

DAILY MARKET SUMMARY



VOLUME 3 October 16, 2020

LOCAL STOCK MARKET: (J\$) +

Stock Symbol	LASM	HONBUN	WIG	CHL	WISYNCO
Current Price (\$)	3.45	4.89	0.72	7.03	16.05
Trailing EPS (\$)	0.25	0.30	0.05	0.29	0.75
P/E (times)	13.66	16.07	13.27	24.20	21.48
Projected P/E	12.21	15.26	12.44	26.39	22.05
Projected EPS (\$) +	0.28	0.32	0.06	0.27	0.73
Book Value per share (\$)	1.72	1.76	0.34	1.25	3.46
Price/Book Value (times)	2.01	2.78	2.11	5.63	4.64
Dividend Yield (2019 %)	1.65%	1.54%	N/A	1.60%	1.55%
Volumes	2,000	74	2,830,723	NIL	71,146
Recommendation	BUY	HOLD	BUY	SELL	HOLD

FOREIGN EXCHANGE MARKET TRADING SUMMARY

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	147.000	113.400	144.6632	152.500	136.000	145.7353
CAN	111.900	88.788	110.3033	115.500	91.000	112.7658
GBP	190.000	152.886	184.6368	197.000	173.000	190.9420
EURO	175.439	138.400	172.6080	176.370	164.000	169.8280

*Rates as at October 15, 2020

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (October 16, 2020) trading session. The overnight rate stood at 0.30% to 0.50%, while the 30-day rate was 1.40% to 1.60%.

The US dollar fixed income market was also liquid during today's (October 16, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.

STOCK OF THE DAY: Wigton Windfarm Limited (WIG)

For the three months ended June 30, 2020:

Wigton Windfarm Limited, for the three months ended June 30, 2020, reported sales of \$750.89 million, a 10% decrease on the \$832.82 million reported in the prior year. WIG noted that, "the change was largely due to the decrease in sales which resulted from a lower wind regime in the current reporting period."

Management highlighted, "the average plant availability rate was approximately 97% ahead of the target of 93.9% which led to total production output of 46,508,754 kWh. This availability rate was consistent with the previous year's 97%. The two main factors that affect our production are wind speed and plant availability, with wind speed being the most critical element increasing output. For 2020, the wind regime for the period under review was lower than that of 2019."

Cost of sales went up 8% to close the first quarter at \$207.69 million versus \$192 million booked in the previous comparable quarter. As such, gross profit fell to total \$543.20 million (2019: \$640.82 million).

Other income amounted to \$68.78 million, a 1% increase when compared to \$68.03 million in the same period last quarter. In addition, general administrative expenses increased for the quarter amounting to \$92.19 million relative to \$79.31 million documented in the same quarter in the previous year.

Consequently, operating profit booked a 17% decrease closing the period under review at \$519.79 million (2019: \$629.54 million). Finance expense trended downwards from \$147.43 million in 2019 to \$124.11 million in 2020.

Additionally, profit before taxation went down by 18% to close at \$4395.68 million (2019: \$482.11 million). After taxation of \$94.96 million (2019: \$115.71 million), net profit for the quarter ended June 2020 closed at \$300.71 million versus \$366.40 million booked in the similar period last year.

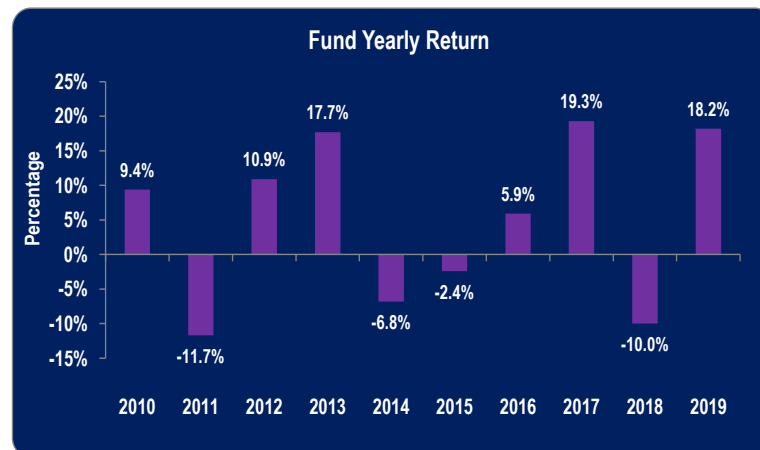
Earnings per share (EPS) was \$0.027 for the first quarter compared to \$0.033 in 2019. The twelve-month trailing EPS amounted to \$0.054. The number of shares used in the calculations is 11,000,000,000.

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 -2.0% and a 5 year return of 4.1%. The Fund also has a 10 year return of 3.0%. Rates are as at September 30, 2020



*Prices are as at October 16, 2020 *Projections are made to the company's financial year end

U.S.: U.S. Retail Sales Top Estimates With Biggest Gain Since June

“U.S. retail sales rose in September at the fastest pace in three months, topping forecasts and capping a third-quarter rebound for consumer spending that faces increasing headwinds. The value of overall sales increased 1.9% from the prior month after a 0.6% gain in August, Commerce Department figures showed Friday. The median estimate in a Bloomberg survey of economists called for a 0.8% gain. Excluding autos and gasoline, sales rose 1.5%.”

<https://www.bloomberg.com/news/articles/2020-10-16/u-s-retail-sales-increased-in-september-by-most-in-three-months?srnd=economics-vp>

Europe: Europe Is Losing Fight to Stay Open on Record Virus Surge

“European leaders from London to Berlin face an alarming reality: lockdowns are creeping back on the agenda as the pandemic threatens the continent again. It’s a scenario many ruled out after the summer, when coronavirus cases were receding across Europe and borders were re-opening. A resurgence was expected, but the conviction was that a targeted approach would do.”

<https://www.bloomberg.com/news/articles/2020-10-16/europe-is-losing-the-fight-to-keep-economy-open-as-virus-spreads?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at October 12, 2020	
	Percentage (%)
Yield to Maturity	4.23
Weighted Average Coupon	4.917
Current Yield	4.98

The platinum portfolio has an effective maturity of 13.31 years and duration of 4.86 years.

STRUCTURED PRODUCT

Mayberry Individual Retirement Plan (IRP)

IRP is a Retirement Scheme for all persons who are self employed or are employed in non-pensionable positions and do not otherwise contribute to an approved Superannuation Fund or an-other approved Retirement Scheme. The IRP will help some people make substantially greater contributions then they might otherwise do.

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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

