

DAILY RECOMMENDATION

LOCAL STOCK MARKET: (J\$)⁺

Stock Symbol	MDS	INDIES	CAR	WISYNCO	LASM
Current Price (\$)	7.51	3.26	8.91	16.55	3.93
Trailing EPS (\$)	0.43	0.11	0.70	0.75	0.26
P/E (times)	17.53	29.34	12.70	22.21	14.93
Projected P/E	16.62	26.51	13.20	21.63	14.31
Projected EPS (\$)*	0.45	0.12	0.68	0.77	0.27
Book Value per share (\$)	2.89	0.49	0.28	2.77	1.43
Price/Book Value (times)	2.60	6.72	32.39	5.97	2.75
Dividend Yield (2018 %)	N/A	N/A	7.63%	1.13%	1.01%
Volumes	11,843	71,144	50,931	2,332,253	116,768
Recommendation	HOLD	SELL	BUY	HOLD	BUY



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. Management noted, "During the quarter the Company successfully introduced its first flavour of low sugar Sparkling product under the Cran Wata brand." 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.

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.

Earnings per share (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. Management noted, "The Company recently announced an exciting 30% investment in JP Snacks Caribbean Ltd and commenced the exclusive distribution of the St Mary's range of Tropical Chips in Jamaica, at the end of April 2019."

⁺Prices are as at June 10, 2019 *Projections are made to the company's financial year end

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	132.300	97.000	129.7327	149.940	103.389	131.3534
CAN	100.000	76.766	96.5614	109.161	76.916	98.4321
GBP	172.550	130.692	167.5670	187.384	157.000	165.5643
EURO	149.200	110.152	148.3630	169.560	140.000	148.9470

*Rates as at June 7, 2019

MONEY MARKET

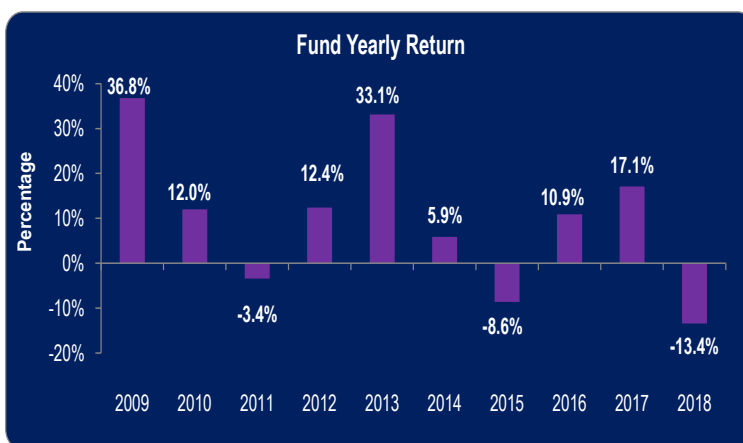
The Jamaican dollar fixed income market was liquid in today's (June 10, 2019) trading session. The over night rate stood at 0.50% to 0.90% while the 30-day rate ranged at 1.50% to 1.80%.

The US dollar fixed income market was also liquid during today's (June 10, 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 Managers Corporate Class

This fund invests primarily in equity and equity-related securities of companies that are located in countries that have signed the North American Free Trade Agreement (NAFTA) (or its successor). The fund has a 3 year return of 8.1% and a 5 year return of 5.0% as at April 30, 2019. The Fund also has a 10 year return of 10.8%. Rates are as at April 30, 2019.



“Federal Reserve Chairman Jerome Powell and his colleagues face three decisions when it comes to reducing interest rates: whether to do it, when to do it, and by how much. Fed watchers say an unexpectedly weak reading on the U.S. jobs market in May makes it increasingly likely that the central bank will lower rates this year -- in spite of President Donald Trump’s decision late Friday to call off his threatened tariffs on Mexico. What’s less certain is when the Fed will act and how big any cut will be -- a more traditional 25 basis point move or a bolder, 50 basis point reduction designed to get a bigger bang for the buck. “We obviously feel more confident that they’re going to be easing,” JPMorgan Chase & Co. chief U.S. economist Michael Feroli said after news on Friday that payrolls growth slowed abruptly in May. He expects the central bank to lower rates by a quarter percentage point in September and December, even with the U.S. immigration deal with Mexico that forestalled the threat of U.S. import tariffs on Mexican goods.”

<https://www.bloomberg.com/news/articles/2019-06-09/fed-rate-cut-looks-more-likely-question-is-when-and-by-how-much?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at June 10, 2019	
	Percentage (%)
Yield to Maturity	5.85
Weighted Average Coupon	5.535
Current Yield	5.22

The platinum portfolio has an effective maturity of 18.19 years and duration of 4.63 years.

DISCLAIMER

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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.

“U.K. manufacturing output fell the most in almost 17 years in April as the boost from Brexit stockpiling evaporated and car producers went ahead with planned shutdowns. The 3.9% decline, the most since June 2002, saw the economy as a whole shrink for a second straight month, Office for National Statistics figures published Monday show. Vehicle production plunged by a quarter. Gross domestic product fell 0.4%, the biggest monthly drop since March 2016, leaving the economy at risk of a sharp slowdown this quarter. Growth in the latest three months was a weaker-than-forecast 0.3%, down from 0.5% in the first quarter. The pound dropped after the figures were published, and was 0.4% lower at \$1.2688 as of 9:36 a.m. London time. Factories boomed in the early months of 2019 as companies stockpiled goods to avoid supply disruptions ahead of the original March 29 deadline to leave the European Union. But with Brexit now delayed until October, orders are being scaled back and demand met from products piled up in warehouses.”

<https://www.bloomberg.com/news/articles/2019-06-10/u-k-economy-shrinks-as-factory-output-falls-most-since-2002?srnd=economics-vp>

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.

