

# DAILY MARKET SUMMARY

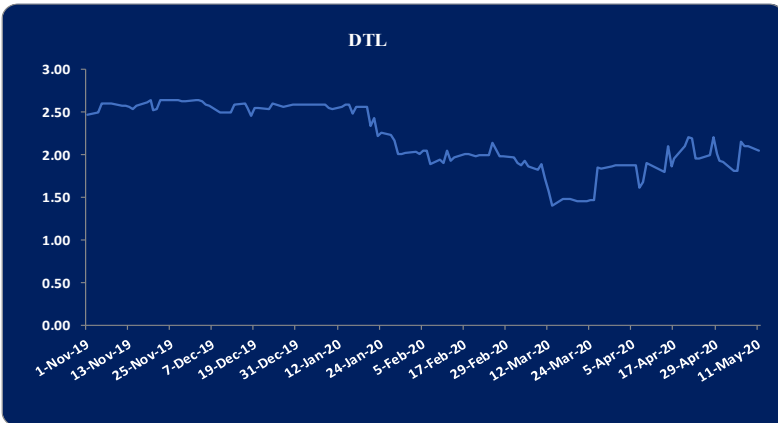


VOLUME 3 May 13, 2020

## LOCAL STOCK MARKET: (JS) +

Stock Symbol	GENAC	DTL*	WISYNCO	JMMBGL	LASM*
Current Price (\$)	4.91	2.05	17.95	33.32	3.95
Trailing EPS (\$)	0.63	0.11	0.81	2.44	0.28
P/E (times)	7.77	19.27	22.22	13.65	14.10
Projected P/E	8.06	18.53	19.32	16.58	13.14
Projected EPS (\$)	0.61	0.11	0.93	2.01	0.30
Book Value per share (\$)	2.45	0.43	3.41	25.68	1.57
Price/Book Value (times)	2.00	4.79	5.26	1.30	2.51
Dividend Yield (2019 %)	3.91%	0.40%	1.55%	1.46%	1.65%
Volumes	630,068	39,107	265,968	191,106	64,598
Recommendation	BUY	HOLD	HOLD	SELL	HOLD

\*-Long Term Buy



## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	148.300	127.000	144.4785	149.100	121.000	146.8757
CAN	109.000	86.000	103.8271	109.500	91.500	105.8407
GBP	180.000	156.000	174.9585	184.140	166.050	178.7175
EURO	154.500	135.000	152.5393	162.600	148.700	162.1298

\*Rates as at May 12, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (May 13, 2020) trading session. The over night rate stood at 0.30% to 0.50%, while the 30-day rate was 1.10% to 1.30%.

The US dollar fixed income market was also liquid during today's (May 13, 2020) trading session; The overnight market rates were quoted at 1.80% while the 30-day market rates stood at 2.20% to 2.50%.

## STOCK OF THE DAY: Derrimon Trading Limited (DTL)

for the year ended December 31, 2019:

Derrimon Trading Limited (DTL), for the year ended December 31, 2019, reported trading income of \$12.65 billion compared to the \$9.30 billion for the prior comparable period, a 36% increase. For the quarter, trading income went up grossly by 5% closing at \$3.12 billion (2018: \$2.96 billion).

Cost of sales increased by 36% to \$10.37 billion for the period (2018: \$7.61 billion). As a result, Gross profit amounted to \$2.28 billion relative to \$1.69 billion for the prior comparable period, an increase of 35% year over year. Gross profit for the quarter totalled \$619.93 million (2018: \$557.22 million).

Other income for the period under review fell 43% to close the year end at \$37.77 million relative to \$66.25 million booked in the prior comparable period. While for the quarter, other income closed at \$17.28 million (2018: \$22.49 million).

Total operating expenses totalled \$1.69 billion for the period, representing a growth of 30% on the \$1.30 billion recorded in the prior corresponding period. Of this, Administrative expenses amounted to \$1.28 billion, 20% higher when compared to the \$1.07 billion in 2018. Selling and distribution expenses recorded a 75% increase for the period, totalling \$408.27 million (2018: \$233.72 million). For the quarter, administrative and selling and distribution expenses closed the period at \$296.41 million (2018: \$311.53 million) and \$125.53 million (2018: \$106.03 million), respectively.

Finance cost increased to total \$298.60 million (2018: \$172.22 million). While, for the quarter, finance cost closed at \$139.23 million versus \$60.86 million in the previous comparable quarter. In addition, finance income amounted to \$15.41 million (2018: nil)

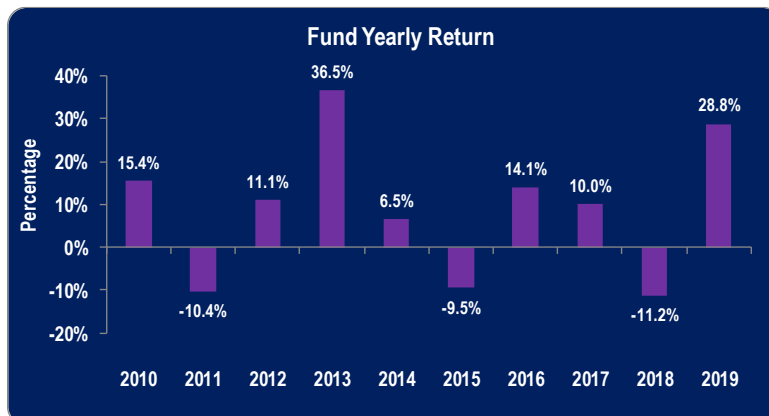
Consequently, profit before taxation grew to \$345.73 million compared to \$281.85 million in 2018. After incurring tax charges of \$43.02 million (2018: \$4.63 million), net profit amounted to \$302.71 million, a 9% growth when compared to \$277.21 million in the prior corresponding period. For the quarter, the Company reported a 16% decline in net profit to \$81.59 million (2018: \$96.67 million). Net profit attributable to shareholders amounted to \$290.74 million compared to \$249.12 million recorded in 2018.

Earnings per share (EPS) closed the period at \$0.11 (2018: \$0.09), while for the quarter, the EPS was \$0.03 (2018: \$0.04). The total number of shares used in the computation amounted to 2,733,360,670 units.

## Over The Counter Funds (CI FUNDS)

### Sentry U.S. Growth and Income Corporate Class

This fund invests primarily in equity and equity-related securities of companies around the world that have developed or are developing technological products, processes or services. The fund has a 5 year return of 0.2%. The Fund also has a 10 year return of 4.7%. Rates are as at March 31, 2020.



\*Prices are as at May 13, 2020 \*Projections are made to the company's financial year end

“China is still willing to meet its American farm purchase commitments as long as the U.S. creates a friendly atmosphere for more imports to take place, a Chinese agricultural expert said on Wednesday. A slump in U.S. corn prices to a decade low was a good chance for China to buy millions of tons of the grain, but the world’s second-largest consumer held back on purchases because relations between the two nations have soured, said Li Qiang, chief analyst with Shanghai JC Intelligence Co.”

<https://www.bloomberg.com/news/articles/2020-05-13/china-trade-expert-says-u-s-farm-deal-hinges-on-tensions-easing?srd=premium-asia>

“Plans to get people back to work may put about 2.7 million young and middle-aged U.K. adults at higher risk of dying from Covid-19 because of common chronic conditions, according to a study. More people under the age of 70 with underlying diseases are likely to die, but how many of them do depends on the extent to which society reopens, according to the study published in the Lancet journal. U.K. deaths above the expected baseline could be from about 18,000 to a worst case of almost 600,000 in a single year, depending on the rate of spread and the virus’s impact on health and care, which have yet to be determined, according to researchers from University College London.”

<https://www.bloomberg.com/news/articles/2020-05-13/easing-plans-may-raise-risks-for-u-k-chronic-disease-patients?srd=premium-europe>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at May 11, 2020	
	Percentage (%)
Yield to Maturity	5.34
Weighted Average Coupon	5.225
Current Yield	5.95

The platinum portfolio has an effective maturity of 13.05 years and duration of 4.38 years.

STRUCTURED PRODUCT

Mayberry Individual Retirement Plan (IRP)

IRP is a Retirement Scheme for all persons who are self employed or are employed in non-pensionable positions and do not otherwise contribute to an approved Superannuation Fund or an other approved Retirement Scheme. The IRP will help some people make substantially greater contributions than they might otherwise do.

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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