

DAILY RECOMMENDATION



VOLUME 3 October 1, 2019

LOCAL STOCK MARKET: (JS) +

Stock Symbol	ECL	LASF	GK	MTL	PURITY
Current Price (\$)	6.39	4.87	68.68	0.28	1.75
Trailing EPS (\$)	0.30	0.21	4.89	0.01	0.03
P/E (time)	21.11	22.69	14.05	25.19	57.20
Projected P/E	20.23	20.78	13.62	23.96	29.07
Projected EPS (\$)*	0.32	0.23	5.04	0.01	0.06
Book Value per share (\$)	0.26	1.33	51.03	0.07	3.31
Price/Book Value (times)	24.51	3.67	1.35	4.17	0.53
Dividend Yield (2018 %)	13.14%	N/A	N/A	7.50%	N/A
Volumes	19,912	77,040	41,473	NIL	6,167
Recommendation	BUY	HOLD	HOLD	SELL	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

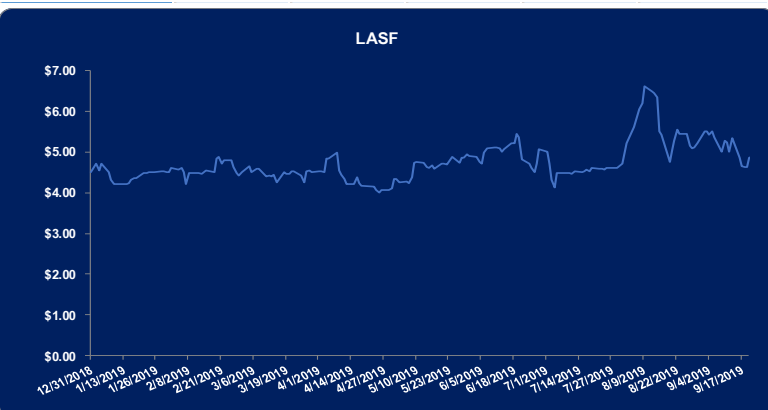
Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	137.200	101.400	133.1249	140.725	101.400	135.1591
CAN	102.700	79.540	101.3080	107.760	89.280	102.3052
GBP	168.720	130.446	165.0003	171.504	156.000	166.1363
EURO	147.000	110.074	141.4190	152.064	139.000	149.2744

*Rates as at September 30, 2019

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (October 1, 2019) trading session. The over night rate stood at 0.30% to 0.50% while the 30-day rate ranged at 1.30% to 1.60%.

The US dollar fixed income market was also liquid during today's (October 1, 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 2.60%.



STOCK OF THE DAY: Lasco Financial Services (LASF),

For the six months ended June 30, 2019

Lasco Financial Services (LASF), recorded for the three months ended June 30, 2019, a total of \$585.80 million in Trading Income; this represents a growth of 11% relative to the \$526.05 million recorded in the comparable quarter in 2018. Other Income for the quarter amounted to \$68.67 million, a rise of 141% compared to \$28.47 million in 2018. LASF stated, "This increase is driven by growth in transactions mainly from the loans business over the corresponding period."

Consequently, this resulted in an overall gross profit of \$654.47 million for the quarter, a growth of 18% compared to \$554.51 million in 2018.

Operating Expenses for the period amounted to \$476.16 million which is 25% more than the \$382.26 million recorded in June 2018. Selling and Promotional Expenses increased 26% to close at \$229.65 million relative to \$181.79 million in 2018, while Administrative Expenses rose 23% to close at \$246.51 million (2018: \$200.46 million). Management noted, "this was as a result of transformational expenses, taxation, finance cost for working capital and growth in staff which we are expecting to reap the associated synergies in the future."

As a result, Profit from Operations for the period grew by 4% to total \$178.31 million relative to \$172.26 million that was recorded in the prior period in 2018.

Finance Cost amounted to \$48.56 million for the quarter (2018: \$40.70 million), increasing by 19%. This resulted in Profit before Tax of \$129.75 million, a 1% decrease comparative to \$131.56 million in 2018.

After taxation of \$38.66 million (2018: \$31.04 million), Net Profit for the quarter amounted to \$91.09 million which was a 9% decline from the prior period's net profit of \$100.52 million.

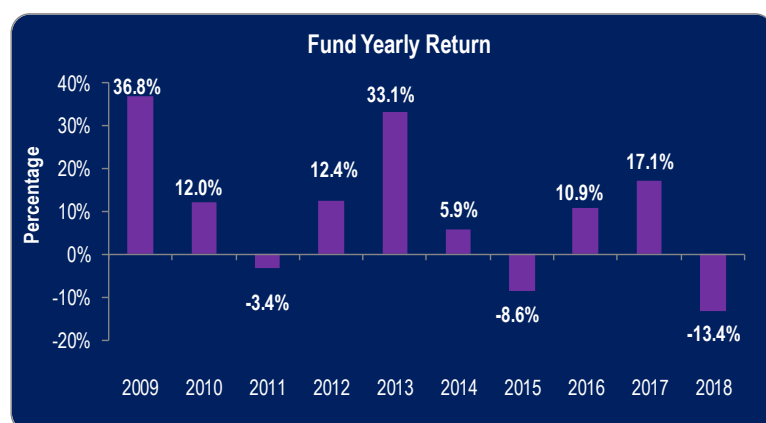
Earnings per Share for the quarter amounted \$0.07 (2018: \$0.08). The number of shares used in the calculation was 1,264,994,391. The twelve months trailing EPS is \$0.22.

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 7.3% and a 5 year return of 3.8%. The Fund also has a 10 year return of 8.8%. Rates are as at August 31, 2019.



“President Donald Trump and his Republican allies are dialing up pressure to unmask the Ukraine whistle-blower in a breathtaking departure from how allegations of corruption and waste have been handled by both parties for years. The push to identify the anonymous intelligence official risks deterring future whistle-blowers from coming forward -- particularly in the House Democrats’ current impeachment inquiry -- even as lawyers for the official are negotiating with House and Senate committees over an appearance for closed-door interviews. The whistle-blower’s complaint is central to the House Democrats’ current impeachment inquiry, with the potential to lead to other witnesses with first-hand knowledge of Trump’s July 25 phone call with Ukrainian President Volodymyr Zelensky.”

<https://www.bloomberg.com/news/articles/2019-10-01/trump-demand-to-unmask-whistle-blower-roils-impeachment-inquiry?srnd=premium>

“Euro-area inflation unexpectedly slowed last month, handing another argument to those in favor of the European Central Bank’s recent monetary stimulus package. Consumer prices rose an annual 0.9% in September, less than half the ECB’s goal of just under 2% and below economists’ estimates. The core measure, which excludes more volatile elements such as energy, food and tobacco, rose to 1%, exceeding the headline rate for the first time since late 2016. Policy makers’ decision to cut interest rates further below zero and restart quantitative easing -- one of the most controversial in the institution’s history -- was driven by concerns that inflation won’t move back to the ECB’s goal. Weakening economic growth is at least partially to blame.”

<https://www.bloomberg.com/news/articles/2019-10-01/euro-area-inflation-slows-adding-to-case-for-ecb-stimulus-move>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at September 30, 2019

	Percentage (%)
Yield to Maturity	5.40
Weighted Average Coupon	5.442
Current Yield	4.74

The platinum portfolio has an effective maturity of 12.96 years and duration of 4.58 years.

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.

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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



www.mayberryinv.com

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