

DAILY MARKET SUMMARY



VOLUME 3 June 10, 2020

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	WIG*	RJR	DTL*	LASM*	CAR
Current Price (\$)	0.79	1.31	2.45	3.89	6.49
Trailing EPS (\$)	0.05	0.03	0.11	0.24	0.74
P/E(times)	16.94	41.78	21.34	16.34	8.79
Projected P/E	15.41	172.63	18.94	14.54	8.52
Projected EPS (\$)*	0.05	0.01	0.13	0.27	0.76
Book Value per share (\$)	0.31	1.01	0.52	1.63	0.37
Price/Book Value (times)	2.54	1.30	4.68	2.38	17.77
Dividend Yield (2019 %)	N/A	2.25%	0.40%	1.65%	7.07%
Volumes	2,050,411	112,188	NIL	16,100	19,637
Recommendation	HOLD	SELL	HOLD	HOLD	BUY

*-Long Term Buy



STOCK OF THE DAY: Derrimon Trading Limited (DTL)

For the three months ended March 31, 2020:

Derrimon Trading Limited (DTL), for the three months ended March 31, 2020, reported trading income of \$3.32 billion compared to the \$3.15 billion booked for the prior year's comparable period, a 5% increase.

Cost of sales increased by 4% to \$2.71 billion for the period (2019: \$2.60 billion). As a result, Gross profit amounted to \$612.71 million relative to \$552.12 million for the prior comparable period, an increase of 11% year over year.

Other income for the period under review rose 360% to close the quarter at \$22.65 million relative to \$4.92 million booked in the prior comparable period.

Total operating expenses totalled \$473.38 million for the period under review, representing a growth of 14% on the \$414.20 million recorded in the prior year's corresponding quarter. Of this, Administrative expenses amounted to \$373.18 million, 16% higher when compared to the \$320.68 million in 2019. Selling and distribution expenses recorded a 7% increase for the quarter, totalling \$100.21 million (2019: \$93.52 million).

For the quarter, finance cost closed at \$49.30 million versus \$58.28 million in the 2019, a 15% decline year over year. Management noted, "The realignment of our debt portfolio from short term to long term amortized facilities continues to have a positive effect on the Group by way of lower interest cost."

Consequently, profit before taxation grew to \$112.67 million compared to \$84.57 million in 2019. After incurring tax charges of \$13.85 million (2019: \$10.57 million), net profit amounted to \$98.82 million, a 34% growth when compared to \$74 million reported for the first quarter of 2019. Net profit attributable to shareholders amounted to \$91.62 million compared to \$68.51 million recorded in 2019.

Earnings per share (EPS) for the quarter closed the period at \$0.034 (2019: \$0.025). The twelve months trailing earnings per share amounted to \$0.12. The total number of shares used in the computation amounted to 2,733,360,670 units.

*Prices are as at June 10, 2020 *Projections are made to the company's financial year end

FOREIGN EXCHANGE MARKET TRADING SUMMARY

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	145.500	122.000	140.1705	145.000	124.000	141.4705
CAN	106.550	83.670	106.3658	108.340	94.000	106.4165
GBP	179.500	154.500	173.3360	187.105	164.000	178.6901
EURO	157.400	135.000	153.4008	163.780	151.500	161.0359

*Rates as at June 9, 2020

MONEY MARKET

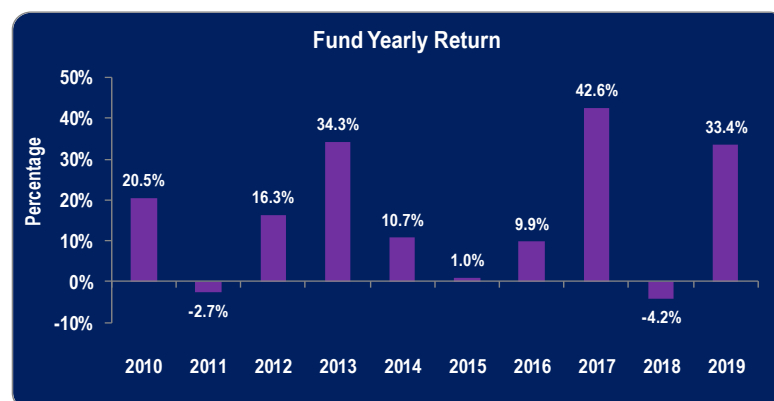
The Jamaican dollar fixed income market was liquid in today's (June 10, 2020) trading session. The over night rate stood at 0.30% to 0.50%, while the 30-day rate was 1.10% to 1.30%.

The US dollar fixed income market was also liquid during today's (June 10, 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%.

Over The Counter Funds (CI FUNDS)

Signature Global Technology 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 3 year return of 15.7% and 5 year return of 14.7%. The Fund also has a 10 year return of 14.5%. Rates are as at April 30, 2020.



“Federal Reserve policy makers will consider penciling in interest rates near zero for this year and next to help the U.S. economy recover from its coronavirus-induced recession. The Federal Open Market Committee is all but certain to keep its benchmark overnight rate in a target range of zero to 0.25% when it wraps up its two-day meeting on Wednesday. The committee will release a statement at 2 p.m. alongside its first quarterly forecasts since December, including a dot plot of its rate projections. Chairman Jerome Powell will hold a video press conference 30 minutes later.”

<https://www.bloomberg.com/news/articles/2020-06-10/fed-to-mull-how-long-to-stay-at-zero-rates-decision-day-guide?srd=economics-vp>

“U.K. Chancellor of the Exchequer Rishi Sunak is being asked by members of the ruling Conservative Party to take his time to pay off the record debt the country is racking up as it tries to weather the coronavirus pandemic. By that, they mean decades. With the economy on course for its deepest recession for at least a century, the government is now paying the wages of more than 10 million workers to stave off mass unemployment.”

<https://www.bloomberg.com/news/articles/2020-06-10/rishi-sunak-urged-to-treat-coronavirus-borrowing-as-war-debt?srd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at June 08, 2020

	Percentage (%)
Yield to Maturity	4.88
Weighted Average Coupon	4.991
Current Yield	5.52

The platinum portfolio has an effective maturity of 12.70 years and duration of 4.64 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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