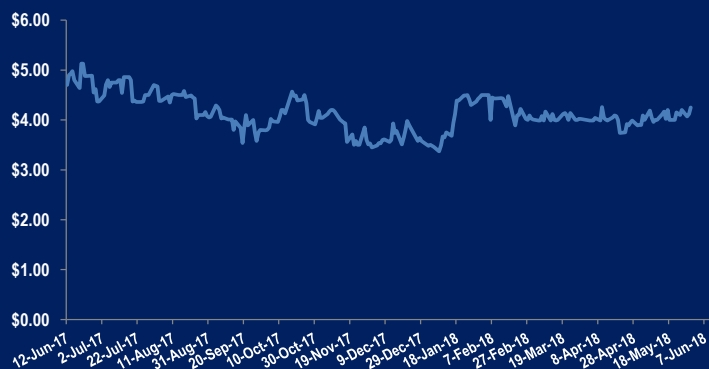


## DAILY MARKET SUMMARY

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

Stock Symbol	ECL	SVL	KW	CAC	LASM
Current Price (\$)	6.96	14.33	46.00	9.00	4.08
Trailing EPS (\$)	0.24	0.53	1.16	0.79	0.14
P/E (times)	29.22	27.00	39.52	11.35	29.78
Projected P/E	23.87	20.96	36.20	10.85	25.30
Projected EPS (\$)*	0.29	0.68	1.27	0.83	0.16
Book Value per share (\$)	0.34	1.22	16.40	3.69	1.20
Price/Book Value (times)	20.48	11.77	2.80	2.44	3.39
Dividend Yield (2018 %)	6.93%	3.49%	N/A	0.89%	N/A
Volumes	350,210	74,550	2,150	1,300	4,973,719
Recommendation	HOLD	HOLD	SELL	BUY	SELL

LASM



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

## For the year 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.

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). Expenses for the quarter also reflected an increase of 7% to close at \$611.47 million (2017: \$572.80 million).

Consequently, LASM recorded operating profits of \$861.27 million, 19% lower than the \$1.07 billion booked in 2017.

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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		
	Weighted			Weighted		
	Highest	Lowest	Average Rate	Highest	Lowest	Average Rate
USD	133.300	102.090	128.8153	140.060	101.840	131.5807
CAN	99.100	71.250	95.9484	114.000	93.000	99.9601
GBP	174.800	121.540	167.7494	199.800	165.300	176.2800
EURO	150.500	109.870	147.5817	167.000	141.400	156.2871

\*Rates as at June 13, 2018

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (June 14, 2018) trading session. The over night rate stood at 1.40% while the 30-day rate stood 2.40%.

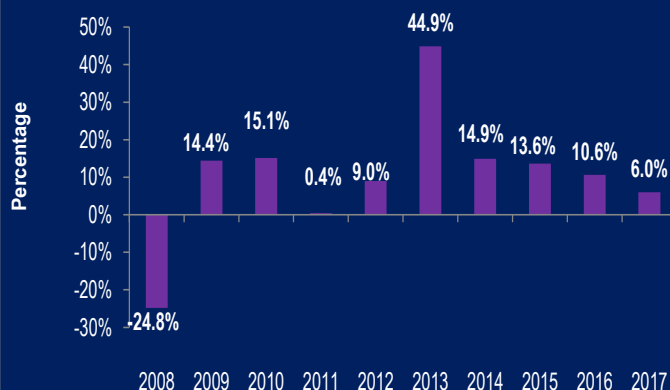
The US dollar fixed income market was also liquid during today's (June 14, 2018) trading session; The overnight market rates were quoted at 1.00% while the 30-day market rates stood at 1.40%.

## OVER THE COUNTER FUNDS (CI FUNDS)

## CI American Small Companies Fund

This fund's objective is to seek above-average capital growth. It invests primarily in equity and equity-related securities of small to mid-capitalization North American companies. The fund has a 3 year return of 7.3% and a 5 year return of 13.2% as at May 31, 2018. The Fund also has a 10 year return of 9.7%.

Fund Yearly Return



U.S. retail sales rose in May by the most in six months, exceeding forecasts and bolstering expectations for an acceleration in economic growth this quarter. The value of overall sales advanced 0.8 percent from the prior month, double the median estimate of economists and following an upwardly revised 0.4 percent gain in April, according to Commerce Department figures on Thursday. So-called retail control-group sales -- a key measure that excludes food services, auto dealers, building-materials stores and gasoline stations -- rose 0.5 percent, also exceeding projections. The results added to signs that lower taxes, elevated confidence and a strong labor market are helping to cushion the blow to Americans' wallets from higher fuel expenses. Solid gains in household purchases -- the biggest part of the economy -- and steady business investment are among reasons growth is projected to regain momentum in the second quarter. Estimates for retail sales in the Bloomberg survey ranged from unchanged to a 0.6 percent gain. Excluding purchases of autos and gasoline, sales climbed 0.8 percent, also the most since November and topping projections. A separate report from the Labor Department on Thursday showed filings for unemployment benefits fell by 4,000 to a five-week low of 218,000 last week, adding to signs of a tight job market. Continuing claims for two weeks ago dropped to 1.7 million, the lowest since December 1973.

<https://www.bloomberg.com/news/articles/2018-06-14/u-s-retail-sales-top-forecasts-bolstering-pickup-in-economy>

## 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)

Mario Draghi said the euro-area economy is strong enough to overcome increased risk, justifying the European Central Bank's decision to stop buying bonds and end an extraordinary chapter in the decade-long struggle with financial crises and recession. Policy makers agreed to phase out the stimulus tool with 15 billion euros (\$17.7 billion) of purchases in each of the final three months of the year, the ECB president said after his Governing Council met on Thursday in Latvia. The central bank also pledged to keep interest rates unchanged at current record lows at least through the summer of 2019. In doing so, officials bet that the euro-area economy is robust enough to ride out an apparent slowdown amid risks including U.S. trade tariffs and nervousness that Italy's populist government will spark another financial crisis. Almost half of economists in a Bloomberg survey had predicted the announcement would be put off until July. "We've taken these decisions knowing that the economy is in a better situation, with an increase in uncertainty," Draghi said at a briefing in Riga, where the Frankfurt-based ECB held its annual out-of-town meeting. "We may well have this soft patch being somewhat longer than in the staff projections in some countries." The announcement came only hours after the Federal Reserve raised U.S. interest rates for the second time this year, highlighting how a decade of easy money in Europe and America is gradually coming to an end.

<https://www.bloomberg.com/news/articles/2018-06-14/draghi-ends-ecb-bond-buying-era-saying-economy-can-beat-risks>

## 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.

