

## DAILY MARKET SUMMARY



### LOCAL STOCK MARKET: (J\$) +

Stock symbol	LASM	JETCON	MDS	SALF	tTech
Current Price (\$)	4.82	11.93	6.00	7.05	7.50
Trailing EPS (\$)	0.22	0.51	0.36	0.74	0.37
P/E (times)	21.59	23.44	16.69	9.54	20.21
Projected P/E	20.20	13.65	14.45	8.58	15.31
Projected EPS (\$)*	0.24	0.87	0.42	0.82	0.49
Book Value per share (\$)	1.06	1.35	1.88	7.21	1.42
Price/Book Value (times)	4.56	8.87	3.19	0.98	5.27
Dividend Yield (2016 YTD %)	0.60%	NIL	2.21%	5.18%	0.71%
Volumes	1,076,495	87,622	1,367	1,000	1,800
Recommendation	HOLD	BUY	HOLD	HOLD	HOLD

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	129.500	92.700	127.8644	139.670	92.700	128.6511
CAN	97.350	69.750	94.8886	105.090	90.000	96.7674
GBP	164.850	117.000	158.9805	176.280	153.900	161.2127
EURO	138.200	99.150	131.1241	149.390	132.200	136.3206

\*Rates as at April 18 2017

### MONEY MARKET

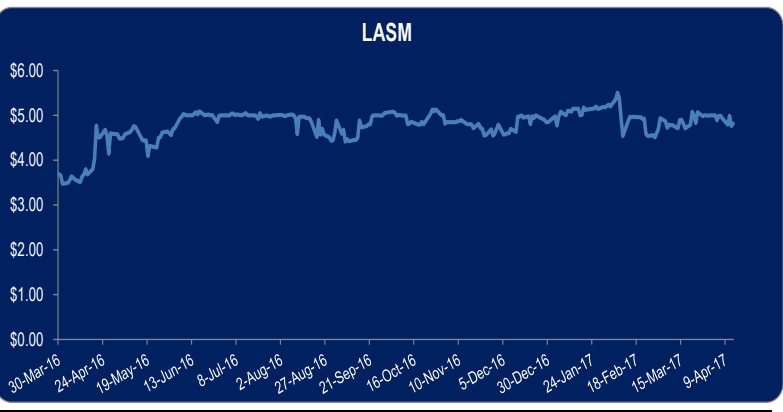
The Jamaican dollar fixed income market was illiquid in today's (April 19, 2017) trading session. The overnight rates were quoted around 4.50% to 5.00% while the 30-day rates were between 5.75% to 6.50%.

The US dollar fixed income market was also liquid during today's (April 19 2017) trading session; The overnight market rates were quoted at 1% while the 30-day market rates stood around 1.30% to 1.35%.

### 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. The fund has a 1 year return of 16.7% a 3 year return of 12.7% and a 5 year return of 15.3% as at March 31, 2017. The Fund also has a three months return of 4.5%.



### STOCK OF THE DAY: Lasco Manufacturing Limited (LASM)

For the nine months ended December 30, 2016:

Total revenue increased by \$588.83 million or 12% to total \$5.42 billion, relative to the \$4.83 billion recorded for the comparable period in 2015. Notably for the third quarter the company posted a 15% decline in revenues year over year to \$1.46 billion (2015: \$1.74 billion).

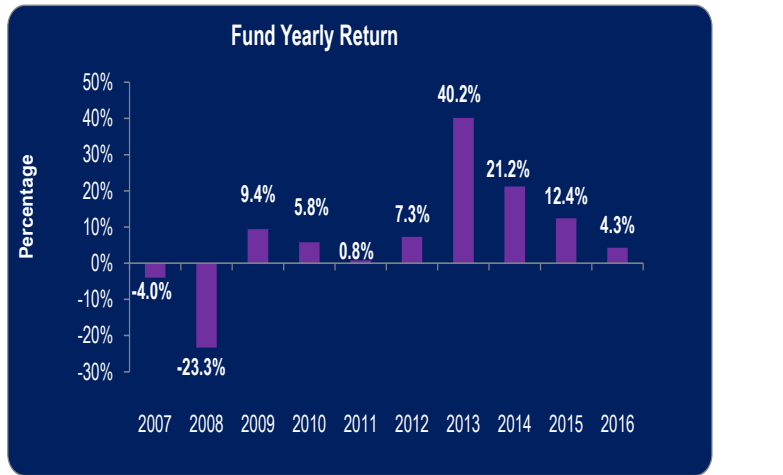
Cost of sales amounted to \$3.59 billion (2015:\$3.23 billion) for the period, an increase of 11% year on year. As a result, Gross Profit of \$1.83 billion was recorded for the period, 15% more than the \$1.60 billion booked for the nine months ended December 30, 2015.

LASM posted Other Income of \$18.68 million relative to a loss of \$8.33 million for the prior year's corresponding period. Operating Expenses increased approximately 32% to close the period at \$920.35 million relative to \$695.97 million last year. According to LASM, "this is due in part to increases in the marketing spend and new product launch expenses." Expenses within the quarter climbed 52% to \$335.20 million compared to \$219.84 million. LASM further indicated, "we already started and continuing for the next quarter, operating expenses are being reduced by rationalizing plant operations and procedures to align with the recent and current soft sales demand experienced throughout the market."

Consequently, LASM recorded Operating Profits for the nine month period of \$924.97 million, 4% higher than the \$890.72 booked in the corresponding period of 2015. Year to date Finance costs fell 1% to \$126.48 million compared to \$127.19 million in the prior year's corresponding period.

As such, Profit Before Taxation amounted to \$798.49 million, an increase of 5% from the \$763.53 million recorded for the previous year. Taxes recorded for the period amounted to \$98.24 million compared to \$34.79 million incurred for the corresponding period in 2015. As such Net Profit for the nine months totaled \$700.25 million compared to \$728.74 million in 2015, a contraction of 4%. Net profit for the quarter reflected 51% declined to \$113.18 million relative to \$231.72 million.

Consequently, earnings per share for the nine months ended December 31, 2016 amounted to \$0.17 relative to \$0.18 in 2015. The earnings per share for the third quarter totaled \$0.03 (2015: \$0.06). The trailing twelve months EPS is \$0.19. The number of shares used in the calculations amounted to 4,087,130,170 units.



\*Prices are as at April 19, 2017    \*Projections are for the forward 12 months from the most recent quarter results

**U.S.: U.S. Tax Cuts May Lead Companies to Take Too Much Risk, IMF**

“Tax cuts and financial deregulation proposed by the Trump administration could embolden American companies to boost risk taking to undesirable levels, the International Monetary Fund warned. President Donald Trump has proposed cutting the corporate income-tax rate to 15 percent and taxing offshore earnings at a reduced level when companies repatriate the money. He has also suggested allowing firms to immediately expense capital spending, though they would have to give up their ability to deduct net interest expenses. The plan would prompt U.S. companies to significantly boost capital spending, the IMF said Wednesday in its semi-annual Global Financial Stability Report. But the proposals may have the unintended consequence of causing companies to take too much risk, said the Washington-based fund.”

<https://www.bloomberg.com/news/articles/2017-04-19/u-s-tax-cuts-may-lead-companies-to-take-too-much-risk-imf-says>

**Europe: May Wins Support From Parliament to Hold Early U.K. Election**

“U.K. Prime Minister Theresa May won by a landslide the approval she wanted for a June 8 snap election as she seeks to strengthen her mandate ahead of Brexit negotiations. Lawmakers in the House of Commons voted 522 to 13 on Wednesday in favor of her plan to hold an election three years earlier than scheduled. The result paves the way for an intense seven-week campaign in which the U.K.’s fraught relationship with the European Union will undergo scrutiny less than a year since the country voted in a referendum to leave the bloc. With polls showing May’s Conservatives with a commanding lead over her main rival, the prime minister is calculating she can increase her slim majority of just 17 lawmakers and negotiate the kind of Brexit she wants without being swayed by hard-liners in her party.”

<https://www.bloomberg.com/news/articles/2017-04-19/may-signals-she-won-t-give-more-brexit-details-during-election>

**PLATINUM PORTFOLIO**

**STRUCTURED PRODUCT**

**Platinum Portfolio Yield Measures as at April 18, 2017**

	Percentage (%)
Yield to Maturity	4.64
Weighted Average Coupon	5.486
Current Yield	5.58

The platinum portfolio has an effective maturity of 10.05 years and duration of 4.28 years.

**Mayberry MMEP**

Mayberry Investments Limited offers managed equity portfolios for both institutions and individuals. The MMEP is a full discretionary managed portfolio of a diversified group of stocks. The stocks that are included in the portfolio represent Mayberry’s top recommended stocks, which are to be found in the Mayberry’s top equity picks. Persons who find it difficult to manage their equity portfolios on a day to day basis should consider the MMEP. Further, the MMEP is for individuals and institutions who would like to pursue a medium to long term equity strategy.

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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)

OVER 20 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH  
 = POSITIVE TRANSFORMATION FOR OUR CLIENTS  
 MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS

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