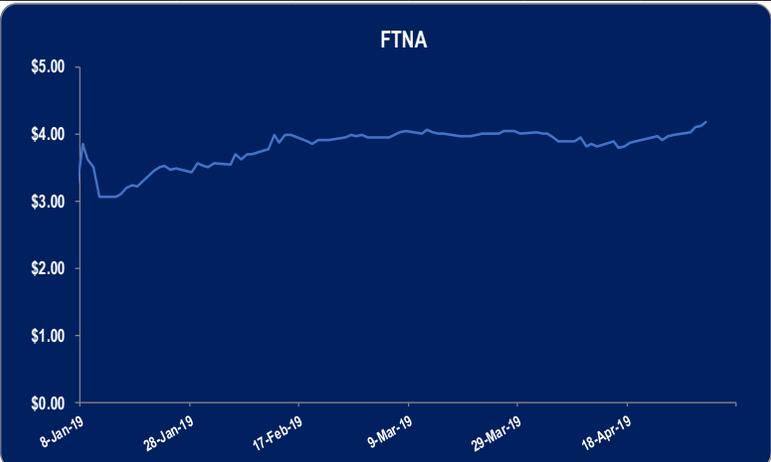


DAILY RECOMMENDATION



LOCAL STOCK MARKET: (JS) +

Stock Symbol	FOSRICH	FTNA	MDS	SALF	CAR
Current Price (\$)	4.00	4.18	7.00	31.01	8.99
Trailing EPS (\$)	0.18	0.20	0.38	1.63	0.73
P/E (times)	22.23	20.67	18.28	18.99	12.39
Projected P/E	18.38	16.94	17.82	92.93	11.71
Projected EPS (\$)*	0.22	0.25	0.39	0.33	0.77
Book Value per share (\$)	1.38	0.73	2.66	8.27	0.28
Price/Book Value (times)	2.90	5.73	2.63	3.75	32.51
Dividend Yield (2018 %)	N/A	N/A	2.10%	9.33%	7.63%
Volumes	12,331	45,190	NIL	NIL	177,488
Recommendation	HOLD	HOLD	HOLD	SELL	BUY



STOCK OF THE DAY: Fontana Limited (FTNA)

For the six months ended December 31, 2018:-

Fontana Limited recorded a 7% increase in revenues to total \$2.16 billion compared to \$2.01 billion for the same period in 2017. Revenue for the 2nd quarter went up by 9% to \$1.22 billion (2017: \$1.12 billion).

Cost of Sales for the period increased 7%, closing at \$1.41 billion, up from \$1.32 billion reported the prior year, while for the second quarter there was a 15% increase closing at \$769.34 million (2017: \$667.25 million). As such, gross profit for the six months amounted to \$747.39 million, an 8% uptick when compared to \$694.27 million recorded last year. However, gross profit for the second quarter slightly declined by 1% from \$457.50 million to \$451.67 million for the corresponding period in 2017.

Administrative expenses climbed by 10% for the period, to total \$483.26 million versus \$437.95 million in 2017, while selling and promotion closed the six months at \$35.56 million (2017: \$35.24 million).

As such operating profit saw a 3% increase to \$228.58 million relative to \$221.09 million booked a year ago.

Finance Cost for the six months totalled \$31.12 million, a increase of 3% when compared to the \$30.16 million recorded for the same period last year, while other income amounted to \$16.58 million relative to \$16.08 million the prior year.

This resulted in profit before taxation totalling \$214.03 million compared to \$207.01 million recorded last year, a 3% growth year over year. For the second quarter profit before taxation moved from \$195.51 million in 2017 to \$161.98 million in 2018.

Income taxes for the period was \$39.81 million versus \$38.08 million for the comparable period in 2017. Net Profit increased by 3% to end the period at \$174.22 million relative to \$168.92 million recorded the prior financial year. Net profit for the quarter amounted to \$131.86 million, a 17% drop compared to \$159.54 million booked for the prior quarter of 2017.

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	137.500	102.000	133.5206	150.686	101.000	135.9821
CAN	100.950	77.771	98.4828	109.852	90.000	101.2153
GBP	178.800	134.808	175.3286	191.632	158.000	177.0054
EURO	150.000	113.200	147.0730	168.385	141.300	150.4783

*Rates as at May 3, 2019

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (May 6, 2019) trading session. The over night rate stood at 1.10% to 1.20% while the 30-day rate ranged at 2.20% to 2.40%.

The US dollar fixed income market was also liquid during today's (May 6, 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 American Value Corporate Class

This fund's objective is to provide superior returns with a limited level of risk by investing in a diversified portfolio of high quality undervalued companies. It invests primarily in equity and equity-related securities of companies in the United States. Any change to the investment objective must be approved by a majority of votes cast at a meeting of shareholders held for that reason. The fund has a 3 year return of 8.1% and a 5 year return of 5.7% as at March 31, 2019. The Fund also has a 10 year return of 11.1%.



*Prices are as at May 6, 2019 *Projections are made to the company's financial year end

U.S.: New Trump Trade Threat Yanks U.S. Economy Back Into Uncertainty

Just as the U.S. economy appeared to turn the corner after a shaky stretch, President Donald Trump's resurgent trade-war threats cast a fresh shadow on the outlook. Trump on Sunday pledged to boost existing tariffs on \$200 billion of Chinese goods this Friday. He also threatened 25 percent levies "shortly" on a further \$325 billion of imports -- or just about everything the world's largest trading nation sends to the U.S., from iPhones to sneakers. The added costs could put more pressure on American consumers who drive the bulk of growth, dimming the nearby milestone of an expansion about to become the longest in U.S. history. Trump's jolt to global markets came just as trade negotiators from Beijing and Washington had appeared poised to reach a fresh accord in coming days, and after reports showing April job gains and first-quarter economic growth were both stronger than forecast. The shock might also force a re-evaluation by Federal Reserve Chairman Jerome Powell, who said days ago that it appeared risks to the economic outlook -- including uncertainty around trade talks and weak global growth -- remain concerns though they "have moderated somewhat." Fresh tariffs might also provide unexpected support for Powell's assertion that some of the factors keeping inflation below the Fed's 2 percent goal are "transitory." "It'll hit the pocketbooks of the working class hard," said Mary Lovely, a Syracuse University economics professor who focuses on trade with China and supply chains. "It's not that it's going to bring the U.S. economy to its knees, though the effects could be much larger through market expectations and uncertainty with estimates of future profits."

<https://www.bloomberg.com/news/articles/2019-05-06/trump-tariff-threat-economy?smd=economics-vp>

Canada: Poloz Says He's Confident Canada Housing Will Return to Growth

Bank of Canada Governor Stephen Poloz said he's confident the nation's housing sector will return to growth later this year, as markets like Toronto and Vancouver stabilize and the impact of new regulations is absorbed. In a speech in Winnipeg that focused on housing and mortgages, Poloz downplayed the effect of higher policy rates and tougher mortgage qualifications in the recent cooling, painting instead a picture of a sector still supported by a growing economy and labor market. For markets undergoing adjustments, Poloz said, it's mostly due to local circumstances. "Fundamentals of the Canadian housing market remain solid, and growth will resume once the effects of reduced expectations for house price inflation and the new mortgage guidelines have been absorbed," said Poloz, according to prepared remarks of a speech he's giving Monday to the Canadian Credit Union Association. For example, he blamed the cooling of markets in Toronto and Vancouver to a build-up of froth in recent years that had been driven by "extrapolative expectations" for price gains. These expectations had fueled speculative demand and prompted other buyers to rush in for fear of missing out in those markets. "What we take from this is that it is not higher interest rates and changes to mortgage lending guidelines that have had the greatest effect on housing," said Poloz. "Rather, it is their interaction with froth that matters most." "How much a housing market adjusts depends on how much froth there is," said Poloz, adding the Toronto and Vancouver are still stabilizing. In contrast, gains in other markets across the country "look quite healthy," he said. Weak markets in Alberta and Saskatchewan, meanwhile, are primarily due to the ongoing weakness in the oil sector.

<https://www.bloomberg.com/news/articles/2019-05-06/poloz-says-he-s-confident-canada-housing-will-return-to-growth?smd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at May 6, 2019	
	Percentage (%)
Yield to Maturity	6.00
Weighted Average Coupon	5.526
Current Yield	5.12

The platinum portfolio has an effective maturity of 13.52 years and duration of 4.70 years.

STRUCTURED PRODUCT

USD Money Market

This portfolio is a full discretionary managed bond portfolio, ideal for clients who have short-term USD liquidity needs. Assets within the portfolio can be used as collateral for loans. The product provides a solid short-term investment option in hard currency and allows the individual to hedge against the prevailing devaluation in the local currency.

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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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MAYBERRY INVESTMENTS LIMITED
 A Member of the Jamaica Stock Exchange

1 1/2 Oxford Road, Kingston 5, Jamaica. (876) 929 1908 - 9
 research@mayberryinv.com sales@mayberryinv.com www.mayberryinv.com

