

## DAILY MARKET SUMMARY

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

Stock Symbol	JAMT	138SL	LASM	HONBUN	WISYNCO
Current Price (\$)	3.91	3.92	4.00	3.90	9.39
Trailing EPS (\$)	0.26	0.11	0.16	0.17	0.51
P/E (times)	15.23	35.01	24.65	23.34	18.32
Projected P/E	12.60	29.48	22.93	19.55	13.82
Projected EPS (\$)*	0.31	0.13	0.17	0.20	0.68
Book Value per share (\$)	1.62	6.59	1.26	1.27	2.23
Price/Book Value (times)	2.41	0.59	3.17	3.07	4.22
Dividend Yield (2018 %)	0.77%	N/A	0.95%	1.03%	0.67%
Volumes	5,000	NIL	38,000	1,000	103,684
Recommendation	BUY	SELL	SELL	HOLD	BUY

WISYNCO



## STOCK OF THE DAY: WISYNCO Group Limited (WISYNCO)

For the nine months ended March 31, 2018:

Wisynco Group Limited reported total revenue of \$18.06 billion for the nine months ended March 31, 2018, a 14.6% or \$2.31 billion increase when compared with the \$15.75 billion reported for the same period in 2017. Total revenues for the quarter amounted to \$5.82 billion reflecting an increase of 13.5% over the \$5.13 billion achieved in the corresponding quarter of the previous year. According to the company, "The third quarter normally represents lower demand for beverages due to the cooler climate in the January to March period which results in lower production and inefficient overhead absorption as compared to periods of higher demand."

Total expenses for the nine months rose 10.8% to close at \$4.51 billion (2017: \$4.07 billion). Of total expenses, selling and distribution expenses climbed 9.7% to total \$3.92 billion (2017: \$3.57 billion), while administrative expenses increased 19.0% to \$594.15 million (2017: \$499.38 million). Total expenses for the third quarter rose 4.4% to \$1.51 billion (2017: \$1.44 billion). Other income for the nine months contracted 92.2% to \$52.33 million (2017: \$667.67 million). According to WISYNCO, "Wisynco also conducts preventative maintenance in the 3rd quarter of each Fiscal Year which results in some additional production expenses to ensure continuous efficiencies. The construction of our cold storage facilities continues, and the expectation is now for completion at the end of the 4th quarter which should result in reduced operating cost and improved service levels."

Finance income for the period amounted to \$50.55 million, down 59.5% from the \$124.97 million reported for the corresponding period in 2017. Contact was made with Wisynco with regards to this decline in other income, the CEO was however unavailable at the time. Finance costs increased 48.7% to \$177.12 million for the period from \$119.14 million for 2017.

Profit before taxation amounted to \$2.15 billion, relative to \$2.26 billion reported in 2017, a 4.8% decline year over year. Taxation for the period amounted to \$460.92 million (2017: \$431.80 million). Profit from continuing operation amounted to \$1.69 billion relative to \$1.82 billion booked for the comparable period in 2017. Profit from discontinued operations totalled \$41.56 million versus \$133.02 million in 2017. As such, net profit of \$1.73 billion (2017: \$1.96 billion) was posted for the nine months ended March 31, 2018, representing a 11.7% decline year over year. Net profit for the third quarter amounted to \$504.28 million relative to \$820.24 million in 2017, a 38.5% decline year over year.

Earnings per share (EPS) for the quarter amounted to \$0.13 (2017: \$0.22), while the EPS for the nine months amounted to \$0.46 (2017: \$0.52). The twelve-month trailing EPS amounted to \$0.51. The number of shares used in our calculations is 3,750,000,000. Notably, WISYNCO's stock price closed the trading period on May 10, 2018 at \$10.32.

<sup>+</sup>Prices are as at August 10, 2018 \*Projections are for the forward 12 months from the most recent quarter results

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	137.500	100.000	133.7508	145.680	100.470	136.1818
CAN	105.400	73.870	102.9977	118.200	93.000	104.9692
GBP	200.400	149.460	173.1216	202.800	165.000	175.1663
EURO	160.160	112.500	154.7695	180.000	144.000	158.7552

\*Rates as at August 09, 2018

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (August 10, 2018) trading session. The over night rate stood at 0.85% to 1.00% while the 30-day rate ranged between 1.30% and 1.60%.

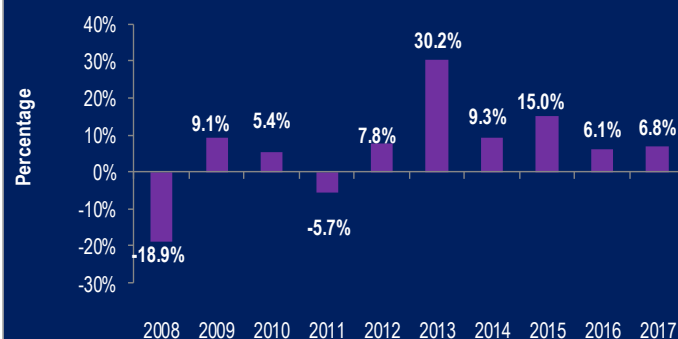
The US dollar fixed income market was also liquid during today's (August 10, 2018) trading session; The over-night market rates were quoted at 1.20% while the 30-day market rates stood at 1.60% to 2.00%.

## OVER THE COUNTER FUNDS (CI FUNDS)

## CI Global Value Fund

This fund's objective is to obtain maximum long-term capital growth by identifying securities that the portfolio advisor believes are undervalued and have the potential for future growth. It invests primarily in equity and equity-related securities of companies around the world. The fund may make large investments in any country, including emerging markets or emerging industries of any market. The fund has a 3 year return of 6.0% and a 5 year return of 10.8% as at June 30, 2018. The Fund also has a 10 year return of 7.1%.

Fund Yearly Return



## ■ U.S.: U.S. Consumer Prices Rise; Core Posts Biggest Gain Since 2008

U.S. consumer prices rose in July, with a gauge excluding food and fuel costs posting the biggest annual gain since 2008, underpinning expectations that the Federal Reserve will raise interest rates next month. The consumer-price index rose 0.2 percent from June after a 0.1 percent month-on-month gain the prior month, a Labor Department report showed Friday. That matched the Bloomberg survey median. Excluding food and energy, the core gauge was also up 0.2 percent, the same as projected. The core measure on a year-over-year basis advanced 2.4 percent, the biggest jump in that measure since September 2008. The results indicate steady consumer demand will sustain inflation, at a time tariffs and counter-levees by the U.S. and nations including China also threaten to lift costs on a range of goods. Sustained progress toward the Fed's goal -- based on its preferred gauge of inflation -- keeps the central bank on track for one or two more rate hikes this year.

<https://www.bloomberg.com/news/articles/2018-08-10/u-s-consumer-prices-rise-in-july-annual-core-tops-forecast>

## ■ PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at August 07, 2018

	Percentage (%)
Yield to Maturity	5.89
Weighted Average Coupon	5.602
Current Yield	5.65

The platinum portfolio has an effective maturity of 15.68 years and duration of 5.85 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)

## ■ Asia: China's Regional Growth Divergence Adds to Debt Policy Dilemma

China is growing at a very steady pace -- fluctuating between 6.7 percent and 6.9 percent for the past three years. But under the hood, there's a wide divergence among its 31 regions in the first half of this year -- from a 2.5 percent expansion for north-eastern Jilin to a 10 percent boom for southwestern Guizhou. Such divergence makes it hard to crack down on debt across the nation with a one-size-fits-all policy, as the stimulus that may be needed in Inner Mongolia might cause too much lending in more prosperous regions such as Shanghai. The government borrowing crackdown is having an effect nationwide -- investment decelerated in the first half of this year to the slowest pace in two decades, as local governments were forced to curb debt. Much of the red across northern China shown on the map is due to lackluster private economies and dependence on heavy industries in those provinces, according to Bloomberg economist Qian Wan in Beijing. "Regions dependent on state-led infrastructure spending were hurt more than others by the deleveraging campaign," said Robin Xing, chief China economist at Morgan Stanley in Hong Kong.

<https://www.bloomberg.com/news/articles/2018-08-09/china-s-regional-growth-divergence-adds-to-debt-policy-dilemma>

## ■ STRUCTURED PRODUCT

### Mayberry Managed Equity Portfolio (MMEP)

We offer a managed equity portfolio for both institutions and individuals. The MMEP is a full discretionary managed portfolio of a diversified group of stocks. The stocks included in the portfolio represent Mayberry's top recommended stocks. 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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