



LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	MDS	INDIES	CAR	WISYNCO	LASM
Current Price (\$)	7.80	3.26	8.91	17.14	4.01
Trailing EPS (\$)	0.43	0.11	0.70	0.75	0.26
P/E (times)	18.20	29.34	12.70	23.00	15.24
Projected P/E	17.26	26.51	13.20	22.40	14.60
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)	2.70	6.72	32.39	6.18	2.81
Dividend Yield (2018 %)	N/A	N/A	7.63%	1.13%	1.01%
Volumes	1,236	113,293	61,650	303,642	4,508,730
Recommendation	HOLD	SELL	BUY	HOLD	BUY



STOCK OF THE DAY: Lasco Manufacturing Limited (LASM)

For the year ended March 31, 2019:-

Total revenue increased by 14% from \$6.66 billion in 2018 to \$7.57 billion in 2019. Cost of sales amounted to \$4.81 billion (2018: \$4.37 billion) for the period, an increase of 10% year on year. As a result, gross profit of \$2.76 billion was recorded for the period, 20% more than the \$2.29 billion booked for the corresponding period in 2018. LASM posted other income of \$1.84 million relative to \$3.41 million for the prior year.

Operating expenses increased 5% to close the period at \$1.50 billion versus \$1.43 billion booked for the corresponding period last year. Of this, administrative and other expenses climbed 7% to \$1.21 billion (2018: \$1.13 billion), while selling and promotion expenses fell 5% to \$285.96 million (2017: \$300.57 million). Management noted, "this increase was in line with expectations given and revenue growth achieved". Consequently, LASM recorded operating profits of \$1.26 billion, 46% higher than the \$861.27 million booked in 2018.

Finance costs for the period fell 19% to \$107.43 million compared to \$132.18 million in the prior year's comparable period.

As such, profit before taxation amounted to \$1.15 billion, an increase of 58% from the \$729.09 million recorded for the previous corresponding period. Taxes recorded for the period amounted to \$73.67 million compared to \$168.54 million incurred for the corresponding period in 2018. Net profit for the year was \$1.08 billion, 92% higher than last year's net profit of \$560.56 million. The Company noted, "this profit out-turn was fueled by volume and revenue growth, gross margin improvement and gains in operational efficiencies". LASM booked \$376.27 million in net profit for the fourth quarter, compared \$28.04 million for the corresponding quarter in 2018.

As such Total Comprehensive Income for the year ended totaled \$1.08 billion compared to \$615.95 million in 2018, an increase of 75%. Consequently, earnings per share (EPS) for the period amounted to \$0.26 relative to \$0.14 in 2018. The EPS for the quarter amounted to \$0.092 relative to \$0.007 reported for 2018. The number of shares used in the calculations amounted to 4,091,163,151 units.

⁺Prices are as at June 11, 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	141.150	97.890	129.4251	149.345	100.422	131.0215
CAN	98.500	76.670	93.5699	109.629	90.000	98.9989
GBP	166.300	129.746	161.3444	186.027	155.000	165.0602
EURO	149.500	110.152	149.0602	169.560	137.000	151.9606

*Rates as at June 10, 2019

MONEY MARKET

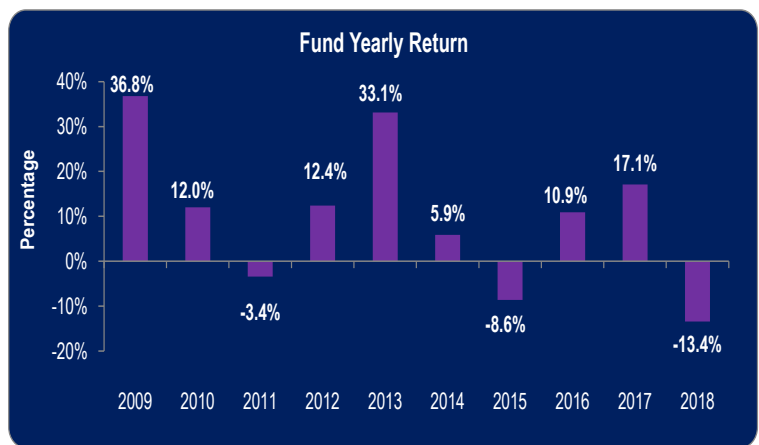
The Jamaican dollar fixed income market was liquid in today's (June 11, 2019) trading session. The over night rate stood at 0.50% to 0.90% while the 30-day rate ranged at 1.50% to 1.80%.

The US dollar fixed income market was also liquid during today's (June 11, 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.



U.S.: Trump Says He's Holding Up Trade Deal With China, Ahead of G-20

“President Donald Trump said he’s personally holding up a trade deal with China and that he won’t complete the agreement unless Beijing returns to terms negotiated earlier in the year. “It’s me right now that’s holding up the deal,” Trump said. “And we’re going to either do a great deal with China or we’re not going to do a deal at all.” Last month, the U.S. accused China of renegeing on provisions of a tentative trade deal, bringing talks to a halt. “We had a deal with China and unless they go back to that deal I have no interest,” Trump said. Trump’s comments came a day after he threatened to raise tariffs on China if President Xi Jinping doesn’t meet with him at the upcoming Group of 20 summit in Japan. Trump told reporters that he could impose tariffs of 25% or “much higher than 25%” on \$300 billion in Chinese goods.”

<https://www.bloomberg.com/news/articles/2019-06-11/trump-says-he-s-holding-up-trade-deal-with-china-ahead-of-g20?srnd=premium>

Asia: ECB Policy Makers Say They'll Cut Rates and Add QE If Needed

“The European Central Bank is willing to cut interest rates and resume bond purchases if necessary, two policy makers signaled on Tuesday. Bank of Finland Governor Olli Rehn and his Slovakian counterpart Peter Kazimir both gave press conferences at which they said the ECB is ready to combat any further slowdown that threatens to prevent them restoring price stability. Market-based inflation expectations for the euro zone tumbled to record lows last week, despite the central bank extending its pledge to keep rates at record lows. “The Governing Council is determined to act and stands ready to adjust all of its instruments, as appropriate,” Rehn, who is a contender to succeed ECB President Mario Draghi in November, said in Helsinki. He also said the institution’s economic analysis at its policy meeting last week showed the external risks to the euro area won’t fade in the near term.”

<https://www.bloomberg.com/news/articles/2019-06-11/ecb-s-rehn-says-toolkit-still-includes-rate-cuts-and-more-qe?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.

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.

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.

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