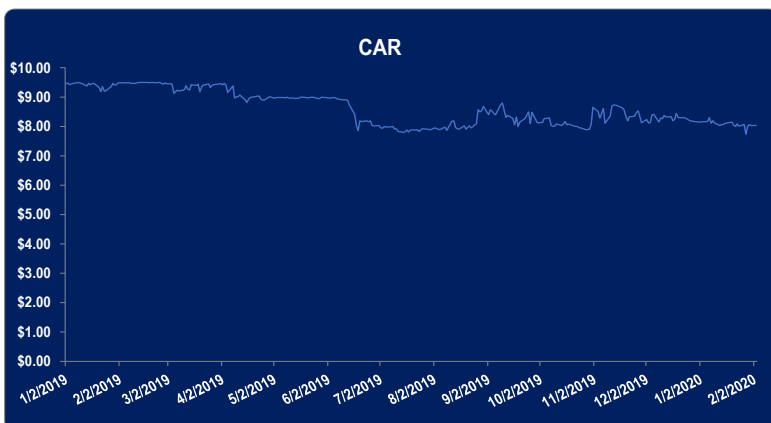
DAILY MARKET SUMMARY



VOLUME 3 February 3, 2020

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	LASF	CAR	MEEG	SGJ	CHL
Current Price (\$)	3.65	8.04	6.05	53.64	8.25
Trailing EPS (\$)	0.15	0.70	0.32	4.24	0.31
P/E (times)	23.71	11.52	18.65	12.65	26.24
Projected P/E	16.88	11.10	13.53	12.66	24.99
Projected EPS (\$) ⁺	0.22	0.72	0.45	4.24	0.33
Book Value per share (\$)	1.32	0.31	1.93	37.96	1.12
Price/Book Value (times)	2.77	25.55	3.14	1.41	7.39
Dividend Yield (2019 %)	N/A	7.07%	0.86%	7.68%	1.60%
Volumes	10,000	108,448	22,578	244,916	NIL
Recommendation	HOLD	BUY	BUY	HOLD	SELL



STOCK OF THE DAY: CARRERAS LIMITED (CAR)

Carreras Limited, for the six months ended September 30, 2019, reported Operating Revenue of \$6.64 billion, 5% increase relative to \$6.31 billion booked in 2018. The company highlighted that, "Our volume performance was negatively impacted, primarily in the month of September, by adverse weather conditions. The persistent rains affected the selling in cigarettes resulting in lost consumption moments." Revenue for the quarter closed at \$3.19 billion, compared to \$3.16 billion reported for the second quarter of 2018.

Cost of Operating Revenue also climbed year over year by 6%, amounting to \$3.34 billion from \$3.16 billion. As such, Gross Operating Profit rose by 5% to total \$3.31 billion relative to the \$3.15 billion in 2018. Operating profit for the quarter amounted to \$1.58 billion relative to \$1.57 billion booked for the same quarter of 2018. Other Operating Income fell 26% moving from \$43.82 million in 2018 to \$32.24 million.

Administrative, distribution and marketing expenses increased 14% to total \$1.03 billion (2018: \$905.38 million). Investments in the Company's new route to market structure and upgrading of the Matterhorn portfolio were related to the lion share of the increase. According to management, "heightened investments in our brands as well as increased route to market costs, both of which have begun to positively impact business performance."

Interest income for the period amounted to \$34.21 million, slightly up from the \$33.44 million booked in 2018. Interest expense for the six month period closed at \$5.64 million relative to nil in 2018.

Net Profit for the six months increased to \$1.745 billion relative to \$1.742 billion booked in 2018. Net profit for the quarter declined to \$822.41 million versus \$921.54 million booked for the second quarter of 2018.

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	142.400	107.045	138.7622	146.880	114.159	141.2206
CAN	107.100	85.386	105.8313	109.782	99.500	106.6357
GBP	184.712	147.076	179.9438	188.884	172.500	184.6367
EURO	152.100	118.800	148.0416	160.812	145.000	154.9815

*Rates as at January 31, 2020

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (February 3, 2020) trading session. The over night rate stood at 0.50% to 0.75% while the 30-day rate was 1.60% to 1.80%.

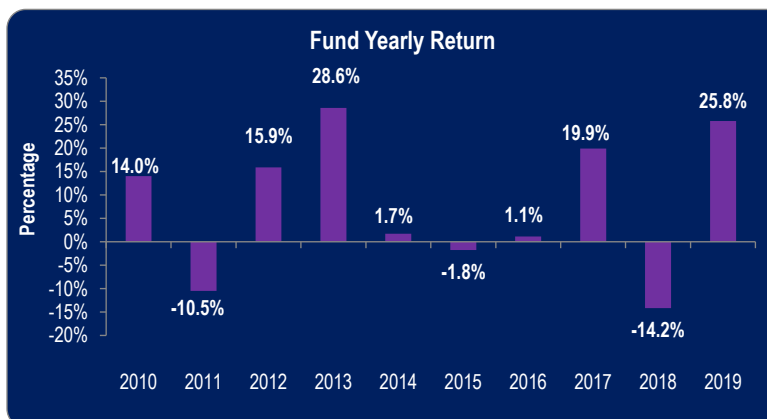
The US dollar fixed income market was also liquid during today's (February 3, 2020) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.

OVER THE COUNTER FUNDS (CI FUNDS)

Synergy Global Corporate Class

This fund invests primarily in equity and equity-related securities of global momentum companies situated in the developed markets represented in the MSCI World Index - C\$.

The fund has a 3 year return of 9.0% and a 5 year return of 5.1%. The Fund also has a 10 year return of 7.1%. Rates are as at December 31, 2019.



“A gauge of U.S. manufacturing rebounded sharply in January, topping estimates and signaling growth in the beleaguered sector for the first time since July. The Institute for Supply Management’s purchasing managers’ index, based on a survey of manufacturers, increased to 50.9 in January from an almost four-year low of 47.8, according to Monday’s data. While just above the 50 level that signals expansion, the monthly advance was the largest since mid-2013. ISM last week revised data back to 2012. Stocks, bond yields and the dollar extended gains after the report.”

<https://www.bloomberg.com/news/articles/2020-02-03/u-s-manufacturing-posts-its-first-expansion-in-six-months?srnd=economics-vp>

“The European Central Bank needs an “understandable, forward-looking and realistic” inflation goal -- but not necessarily a higher one, according to Bundesbank President Jens Weidmann. The German’s comments stake out his position on the most important part of the ECB’s strategy review for the first time since President Christine Lagarde launched the assessment last month. She was in the audience at the nation’s stock exchange on Monday evening, as Weidmann signaled an openness to change following years of policy makers failing to hit their target of inflation “below, but close to, 2%.””

<https://www.bloomberg.com/news/articles/2020-02-03/ecb-s-weidmann-signals-openness-to-tweaking-inflation-goal?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at February 3, 2020

	Percentage (%)
Yield to Maturity	4.90
Weighted Average Coupon	5.403
Current Yield	3.99

The platinum portfolio has an effective maturity of 13.15 years and duration of 4.64 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.

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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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