

DAILY MARKET SUMMARY



VOLUME 3 February 21, 2020

LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	ECL	CFF	JP	WISYNCO	SVL
Current Price (\$)	5.41	14.49	24.50	22.75	23.03
Trailing EPS (\$)	0.32	0.57	1.07	0.84	0.89
P/E (times)	16.97	25.52	22.98	27.15	25.94
Projected P/E	15.83	18.73	22.87	24.49	18.39
Projected EPS (\$) [*]	0.34	0.77	1.07	0.93	1.25
Book Value per share (\$)	0.39	5.06	12.39	3.34	1.31
Price/Book Value (times)	13.74	2.86	1.98	6.82	17.54
Dividend Yield (2019 %)	N/A	1.32%	N/A	1.55%	4.46%
Volumes	14,894	NIL	7,450	234,720	92,596
Recommendation	BUY	HOLD	SELL	HOLD	BUY



STOCK OF THE DAY: Wisynco Group Limited (WISYNCO)

For the six months ended December 31, 2019:

Wisynco Group Limited (WISYNCO), for the six months ended December 31, 2019, reported total revenue of \$17.11 billion, a 28% or \$3.76 billion increase when compared with the \$13.35 billion reported for the same period in 2018. Cost of sales for the period amounted to \$10.92 billion, up 35% relative to \$8.10 billion reported in 2018. Consequently, gross profit rose 18% to close at \$6.19 billion compared to the \$5.24 billion for the same period a year earlier.

Total expenses for the six months rose 22% to close at \$4.24 billion (2018: \$3.48 billion). Of total expenses, selling and distribution expenses climbed 21% to total \$3.55 billion (2018: \$2.94 billion), while administrative expenses increased 26% to \$685.63 million (2018: \$543.50 million). According to WISYNCO, "We incurred additional one-off marketing costs to support new product development and introduction during the quarter and additional Christmas related marketing expenditures. Approximately 10% of the increased expenditure was as a result of the increased revenues" As such, WISYNCO booked an 11% increase in operating profit to \$2.02 billion (2018: \$1.81 billion).

Finance income for the period amounted to \$75.27 million, up 78% from the \$42.20 million reported for the corresponding period in 2018. Finance costs decreased 48% to \$81.33 million for the period from \$154.98 million for 2018.

Profit before taxation amounted to \$2.01 billion, relative to \$1.70 billion reported in 2018, an 18% increase year over year. Taxation for the period amounted to \$421.52 million (2018: \$325.52 million). Profit from continuing operations amounted to \$1.59 billion relative to \$1.38 billion booked for the comparable period in 2018. Profit from discontinued operations totalled \$165.38 million versus \$168.26 million in 2018. As such, net profit of \$1.76 billion (2018: \$1.54 billion) was posted for the six months ended December 2019, representing a 14% increase year over year.

Earnings per share (EPS) for the six months amounted to \$0.47 (2018: \$0.41). The twelve-month trailing EPS amounted to \$0.84.

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	142.700	108.640	138.2743	148.284	113.980	140.0089
CAN	107.000	84.025	101.6375	108.900	99.600	103.9969
GBP	181.400	143.922	178.0878	186.084	168.500	181.8380
EURO	151.500	116.000	151.1880	155.000	143.000	152.4035

*Rates as at February 20, 2020

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (February 21, 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%.

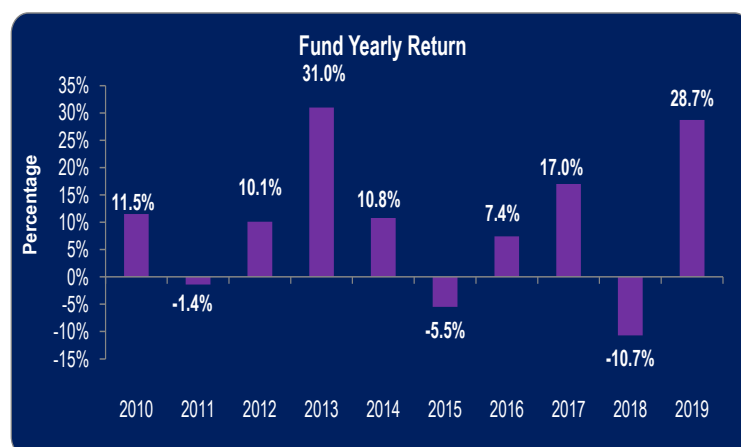
The US dollar fixed income market was also liquid during today's (February 21, 2020) trading session; The over-night market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI American Value Corporate Class

This fund invests primarily in equity and equity-related securities of companies in the United States

The fund has a 3 year return of 9.5% and a 5 year return of 7.2%. The Fund also has a 10 year return of 9.5%. Rates are as at January 31, 2020.



“Farmers aren’t ready to heed Donald Trump’s advice to buy bigger tractors after his initial trade deal with China. More than half of U.S. farmers plan to spend less on capital equipment this year, and only 13% plan to spend more, according to a survey conducted by the American Farm Bureau Federation, the nation’s largest general farm organization. Fewer than a quarter of farmers expect higher prices for their crops or livestock in the coming year, according to the survey.”

“Chancellor of the Exchequer Rishi Sunak received a pre-budget boost on Friday as new figures left Britain on course to undershoot official borrowing forecasts this year. The last snapshot of the public finances before the March 11 budget show the budget deficit is rising more slowly than the Office for Budget Responsibility predicted. It means that borrowing in the fiscal year through March is likely to come in below the 47.6 billion pounds (\$61 billion) estimated.”

<https://www.bloomberg.com/news/articles/2020-02-20/farmers-not-ready-to-buy-tractors-despite-trump-china-trade-deal?smd=economics-vp>

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PLATINUM PORTFOLIO

STRUCTURED PRODUCT

Platinum Portfolio Yield Measures as at February 17, 2020	
	Percentage (%)
Yield to Maturity	4.74
Weighted Average Coupon	5.359
Current Yield	3.79

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.

The platinum portfolio has an effective maturity of 13.11 years and duration of 4.62 years.

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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



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