

DAILY RECOMMENDATION



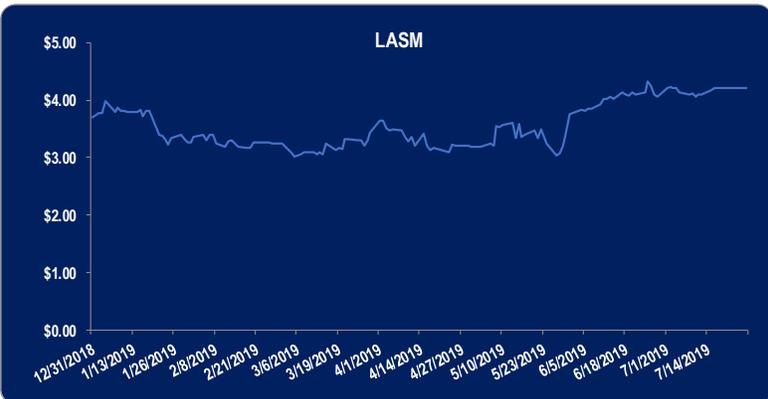
LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	KPREIT	GENAC	WISYNCO	LASM	SJ
Current Price (\$)	5.74	4.50	27.11	4.21	57.70
Trailing EPS (\$)	0.03	0.29	0.75	0.26	3.66
P/E (times)	202.16	15.62	36.38	16.00	15.77
Projected P/E	72.08	14.97	35.42	15.33	15.20
Projected EPS (\$)*	0.08	0.30	0.77	0.27	3.80
Book Value per share (\$)	5.51	1.99	2.77	1.43	20.35
Price/Book Value (times)	1.04	2.26	9.78	2.95	2.84
Dividend Yield (2018 %)	0.98%	5.20%	1.13%	1.01%	3.37%
Volumes	27,100	137,985	279,776	41,900	16,078,797
Recommendation	SELL	BUY	SELL	BUY	HOLD

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	138.500	103.490	135.9856	141.480	104.145	137.7082
CAN	106.600	81.918	104.6467	108.200	97.000	105.0235
GBP	172.500	134.972	167.6870	177.336	159.000	170.3627
EURO	150.500	114.934	145.4012	158.490	145.000	152.9252

*Rates as at July 25, 2019



STOCK OF THE DAY: Lasco Manufacturing Limited (LASM)

For the year ended March 31, 2019:-

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. Revenue increased 41% for the fourth quarter to a total of \$1.95 billion, relative to the \$1.38 billion recorded for the comparable period in 2018.

Cost of sales amounted to \$4.81 billion (2018: \$4.37 billion) for the period, an increase of 10% over on year. For the quarter, cost of sales was recorded at \$1.13 billion relative to \$756.13 million in 2018. 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. Gross profit for the quarter increased 31% to \$821.36 million when compared to the \$627.38 million booked for the similar quarter ended 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). Expenses for the quarter also reflected an increase of 4% to close at \$479.90 million (2018: \$462.61 million).

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. 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.

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (July 26, 2019) trading session. The over night rate stood at 0.50% to 0.80% while the 30-day rate ranged at 1.60% to 1.90%.

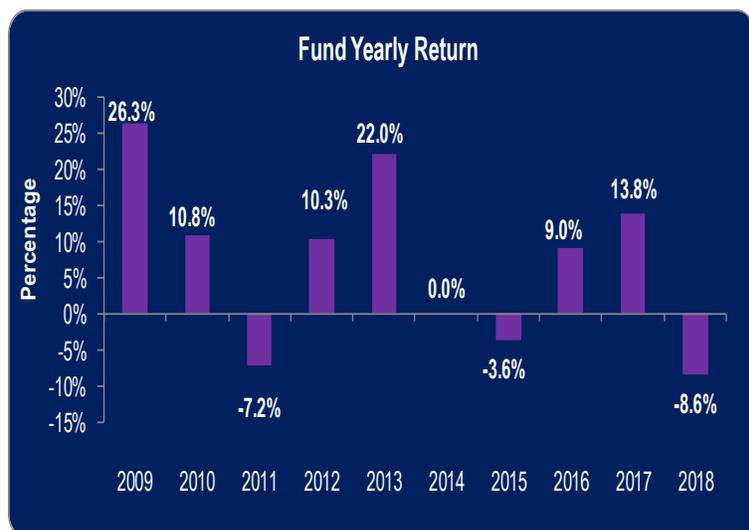
The US dollar fixed income market was also liquid during today's (July 26, 2019) trading session; The overnight market rates were quoted at 2.00% to 2.20% while the 30-day market rates stood at 2.40% to 2.70%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI Global Value Corporate Class

This fund invests primarily in equity and equity-related securities of companies around the world.

The fund has a 3 year return of 7% and a 5 year return of 3.2%. The Fund also has a 10 year return of 7.2%. Rates are as at June 30, 2019.



⁺Prices are as at July 26, 2019 *Projections are made to the company's financial year end

U.S.: Future of U.S. Growth on Consumers' Shoulders in Replay of 2015

"They've carried the world's largest economy through a tough patch before. History suggests American consumers could do it again. Friday's report on U.S. growth underscored how much the expansion -- which this month became the longest on record -- now largely relies on Americans staying happy and spending, while global weakness and President Donald Trump's tariffs eat away at contributions from business investment. It's a replay of 2015 and 2016, when an oil-led slowdown in manufacturing put shoppers in the same spotlight. At the time, consumers kept the expansion rolling thanks to a robust labor market that's only tightened since then. The question is whether they can sustain it now, as the U.S.-China trade war could further curb business investment, potentially spilling over from manufacturing to service producers that make up the majority of the economy and labor market. The grounding of Boeing Co.'s 737 Max jet and lower oil prices that hit producers are also weighing on company spending. Economists and investors expect Federal Reserve policy makers to cut interest rates next week to guard against risks. One positive sign: wages and salaries rose in the first half at the fastest rate since 2007, and the saving rate remains relatively high, providing plenty of fodder for consumers, whose spending accounts for about two-thirds of the economy."

<https://www.bloomberg.com/news/articles/2019-07-26/u-s-growth-slows-to-2-1-as-trade-tensions-weigh-on-businesses>

Europe: Vote Corbyn, Stop Brexit: How Labour Plans to Take On Johnson

"Top officials in Britain's main opposition Labour Party are preparing a dramatic policy to campaign to reverse the 2016 Brexit vote and keep the U.K. inside the European Union, if a snap election is held in the months ahead. Labour's manifesto for an election is being drafted already and is likely to promise another referendum on EU membership with the party campaigning for remain, people familiar with the matter said. The party plans a summer-long campaign against new Prime Minister Boris Johnson to capitalize on public fears over the impact the no-deal Brexit he's threatening would have on jobs and state-run services such as health care. While it's yet to be agreed by Labour's ruling authorities, the pledge to remain would be rolled out if Johnson is forced into an emergency poll because he can't get his Brexit plan through a deadlocked Parliament, said the people, who asked not to be named discussing confidential matters. Turning Labour into the anti-Brexit party would complete the polarization of U.K. politics and the fact it is on the cards highlights how unstable Britain's political situation is. The prospect of an election -- and then a second Brexit referendum -- leaves businesses facing many more months or even years of uncertainty. Three years after the U.K. narrowly voted to leave the EU in a referendum, the country is no closer to reaching a negotiated divorce settlement that's acceptable to both its own Parliament and the bloc."

<https://www.bloomberg.com/news/articles/2019-07-26/vote-corbyn-stop-brexit-how-labour-plans-to-take-on-johnson?srnd=premium-europe>

PLATINUM PORTFOLIO

STRUCTURED PRODUCT

Mayberry Gold

This portfolio is ideal for investors, both retail and corporate, seeking a conservative, short-term investment. The securities in the Gold are directly owned by the client and provide them with a safe investment option. Our Gold portfolio can also provide investors with coupon payments that can generate a positive income stream.

Platinum Portfolio Yield Measures as at July 22, 2019

	Percentage (%)
Yield to Maturity	5.65
Weighted Average Coupon	5.514
Current Yield	4.87

The platinum portfolio has an effective maturity of 13.17 years and duration of 4.56 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.

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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