

LOCAL STOCK MARKET: (J\$) +

Stock Symbol	WIG	LAS M	ECL	SALF	FTNA
Current Price (\$)	0.96	4.35	6.06	32.00	7.00
Trailing EPS (\$)	0.07	0.28	0.32	1.89	0.23
P/E (times)	13.20	15.79	19.01	16.89	30.94
Projected P/E	10.67	14.97	17.99	17.01	27.82
Projected EPS (\$)*	0.09	0.29	0.34	1.88	0.25
Book Value per share (\$)	0.31	1.50	0.39	9.14	1.03
Price/Book Value (times)	3.07	2.89	15.39	3.50	6.81
Dividend Yield (2019 %)	N/A	1.65%	N/A	3.29%	N/A
Volumes	2,925,743	12,506	1,745	158	97,860
Recommendation	BUY	HOLD	BUY	HOLD	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	139.100	102.700	134.4080	140.940	105.430	137.0098
CAN	132.000	82.740	99.2923	108.000	85.976	103.6624
GBP	179.000	139.440	170.2274	181.895	165.000	176.6051
EURO	150.000	114.240	143.7615	155.480	142.300	153.4990

*Rates as at January 14, 2020

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 15, 2020) trading session. The over night rate stood at 0.50% to 0.75% while the 30-day rate was 1.60% to 1.80%.

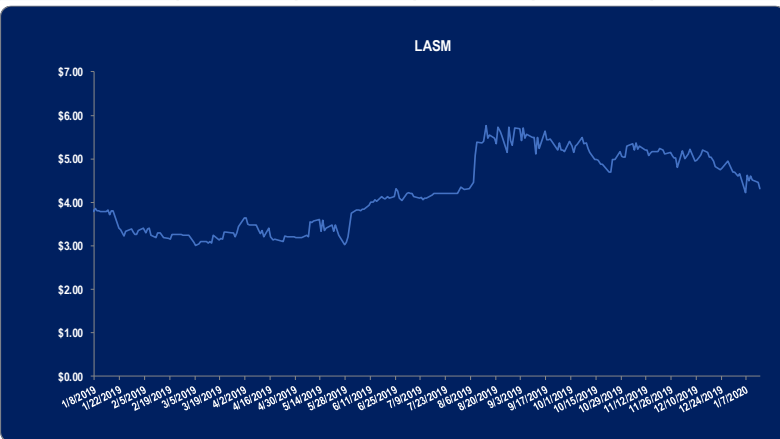
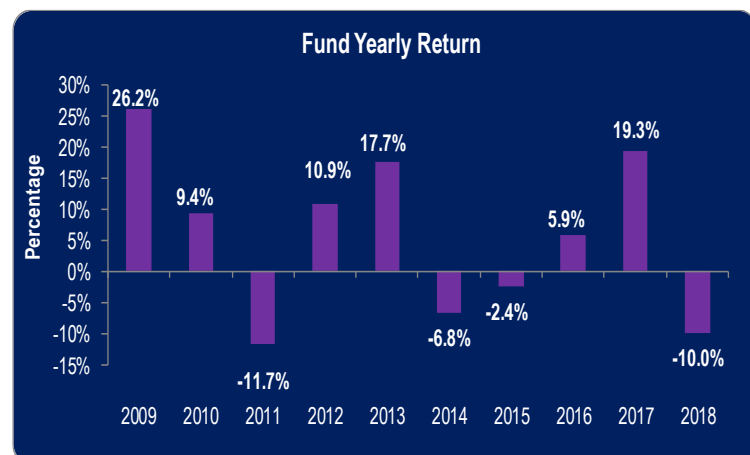
The US dollar fixed income market was also liquid during today's (January 15, 2020) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI International Value Corporate Class

This fund invests primarily in equity and equity-related securities of companies whose primary operations are outside of North America.

The fund has a 3 year return of 8.3% and a 5 year return of 5.6%. The Fund also has a 10 year return of 4.4%. Rates are as at December 31, 2019.



STOCK OF THE DAY: Lasco Manufacturing Limited (LASM)

For the six months ended September 30, 2019:-

Lasco Manufacturing Limited (LASM) for the six months ended September 30, 2019, recorded an increase of \$50.30 million or 1% in revenue to total \$3.85 billion relative to the \$3.80 billion recorded for the comparable period in 2018. For the second quarter, total revenue closed at \$2.06 billion (2018: \$2.07 billion), a 0.2% decline.

Cost of sales amounted to \$2.43 billion (2018: \$2.47 billion) for the period, a decrease of 2% year on year. As a result, gross profit of \$1.42 billion was recorded for the period, 7% more than the \$1.32 billion booked in September 2018. For the quarter, gross profit grew by 5% to close at \$754.22 million (2018: \$716.08 million). The Company highlighted that the gross profit margin improvement is, "primarily the result of improvements in operational efficiencies."

LASM posted other income of \$13.91 million, compared to other losses of \$4.47 million reported for the prior year. While for the quarter, other losses totaled \$3.20 million versus losses of \$7.44 million in the previous comparable quarter.

Operating expenses closed the period at \$721.99 million compared to \$651.86 million booked for the corresponding period last year. While, for the quarter, operating expenses rose by 14% amounting to \$391.80 million (2018: \$344.29 million).

Consequently, LASM recorded operating profits of \$714.03 million, 7% higher than the \$667.18 million booked in 2018. Operating profits fell 1% to close the second quarter at \$359.21 million relative to \$364.35 million in the prior comparable quarter.

As such, profit before taxation amounted to \$660.07 million, an increase of 9% from the \$603.50 million recorded for the previous year. Taxes recorded for the period amounted to \$97.51 million (2018: \$100.44 million). Thus, net profit for the six months period totalled \$562.56 million compared to \$503.06 million in 2018, an increase of 12%. While, for the second quarter, net profit closed at \$280.15 million (2018: \$265.40 million), up by 6%.

U.S.: Housing Upswing to Cushion U.S. Economy From Sluggish Investment

“A rejuvenated U.S. housing market will help keep the economy chugging along despite the threat posed by a derailment in corporate spending. Home construction outlays, which account for almost 4% of gross domestic product, increased for a fifth straight month in November, marking a welcome departure from a yearlong slowdown. Buyers, their confidence bolstered by sustained job and income growth, have taken advantage of the lowest borrowing costs in almost three years as Federal Reserve policy makers reduced their benchmark rate three times in 2019.”

<https://www.bloomberg.com/news/articles/2020-01-14/housing-upswing-to-cushion-u-s-economy-from-sluggish-investment?>

Europe: U.K. Starts Plan to Fix Its Most Controversial Inflation Gauge

“The U.K. is about to ask how quickly it should fix one of its most controversial pieces of economic data, a measure of prices riddled with problems. Chancellor of the Exchequer Sajid Javid will start a consultation in March on fixing the retail-prices index. That follows a decision last year to correct the flawed gauge by 2030, or possibly as early as 2025 based on the result of feedback. The move will be another step in a long-running saga about a flawed statistic that’s used for the 453 billion-pound (\$590 billion) inflation-linked gilt market, as well as setting increases for student loans and rail fares. With RPI 80 basis points higher, on average, than consumer-prices index, that means higher costs for rail commuters, while the state has to pay more to holders of linkers.”

<https://www.bloomberg.com/news/articles/2020-01-15/u-k-starts-plan-to-fix-its-most-controversial-inflation-gauge?srnd=premium-asia>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at January 13, 2020

	Percentage (%)
Yield to Maturity	5.08
Weighted Average Coupon	5.40
Current Yield	3.74

The platinum portfolio has an effective maturity of 13.08 years and duration of 4.59 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.

Source: www.jamstockex.com, www.bloomberg.com, www.investopedia.com, www.tradewire.com



www.mayberryinv.com

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