

## DAILY MARKET SUMMARY



### LOCAL STOCK MARKET: (JS) +

| Stock Symbol              | SEP   | SGJ     | BPOW  | GENAC | LASF   |
|---------------------------|-------|---------|-------|-------|--------|
| Current Price (\$)        | 32.89 | 51.47   | 42.00 | 3.19  | 4.92   |
| Trailing EPS (\$)         | 1.54  | 4.31    | 1.70  | 0.23  | 0.20   |
| P/E (times)               | 21.36 | 11.95   | 24.72 | 13.77 | 25.17  |
| Projected P/E             | 18.90 | 11.60   | 21.42 | 11.24 | 21.02  |
| Projected EPS (\$)*       | 1.74  | 4.44    | 1.96  | 0.28  | 0.23   |
| Book Value per share (\$) | 18.11 | 33.71   | 13.09 | 1.86  | 1.05   |
| Price/Book Value (times)  | 1.82  | 1.53    | 3.21  | 1.71  | 4.67   |
| Dividend Yield (2018 %)   | N/A   | 1.87%   | N/A   | N/A   | N/A    |
| Volumes                   | 4,774 | 304,907 | 2,000 | NIL   | 50,557 |
| Recommendation            | SELL  | HOLD    | SELL  | BUY   | HOLD   |

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

|      | PURCHASE RATE |         |              | SALES RATE |         |              |
|------|---------------|---------|--------------|------------|---------|--------------|
|      | Highest       | Lowest  | Weighted     | Highest    | Lowest  | Weighted     |
|      |               |         | Average Rate |            |         | Average Rate |
| USD  | 135.470       | 100.000 | 125.9337     | 135.470    | 104.630 | 127.2015     |
| CAN  | 97.150        | 73.390  | 94.5748      | 110.330    | 76.640  | 98.5090      |
| GBP  | 195.000       | 125.490 | 176.4197     | 195.000    | 170.000 | 178.9182     |
| EURO | 155.320       | 116.850 | 149.4261     | 172.500    | 150.000 | 157.5499     |

\*Rates as at March 22, 2018

### MONEY MARKET

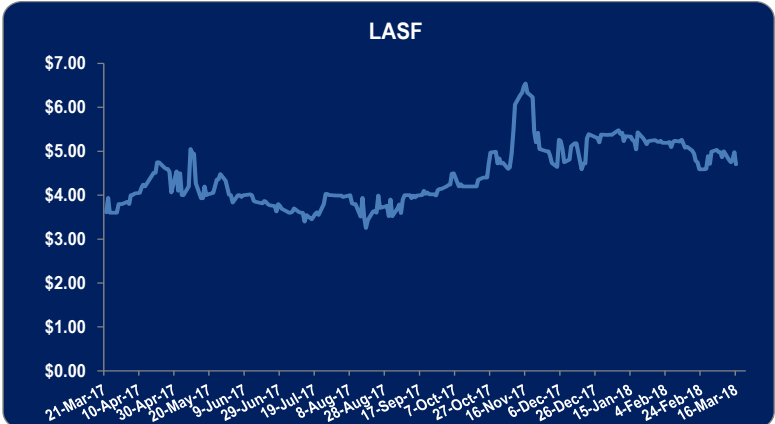
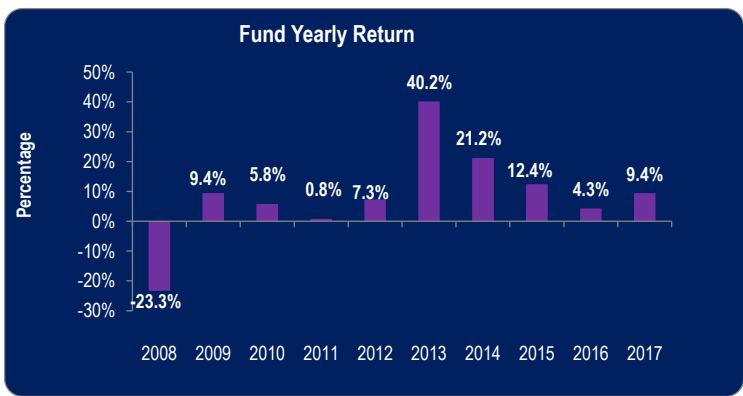
The Jamaican dollar fixed income market was liquid in today's (March 23, 2018) trading session. The over night rates were quoted around 1.75% while the 30-day rates stood at 2.20% .

The US dollar fixed income market was also liquid during today's (March 23, 2018) trading session; The overnight market rates were quoted 1.00% while the 30-day market rates stood around 1.20%.

### 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 6.7% and a 5 year return of 15.5% as at February 28, 2018. The Fund also has a 6 month return of 12.3%.



### STOCK OF THE DAY: Lasco Financial Services Limited (LASF)

#### For the nine months ended December 31, 2017:

LASF recorded trading income of \$1.09 billion; this represented a growth of 37% when compared to \$794.46 million posted in 2016, while trading income for the quarter amounted to \$407.48 million (2016: \$288.25 million), according to LASF. "This is attributed to seasonally strong remittance and cambio inflows bolstered by the income from its new acquisition. LASF acquired 100% shares in Scotia Jamaica Microfinance Company Limited (CrediScotia) through a Share Purchase Agreement effective December 1, 2017. LASF Group now comprises two (2) subsidiaries, CrediScotia, re-named LASCO Microfinance Limited and LASCO Financial Services (Barbados) Limited." Other income amounted to \$31.36 million (2016: \$35.95 million), a decrease of 13% year over year. This resulted in overall income of \$1.12 billion, a growth of 35% compared to \$830.41 million for the corresponding period in 2016. Overall revenue for the quarter was \$404.90 million (2016: \$297.68 million).

Operating expenses amounted to \$431.08 million, 41% more than the \$304.96 million the year prior. This as administrative expenses rose by 20% to \$388.75 million compared to the \$323.87 million in 2016. Selling and promotional expenses also grew 20% to close at \$388.75 million relative to the \$323.87 million report in the prior period.

Despite the increase in total expenses, profit from operations grew by 49% to total \$300.28 million, relative to the \$201.58 million recorded last year. Profit from operations for the quarter improved 19% to close at \$91.48 million (2016: \$77.15 million), after booking direct expenses for the acquisition and normal seasonal operational increases.

Finance costs increased to \$26.69 million (2016: \$2.99 million), resulting in a profit before tax of \$273.59 million, relative to the \$198.59 million booked for 2016.

Net profits attributable to shareholders totaled \$221.52 million, 37% more than the \$162.14 million posted for the same period last year. This after taxes for the period totaled \$52.07 million (2016: \$36.45 million). Net profit for the quarter amounted to \$54.78 million relative to \$61.97 million booked in 2016.

Earnings per share for Lasco Financial Services Limited (LASF) amounted to \$0.18 (2016: \$0.13). EPS for the quarter totaled \$0.044 (2016: \$0.049), while the twelve-month trailing earnings per share amounted to \$0.20.

\*Prices are as at March 23, 2018 \*Projections are for the forward 12 months from the most recent quarter results

**U.S.: Trump signs budget deal after raising government shutdown threat**

U.S. President Donald Trump signed Congress' newly passed \$1.3 trillion spending bill on Friday, ending suspense over a surprising threat he made hours earlier to veto the budget and shut down the federal government. In the latest episode of the Republican president throwing his White House, Congress and the federal government off balance, Trump had threatened in an early morning tweet to kill the government funding deal. Initially, it had been a foregone conclusion that Trump would sign the ahead of a midnight deadline to keep the government running. Trump used the threat to draw attention to his displeasure about immigration issues, although he said the bill would boost funding to the military, one of his top priorities. The tweeted veto threat had caught Trump's own aides by surprise, as well as lawmakers in the Republican-dominated Senate and House of Representatives, who had already left Washington for a scheduled two-week spring recess. Trump himself was scheduled on Friday to fly to Florida at his private resort. It was unclear how seriously Republican leaders took Trump's shutdown threat and neither Speaker Paul Ryan nor Senate Leader Mitch McConnell commented publicly on it. Trump has been frustrated that Congress has not turned over funding to make good on his campaign promise to build a wall along the U.S.-Mexico border. The bill includes \$1.6 billion for six month's of work on the project but he had sought \$25 billion for it.

<https://in.reuters.com/article/us-usa-fiscal-congress/trump-signs-budget-deal-after-raising-government-shutdown-threat-idINKBN1GY15X?il=0>

**China: China Signals It Could Ease Treasury Purchases to Counter Trump**

China's ambassador to the U.S. wouldn't rule out the possibility of the Asian nation scaling back purchases of Treasuries in response to tariffs imposed by President Donald Trump. "We are looking at all options," Ambassador Cui Tiankai told Bloomberg Television, when asked whether China would consider reduced purchases of U.S. Treasuries. "That's why we believe any unilateral and protectionist move would hurt everybody, including the United States itself. It would certainly hurt the daily life of American middle-class people, and the American companies, and the financial markets." China is America's biggest foreign creditor. It held \$1.17 trillion in Treasuries as of January, or about 19 percent of all foreign holdings of U.S. government securities. The U.S. can ill-afford to see weaker demand for its debt from its major buyers. With budget deficits rising in coming years and tax cuts approved in December expected to hurt revenue, the Treasury has to sell more securities to pay the government's expenses. The Federal Reserve is already scaling back purchases of Treasuries as it gradually reduces its \$4.4 trillion balance sheet. The prospect of swelling Treasury issuance helped drive benchmark 10-year yields to a four-year high of 2.95 percent in February. Next week alone, the U.S. is set to sell \$30 billion of two-year notes, the most for that maturity since 2014. The surge in bill sales already taking place this year has fatigued investors and sent rates higher.

<https://www.bloomberg.com/news/articles/2018-03-23/china-s-ambassador-doesn-t-rule-out-reducing-treasury-purchases>

**PLATINUM PORTFOLIO**

| Platinum Portfolio Yield Measures as at March 19, 2018 |                |
|--|----------------|
|  | Percentage (%) |
| Yield to Maturity                                      | 5.52           |
| Weighted Average Coupon                                | 5.326          |
| Current Yield  | 5.11           |

The platinum portfolio has an effective maturity of 13.87years and duration of 5.23years.

**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

**DISCLAIMER**

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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.

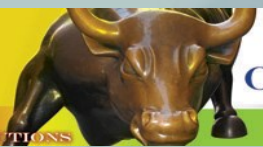
**SELL:** We believe the stock is overpriced relative to the soundness of the company's fundamentals and long-term prospects.

**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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**MAYBERRY INVESTMENTS LIMITED**  
 A Member of the Jamaica Stock Exchange

1 ½ Oxford Road, Kingston 5, Jamaica. ☎ (876) 929 1908 – 9  
[research@mayberryinv.com](mailto:research@mayberryinv.com) ☎ [sales@mayberryinv.com](mailto:sales@mayberryinv.com) ☎ [www.mayberryinv.com](http://www.mayberryinv.com)