



VOLUME 3 April 14, 2020

LOCAL STOCK MARKET: (JS) +

Stock Symbol	ECL	DCOVE	BPOW	GENAC	LASM
Current Price (\$)	4.08	7.80	4.22	5.23	4.13
Trailing EPS (\$)	0.32	0.54	0.07	0.41	0.28
P/E (times)	12.80	14.31	60.35	12.79	14.75
Projected P/E	11.94	13.91	36.80	11.84	13.74
Projected EPS (\$)*	0.34	0.56	0.11	0.44	0.30
Book Value per share (\$)	0.39	9.68	1.68	2.33	1.57
Price/Book Value (times)	10.36	0.81	2.51	2.24	2.63
Dividend Yield (2019 %)	N/A	3.64%	0.40%	3.91%	1.65%
Volumes	23,037	4,073	26,465	153,000	101,875
Recommendation	BUY	HOLD	SELL	BUY	HOLD

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	140.800	118.000	136.5258	141.500	121.000	137.6690
CAN	100.000	80.000	95.1367	105.000	81.000	100.9115
GBP	172.000	140.000	165.0022	177.500	148.000	175.3266
EURO	145.400	127.000	141.0592	155.300	133.000	153.7567

*Rates as at April 9, 2020

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (April 14, 2020) trading session. The over night rate stood at 0.30% to 0.50%, while the 30-day rate was 1.70% to 1.90%.

The US dollar fixed income market was also liquid during today's (April 14, 2020) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.40% to 2.60%.

STOCK OF THE DAY: General Accident Insurance Company Limited (GENAC)

Revised Audited Results for the year ended December 31, 2019:-

General Accident Insurance Company Limited (GENAC), for the year ended December 31, 2019 reported gross premium written of \$10.62 billion, 22% higher than the \$8.74 billion reported for 2018. Reinsurance ceded rose 21% to close at \$8.15 billion relative to \$6.75 billion booked in 2018. Excess of loss reinsurance trended up by 4% to \$132.71 million (2018: \$127.75 million).

As a result, net premium written increased by 25% from \$1.86 billion last year to \$2.33 billion in 2019. Net premium written for the fourth quarter amounted to \$685.97 million relative to \$543.67 million booked for the corresponding period in 2018.

Net changes in unearned premiums totalled \$225.59 million, 3% lower than the \$231.86 million recorded last year. Consequently, net premiums earned grew by 29% to a total of \$2.11 billion compared to \$1.63 billion for the prior year. For the quarter, net premium earned totalled \$570.33 million compared to \$432.26 million booked for the similar quarter of 2018. Commission income grew by 19%, year over year, from \$747.90 million in 2018 to \$891.08 million in 2019, while commission expenses increased by 21% from \$415.94 million in 2018 to \$504.92 million in 2019. Claims expenses saw an increase of 23%, closing the period at \$1.26 billion (2018: \$1.02 billion), while management expenses climbed by 10% to total \$870.51 million compared to 2018's total of \$794.06 million. Underwriting profit for the year totalled \$363.96 million, this compares to a profit of \$174.77 million in 2018. The company also made an underwriting profit of \$255.32 million (2018: \$209.62 million), within the fourth quarter.

Investment income closed at \$142.40 million, a decline of 18% when compared with last year's \$174.68 million, while other income totalled \$76.96 million, relative to \$47.04 million in 2018. Other operating expenses grew by 74% to \$76.49 million relative to \$43.92 million in 2018.

Profit before taxation amounted to \$506.83 million (2018: \$352.57 million). Following taxes of \$85.13 million (2018: \$67.20 million), net profit totalled \$421.70 million for the period, an increase of 48% compared to the \$285.37 million reported last year. Net profit for the quarter was \$229.17 million, 52% more than the \$151.16 million booked in the corresponding quarter in 2018.

Total comprehensive income amounted to \$485.77 million (2018: \$291.95 million) for the year ended December 31, 2019, a 66% uptick.

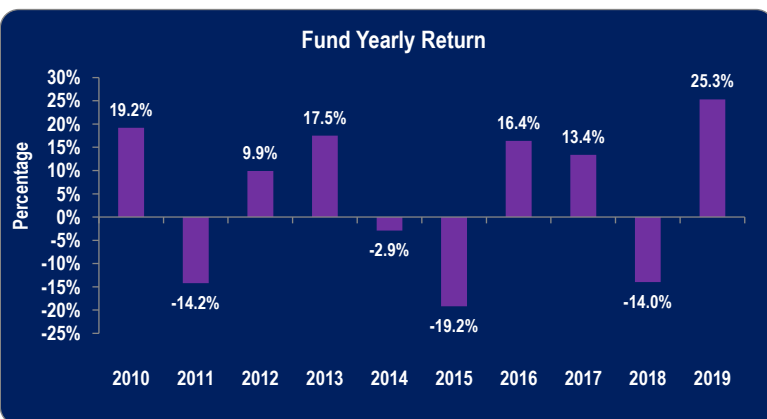
As such, earning per share for the period amounted to \$0.41 (2018: \$0.28) while EPS for the quarter amounted to \$0.22 compared to \$0.15 in 2018. The stock traded at \$6.20 as at February 14, 2020. The number of shares used in our calculations amounted to 1,031,250,000 units.

*Prices are as at April 14, 2020 *Projections are made to the company's financial year end

Over The Counter Funds (CI FUNDS)

CI Canadian Investment Corporate Class

This fund invests primarily in shares of major Canadian corporations. It is currently expected that investments in foreign securities will generally be no more than 49% of the fund's assets. The fund has a 3 year return of -4.2% and a 5 year return of -2.0%. The Fund also has a 10 year return of 0.3%. Rates are as at March 31, 2020.



GENAC



“The International Monetary Fund predicted the “Great Lock-down” recession would be the steepest in almost a century and warned the world economy’s contraction and recovery would be worse than anticipated if the coronavirus lingers or returns. In its first World Economic Outlook report since the spread of the coronavirus and subsequent freezing of major economies, the IMF estimated on Tuesday that global gross domestic product will shrink 3% this year. That compares to a January projection of 3.3% expansion and would likely mark the deepest dive since the Great Depression. It would also dwarf the 0.1% contraction of 2009 amid the financial crisis.”

<https://www.bloomberg.com/news/articles/2020-04-14/imf-says-great-lockdown-recession-likely-worst-since-depression?srnd=premiu>

“Europe’s leaders are sketching out their strategy for putting the economy back to work amid warnings that lifting emergency measures will probably lead to an upsurge in coronavirus infections. Austria and Denmark are beginning to open up some schools and shops this week and President Emmanuel Macron on Monday night told the French that he wants to ease restrictions from May 11. Chancellor Angela Merkel is due to discuss her plans with German state premiers on Wednesday, while the European Commission has drafted a plan to coordinate strategies.”

<https://www.bloomberg.com/news/articles/2020-04-14/europe-s-plans-for-going-back-to-work-are-starting-to-take-shape?srnd=premium-europe>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at April 14, 2020

	Percentage (%)
Yield to Maturity	5.66
Weighted Average Coupon	5.225
Current Yield	6.09

The platinum portfolio has an effective maturity of 12.79 years and duration of 4.37 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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