

DAILY MARKET SUMMARY

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	LASF	JMMBGL	ISP	PJAM	CAR
Current Price (\$)	5.88	28.91	16.00	52.36	8.98
Trailing EPS (\$)	0.23	2.42	0.48	3.97	0.73
P/E (times)	25.83	11.94	33.02	13.19	12.29
Projected P/E	21.83	11.20	31.47	12.46	11.92
Projected EPS (\$)*	0.27	2.58	0.51	4.20	0.75
Book Value per share (\$)	1.16	15.48	2.91	29.17	0.38
Price/Book Value (times)	5.06	1.87	5.49	1.80	23.37
Dividend Yield (2018 %)	N/A	0.93%	N/A	0.95%	6.35%
Volumes	67,626	20,679	NIL	36,746	196,462
Recommendation	HOLD	BUY	SELL	HOLD	BUY

LASF



STOCK OF THE DAY: Lasco Financial Services Limited

For the three months ended June 30, 2018: -

LASF recorded for the three months ended June 30, 2018, a total of \$526.05 million in Trading Income; this represented a growth of 74% relative to the \$302.68 million recorded in the comparable quarter in 2017. According to the Company, this was “driven by our growth in transactions.” The Company also highlighted, “Of note for this financial period is the positive contribution of the newly acquired LASCO Microfinance Limited. Just above half of the increase in income was contributed by loans”. Other Income for the quarter also amounted to \$28.47 million, a rise of 72% compared to \$16.54 million in 2017. Consequently, this resulted in an overall gross profit of \$554.51 million for the quarter, a growth of 74% compared to \$319.23 million in 2017.

Operating Expenses for the period amounted to \$382.26 million which is 62% more than the \$235.93 million recorded in June 2017. Selling and Promotional Expenses increased 49% to close at \$181.79 million relative to \$122.21 million in 2017, while Administrative Expenses rose 76% to close at \$200.46 million (2017: \$113.72 million).

As a result, Profit from Operations for the period grew by 107% to total \$172.26 million relative to \$83.30 million that was recorded in the prior period in 2017.

Finance Cost amounted to \$40.70 million for the quarter (2017: \$2.51 million) a gross increase of 1792%. We will be contacting Management for an explanation on this increase. This resulted in Profit before Tax of \$131.56 million, a 62% increase comparative to \$81.15 million in 2017.

After taxation of \$31.04 million (2017: \$14.28 million), Net Profit for the quarter amounted to \$100.52 million which was a 50% growth from the prior period's net profit of \$66.87 million.

Earnings per Share for the quarter amounted \$0.08 (2017: \$0.05). The number of shares used in the calculation was 1,264,694,391. The twelve months trailing EPS is \$0.23. The stock price as at July 16, 2018 closed at \$5.05.

The Company noted “Subsequent to the financial year end, LFSL embarked upon a re-organization whereby its Loans Division was merged with LASCO Microfinance Limited, giving rise to a large loan company with a powerful brand presence through thirteen (13) branches island wide. The focus of the newly organized group will be allocated such that LFSL; the parent will concentrate on its core activities, Cambio and Remittance services in Jamaica and LASCO Microfinance limited will focus on providing credit in pursuit of financial inclusion.”

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	138.900	100.000	135.5687	147.370	100.000	137.4707
CAN	105.000	75.370	101.5040	120.600	95.000	106.2056
GBP	178.500	151.250	169.8470	202.800	152.100	176.3573
EURO	158.000	113.250	152.8747	181.200	147.000	158.7502

*Rates as at August 21, 2018

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (August 21, 2018) trading session. The over night rate stood at 0.85% to 1.00% while the 30-day rate ranged between 1.25% and 1.65%.

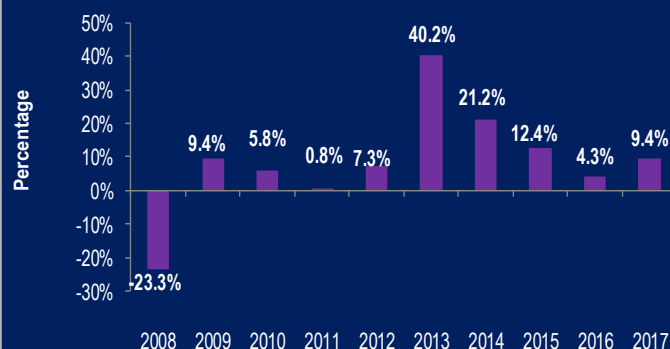
The US dollar fixed income market was also liquid during today's (August 21, 2018) trading session; The over-night market rates were quoted at 1.20% while the 30-day market rates stood at 1.40% to 2.10%.

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 7.1% and a 5 year return of 13.7% as at July 31, 2018. The Fund also has a 10 year return of 9.4%.

Fund Yearly Return



Making America great again isn't proving so great for other parts of the world. With the rise in the dollar and interest rates already squeezing emerging economies just as President Donald Trump's trade war threatens China, the U.S. is set to be the only Group of Seven nation to see economic growth accelerate this year as Trump's tax cuts kick in. The end of the short-lived euphoria of a synchronized global upswing is already evident in financial markets. NatWest Markets notes its basket of so-called growth assets such as the Australian dollar and copper is down about 4.5 percent this year compared with the almost 7 percent gain of the Standard & Poor's 500 Index. The gap in performance "certainly captures the imbalanced nature of growth this year," said Jim McCormick, head of cross-asset strategy at NatWest. The global backdrop will frame discussions when the Federal Reserve holds its annual policy symposium this week in Jackson Hole, Wyoming, at which Chairman Jerome Powell will speak. The Fed's two interest-rate hikes of 2018 have helped lift the dollar almost 6 percent on a trade-weighted basis this year, making it costlier for international borrowers to repay loans.

<https://www.bloomberg.com/news/articles/2018-08-21/america-s-booming-economy-comes-with-a-cost-for-global-growth>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at August 20, 2018	
	Percentage (%)
Yield to Maturity	5.78
Weighted Average Coupon	5.548
Current Yield	5.57

The platinum portfolio has an effective maturity of 13.33 years and duration of 4.60 years.

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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, www.bloomberg.com, www.investopedia.com, www.tradewire.com

The tariffs that the U.S. and China are threatening each other with will cause China's economy to slow more sharply next year if they're enacted, underscoring the high stakes nature of negotiations set to resume this week. The ongoing trade conflict will reduce China's economic growth by 0.2 percentage point this year and 0.3 percentage point in 2019, according to the median estimate of 16 analysts in a Bloomberg survey this month. That's if the U.S. follows through on its threat to impose additional tariffs on \$200 billion of Chinese goods and China retaliates with levies on \$60 billion of imports from America. China's more-than-\$12-trillion economy will expand by 6.3 percent next year, a bit slower than the 6.6 percent expected this year, according to a separate poll of economists, not all of which have taken the proposed tariffs into account. While that's still much faster than other major economies, slower growth will imperil the nation's aim of doubling the size of the economy in the ten years to 2020. "Trade war damage is not only through exports, it would also disrupt global supply chains," said Iris Pang, greater China economist at ING Bank NV in Hong Kong, adding that Chinese factories would be reluctant to invest and expand further amid the uncertainties.

<https://www.bloomberg.com/news/articles/2018-08-21/china-gdp-to-suffer-if-trump-fires-new-tariffs-economists-say>

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.

