

## DAILY RECOMMENDATION



### LOCAL STOCK MARKET: (JS)<sup>+</sup>

Stock Symbol	INDIES	LASD	GK	SEP	WISYNCO
Current Price (\$)	3.30	3.89	61.17	45.21	14.40
Trailing EPS (\$)	0.11	0.31	5.03	1.84	0.75
P/E (times)	30.72	12.52	12.16	24.51	19.32
Projected P/E	25.48	14.49	10.86	14.92	18.82
Projected EPS (\$)*	0.13	0.27	5.63	3.03	0.77
Book Value per share (\$)	0.54	1.48	44.84	21.66	2.77
Price/Book Value (times)	6.13	2.62	1.36	2.09	5.19
Dividend Yield (2018 %)	N/A	N/A	3.08%	3.17%	1.13%
Volumes	603,300	116,192	31,171	23,101	190,084
Recommendation	SELL	HOLD	BUY	HOLD	HOLD



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

For the nine months ended March 31, 2019:

Wisynco Group Limited reported total revenue of \$20.84 billion for the nine months ended March 31, 2019, a 15% increase when compared with the \$18.06 billion reported for the same period in 2018. Total revenues for the quarter amounted to \$6.91 billion reflecting an increase of 19% over the \$5.82 billion achieved in the corresponding quarter of the previous year. Cost of sales for the period amounted to \$12.82 billion, up 13% relative to \$11.32 billion reported in 2018. Consequently, gross profit rose 19% to close at \$8.02 billion compared to the \$6.73 billion for the same period a year earlier.

Total expenses for the nine months rose 16% to close at \$5.20 billion (2018: \$4.50 billion). Of total expenses, selling and distribution expenses climbed 12% to total \$4.40 billion (2018: \$3.92 billion), while administrative expenses increased 37% to \$799.94 million (2018: \$584.64 million).

Other income for the nine months increased 63% to \$85.39 million (2018: \$52.33 million). As such, WISYNCO booked a 27% increase in operating profit to \$2.90 billion (2018: \$2.28 billion).

Finance income for the period amounted to \$63.38 million, up 25% from the \$50.55 million reported for the corresponding period in 2018. Finance costs increased 70% to \$301.79 million for the period from \$177.12 million for 2018. The Company noted, "Finance expenses included a loss of \$69.3 million due to the revaluation of our USD deposits as the Jamaican Dollar revalued from a rate of 125.89 at December 31, 2018 to 123.57 at March 31, 2019."

Profit before taxation amounted to \$2.66 billion, relative to \$2.16 billion reported in 2018, a 23% increase year over year. Taxation for the period amounted to \$422.98 million (2018: \$460.92 million). Profit from continuing operation amounted to \$2.24 billion relative to \$1.70 billion booked for the comparable period in 2018. The Company booked no profit from discontinued operations relative to \$41.55 million booked in 2018. As such, net profit of \$2.24 billion (2018: \$1.74 billion) was posted for the nine months ended March 31, 2019, representing a 29% increase year over year. Net profit for the third quarter amounted to \$693.92 million relative to \$504.28 million in 2018, a 38% increase year over year.

Earnings per share (EPS) for the quarter amounted to \$0.19 (2018: \$0.13), while the EPS for the nine months amounted to \$0.60 (2017: \$0.46). The twelve-month trailing EPS amounted to \$0.75. The number of shares used in our calculations is 3,750,000,000.

\*Prices are as at May 7, 2019 \*Projections are made to the company's financial year end

### FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	145.067	102.478	135.7281	150.686	103.801	137.0578
CAN	104.000	79.000	101.6712	110.432	90.000	100.7824
GBP	181.000	139.690	176.8421	194.000	160.000	178.2630
EURO	153.000	115.000	143.8415	168.504	136.000	153.4140

\*Rates as at May 7, 2019

### MONEY MARKET

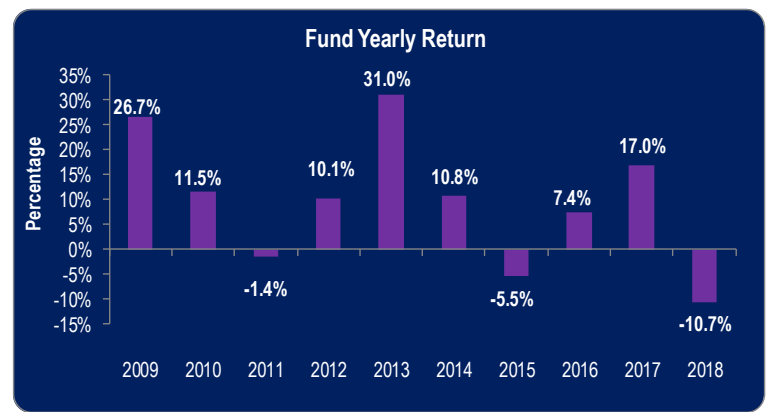
The Jamaican dollar fixed income market was liquid in today's (May 8, 2019) trading session. The over night rate stood at 1.10% to 1.20% while the 30-day rate ranged at 2.20% to 2.40%.

The US dollar fixed income market was also liquid during today's (May 8, 2019) trading session; The overnight market rates were quoted at 2.00% to 2.20% while the 30-day market rates stood at 2.40% to 2.70%.

### 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 8.1% and a 5 year return of 5.7% as at March 31, 2019. The Fund also has a 10 year return of 11.1%.



**U.S.: China Threatens Retaliation as Trump Touts Chances of Trade Deal**

The U.S. and China sent conflicting signals over trade, with President Donald Trump expressing optimism about the prospect of a deal and Beijing warning that it will retaliate if the U.S. follows through on a threat to hike tariffs. Trump said Wednesday that China indicated it hopes to "make a deal" when senior Chinese officials visit Washington for negotiations Thursday and Friday. The U.S. has said it will raise tariffs on \$200 billion of Chinese goods to 25 percent from 10 percent on Friday at 12:01 a.m. New York-time. "We have gotten an indication they want to make a deal, our teams are meeting with their team tomorrow, we will see what happens," White House press secretary Sarah Huckabee Sanders told reporters after the president commented in a series of tweets. U.S. stocks climbed on the comments from the White House. But only hours after Trump's tweets, China's Commerce Ministry warned that the government will "have to adopt necessary countermeasures" if the U.S. implements its plan to raise duties. The S&P 500 Index traded little changed as of 12:08 p.m. in New York. "Escalating the trade conflict is not in the interest of the people in both countries and the world. China deeply regrets the move," the ministry said in a statement. With less than 36 hours before the higher tariffs take effect, investors are on edge over the risk that talks between the world's two-biggest economies will derail, sinking hopes for a lasting truce to their trade war.

<https://www.bloomberg.com/news/articles/2019-05-08/trump-says-china-wants-to-negotiate-trade-with-weak-democrat?srnd=premium>

**Asia: Draghi Succession May Go Down to Wire Unless EU Sorts Other Jobs**

The appointment of the next European Central Bank head could potentially be delayed until just weeks before President Mario Draghi's term expires amid a swathe of top European Union vacancies. That's one of the scenarios being discussed among EU diplomats, according to a person familiar with the matter who asked not to be identified. The complexity of upcoming negotiations could see the ECB post decided together with the head of the European Council in the autumn. The bloc's politicians face filling an unprecedented number of high-level posts this year that also include the presidency of the EU Commission -- the hottest potato of the lot -- and there's currently no consensus on who should get the positions. They were meant to be selected in one go after elections this month for the European Parliament, which has forged a crucial role in ratifying the commission leadership. The potentially messy outcome of those elections heightens the risk of a summer disagreement that prevents posts such as the ECB being agreed on in good time. Draghi's non-renewable term ends in October. "Whatever happens with the commission top job, then the ECB can be decided afterwards," said Christian Odendahl, chief economist at Centre for European Reform in Berlin. "The commission seems to me a much more complicated decision politically. The ECB top job will probably be a part of the horse-trading at the end, but that's not the priority."

<https://www.bloomberg.com/news/articles/2019-05-08/draghi-succession-may-go-down-to-wire-unless-eu-sorts-other-jobs?srnd=economics-vp>

**PLATINUM PORTFOLIO**

Platinum Portfolio Yield Measures as at May 6, 2019	
	Percentage (%)
Yield to Maturity	6.00
Weighted Average Coupon	5.526
Current Yield	5.12

The platinum portfolio has an effective maturity of 13.52 years and duration of 4.70 years.

**STRUCTURED PRODUCT**

**USD Money Market**

This portfolio is a full discretionary managed bond portfolio, ideal for clients who have short-term USD liquidity needs. Assets within the portfolio can be used as collateral for loans. The product provides a solid short-term investment option in hard currency and allows the individual to hedge against the prevailing devaluation in the local currency.

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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

OVER 20 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH  
 = POSITIVE TRANSFORMATION FOR OUR CLIENTS  
 MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS

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