

# DAILY MARKET SUMMARY



VOLUME 3 April 8, 2020

## LOCAL STOCK MARKET: (J\$)<sup>+</sup>

Stock Symbol	DTL	WISYNCO	JAMT	SOS	WIG
Current Price (\$)	1.87	17.00	4.00	7.07	0.70
Trailing EPS (\$)	0.11	0.84	0.54	0.54	0.05
P/E (times)	17.58	20.29	7.44	13.14	15.01
Projected P/E	16.75	18.30	27.84	12.19	13.65
Projected EPS (\$) <sup>+</sup>	0.11	0.93	0.14	0.58	0.05
Book Value per share (\$)	0.43	3.34	2.27	2.39	0.31
Price/Book Value (times)	4.37	5.09	1.76	2.96	2.25
Dividend Yield (2019 %)	0.40%	1.55%	1.33%	1.56%	N/A
Volumes	52,000	1,180,233	371,802	16,100	3,012,185
Recommendation	BUY	HOLD	SELL	BUY	HOLD

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	140.000	114.000	135.8831	140.600	121.000	137.3932
CAN	98.400	80.000	93.8683	101.000	86.000	98.6216
GBP	170.500	140.000	165.4675	174.000	152.000	170.0743
EURO	144.626	129.000	143.2957	151.400	135.000	149.8511

\*Rates as at April 7, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (April 8, 2020) trading session. The over night rate stood at 0.30% to 0.50%, while the 30-day rate was 1.70% to 1.90%.

The US dollar fixed income market was also liquid during today's (April 8, 2020) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.40% to 2.60%.

## STOCK OF THE DAY: Stationery & Office Supplies Ltd. (SOS)

### For the year ended December 31, 2019:

Stationery & Office Supplies Ltd. (SOS), for the year ended December 31, 2019, reported year end revenue of \$1.22 billion relative to \$1.06 billion in 2018, a 14% increase, while for the fourth quarter revenues moved from \$262.92 million in 2018 to \$284.77 million in 2019.

The company's cost of sales totaled \$635.37 million up 13% relative to the \$559.85 million reported in 2018. As a result gross profit grew by 15% amounting to \$582.62 million relative to the \$504.51 million booked in 2018, while for the fourth quarter gross profit moved from \$98.39 million in 2018 to \$116.44 million in 2019.

Administrative expenses totaled \$306.18 million up 4% compared to the \$294.32 million booked in 2018, while selling and promotion expenses grew by 5% closing the period at \$93.21 million relative to the \$88.63 million reported the prior year.

The company's depreciation cost amounted to \$26.18 million an increase of 8% relative to the \$24.29 million incurred in 2018, while finance cost increase by 10% to close at \$15.27 million (2018: \$13.93 million).

Profit before taxes grew by 61% amounting to \$136.70 million relative to the \$84.98 million earned in 2018. While, for the quarter, profit before tax closed at \$22.69 million versus a loss before tax of \$6.65 million reported in the prior comparable quarter.

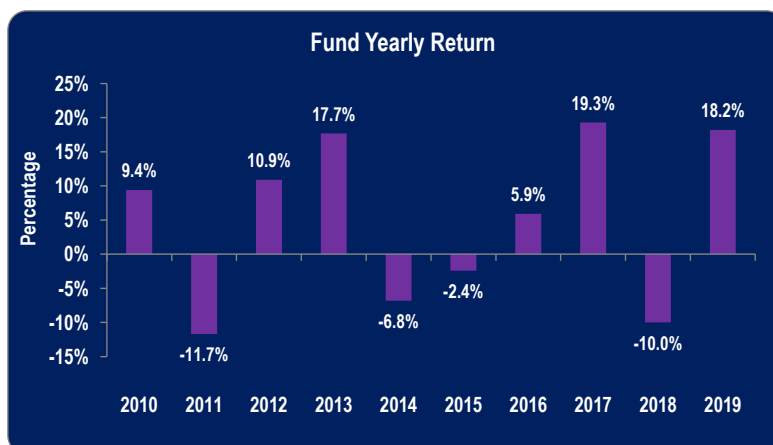
After tax charge of \$ 2.13 million (2018 tax credit: \$6.69), net profit for the year totaled \$134.57 million an increase of 47% relative to the \$91.67 million reported in 2018. Net Profit for the fourth quarter totalled \$20.56 million (2018: \$97,000).

Earnings per share for the year amounted to \$0.54 (2018: \$0.37), while EPS for the quarter totalled \$0.08 (2018: \$0.0004). The number of shares used in our calculations amounted to 250,120,500 units.

## Over The Counter Funds (CI FUNDS)

### CI International Value Corporate Class

This fund invests primarily in equity and equity-related securities of companies whose primary operations are outside of North America. The fund has a 3 year return of 1.9% and a 5 year return of 1.6%. The Fund also has a 10 year return of 3.4%. Rates are as at February 29, 2020.



“The White House is developing plans to get the U.S. economy back in action that depend on testing far more Americans for the coronavirus than has been possible to date, according to people familiar with the matter. The effort would likely begin in smaller cities and towns in states that haven’t yet been heavily hit by the virus. Cities such as New York, Detroit, New Orleans and other places the president has described as “hot spots” would remain shuttered.”

<https://www.bloomberg.com/news/articles/2020-04-07/trump-team-preps-plans-to-reopen-economy-that-depend-on-testing?srnd=premium>

“Germany and Italy are beginning to debate how to gradually relax some restrictions on public life as Europe slowly inches closer to bringing strict rules designed to contain the spread of the coronavirus to an end. The premier of Germany’s largest state proposed a “clear road map” for relaxing the nation’s lockdown ahead of a call with regional leaders and Chancellor Angela Merkel on April 15 in which they will revisit current restrictions.”

<https://www.bloomberg.com/news/articles/2020-04-08/italy-s-reopening-plan-advances-in-test-for-europe-s-virus-exit?srnd=premium-europe>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at April 6, 2020

	Percentage (%)
<b>Yield to Maturity</b>	6.12
<b>Weighted Average Coupon</b>	5.225
<b>Current Yield</b>	6.37

The platinum portfolio has an effective maturity of 12.87 years and duration of 4.08 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 persons who do not have the time to actively manage their own portfolio.

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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](http://www.jamstockex.com), [www.bloomberg.com](http://www.bloomberg.com), [www.investopedia.com](http://www.investopedia.com), [www.tradewire.com](http://www.tradewire.com)



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