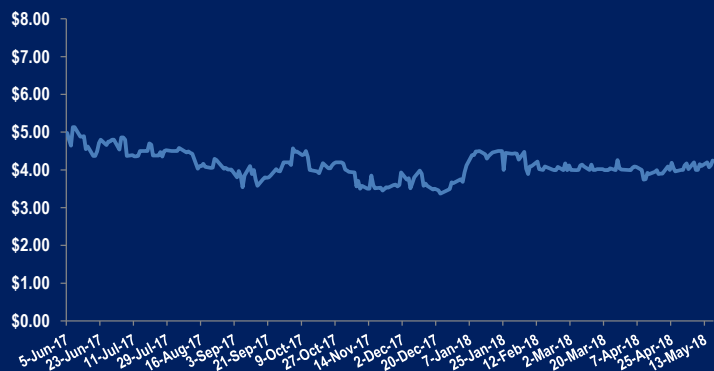


## DAILY MARKET SUMMARY

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

Stock Symbol	CAR	XFUND	JSE	LASD	LASM
Current Price (\$)	10.26	13.80	7.26	4.26	4.12
Trailing EPS (\$)	0.72	1.20	0.31	0.29	0.14
P/E (times)	14.29	11.48	23.07	14.81	30.07
Projected P/E	13.55	10.48	15.22	16.90	25.55
Projected EPS (\$)*	0.76	1.32	0.48	0.25	0.16
Book Value per share (\$)	0.42	10.36	1.48	1.31	1.20
Price/Book Value (times)	24.38	1.33	4.91	3.25	3.42
Dividend Yield (2018 %)	4.00%	N/A	1.87%	2.75%	N/A
Volumes	210,695	7,266	130,656	169,329	48,380
Recommendation	BUY	BUY	HOLD	HOLD	SELL

LASM



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

## For the three months ended March 31, 2018:

Total revenue decreased by 4% from \$6.95 billion in 2017 to \$6.66 billion in 2018. Revenue declined 10% for the fourth quarter to a total of \$1.38 billion, relative to the \$1.53 billion recorded for the comparable period in 2017.

Cost of sales amounted to \$4.22 billion (2017: \$4.39 billion) for the period, a decline of 4% year on year. For the quarter, cost of sales was recorded at \$607.27 million relative to \$801.66 million in 2017. As a result, gross profit of \$2.44 billion was recorded for the period, 5% less than the \$2.56 billion booked for the corresponding period in 2017. Gross profit for the quarter increased by 6% to \$776.24 million when compared to the \$733.51 million booked for the similar quarter ended 2017.

LASM posted other income of \$3.41 million relative to \$1.66 million for the prior year.

Operating expenses increased 6% to close the period at \$1.58 billion versus \$1.49 billion booked for the corresponding period last year. Of this, administrative and other expenses climbed 10% to \$1.28 billion (2017: \$1.16 billion), while selling and promotion expenses fell 9% to \$300.57 million (2017: \$330.42 million). Consequently, LASM recorded operating profits of \$861.27 million, 19% lower than the \$1.07 billion booked in 2017.

Finance costs for the period fell 16% to \$132.18 million compared to \$157.82 million in the prior year's comparable period.

As such, profit before taxation amounted to \$729.09 million, a decrease of 20% from the \$910.85 million recorded for the previous corresponding period. Taxes recorded for the period amounted to \$168.54 million compared to \$203.59 million incurred for the corresponding period in 2017. Net profit for the year was \$560.56 million, 21% lower than last year's net profit of \$707.25 million. LASM booked \$28.04 million in net profit for the fourth quarter, compared \$7 million for the corresponding quarter in 2017.

Consequently, earnings per share (EPS) for the period amounted to \$0.14 relative to \$0.17 in 2017. The EPS for the quarter amounted to \$0.007 relative to \$0.002 reported for 2017.

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	131.900	101.840	128.4387	140.060	101.270	130.2206
CAN	99.100	71.250	95.5510	114.000	93.020	99.3093
GBP	174.000	121.320	167.4830	199.800	161.600	172.1114
EURO	152.600	109.120	147.0557	175.800	108.980	153.4364

\*Rates as at June 11, 2018

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (June 12, 2018) trading session. The over night rate stood at 1.40% while the 30-day rate stood 2.40%.

The US dollar fixed income market was also liquid during today's (June 12, 2018) trading session; The overnight market rates were quoted at 1.00% while the 30-day market rates stood at 1.40%.

## 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 7.3% and a 5 year return of 13.4% as at May 31, 2018. The Fund also has a 10 year return of 8.2%.

Fund Yearly Return



U.S. inflation accelerated in May to the fastest pace in more than six years, reinforcing the Federal Reserve's outlook for gradual interest-rate hikes while eroding wage gains that remain relatively tepid despite an 18-year low in unemployment. The consumer price index rose 0.2 percent from the previous month and 2.8 percent from a year earlier, matching estimates, a Labor Department report showed Tuesday. The annual gain was the biggest since February 2012 and follows a 2.5 percent increase in April. Excluding food and energy, the core gauge was up 0.2 percent from the prior month and 2.2 percent from May 2017, also matching the median estimates of economists. The pickup in headline inflation partly reflects gains in fuel prices, though the annual gain in the core measure -- seen by officials as a better gauge of underlying inflation trends -- was the most since February 2017. While the Fed is widely projected to raise borrowing costs this week for the sixth time in 18 months, the path of inflation will figure into policy makers' thinking on the pace of increases for the second half and in 2019. The data "provide further evidence that inflation is moving towards the Fed's objective," and the central bank will continue on its gradual rate-hike path, said Kevin Cummins, an economist at NatWest Markets. The pay figures are "a reminder that you don't need to necessarily get more aggressive in your ...

<https://www.bloomberg.com/news/articles/2018-06-12/u-s-inflation-at-six-year-high-eating-away-at-wage-increases>

## PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at June 11, 2018	
	Percentage (%)
Yield to Maturity	5.76
Weighted Average Coupon	5.529
Current Yield	5.65

The platinum portfolio has an effective maturity of 13.58 years and duration of 4.72 years.

## DISCLAIMER

**Analyst Certification** -The views expressed in this research report accurately reflect the personal views of Mayberry Investments Limited Research Department about those issuer (s) or securities as at the date of this report. Each research analyst (s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation (s) or view (s) expressed by that research analyst in this research report.

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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)

The oil industry will face the biggest squeeze on its spare production capacity in more than three decades if OPEC and its allies agree next week to hike crude output, leaving the world more at risk of a price spike from any supply disruption. Spare capacity is the extra production oil producing states can bring onstream and sustain at short notice, providing global markets with a cushion in the event of natural disaster, conflict or any other cause of an unplanned supply outage. That buffer could shrink from more than 3 percent of global demand now to about 2 percent, its lowest since at least 1984, if the Organization of the Petroleum Exporting Countries, Russia and other producers decide to increase output when they meet on June 22-23, U.S. bank Jefferies said. "You would essentially be taking 3.2 million barrels per day (bpd) of spare capacity down to approximately 2 million bpd," Jefferies analyst Jason Gammel said, adding global demand was 100 million bpd. Some analysts say spare capacity could even fall below 2 percent, after years of low oil prices drove down investment in new production across the industry. Saudi Arabia, OPEC's de facto leader which has indicated its support for hiking output at next week's meeting in Vienna, has said it is alert to the potential squeeze on the market.

<https://www.reuters.com/article/us-oil-opec-capacity/opec-will-squeeze-oil-buffer-to-historic-lows-with-an-output-hike-idUSKBN1J811H>

## 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.

