

# DAILY MARKET SUMMARY



VOLUME 3 June 22, 2020

## LOCAL STOCK MARKET: (JS) +

Stock Symbol	HONBUN	CHL	FTNA	LASM*	MAILPAC
Current Price (\$)	5.31	7.80	5.28	3.99	1.90
Trailing EPS (\$)	0.30	0.34	0.27	0.24	0.13
P/E (times)	17.89	22.98	19.60	16.76	14.29
Projected P/E	16.27	32.06	18.51	14.91	13.47
Projected EPS (\$)*	0.33	0.24	0.29	0.27	0.14
Book Value per share (\$)	1.72	1.23	1.16	1.63	0.18
Price/Book Value (times)	3.09	6.35	4.55	2.44	10.43
Dividend Yield (2019 %)	1.54%	1.60%	N/A	1.65%	N/A
Volumes	2,020,740	500	371,132	7,397	44,084
Recommendation	HOLD	SELL	HOLD	HOLD	BUY

\*-Long Term Buy



## STOCK OF THE DAY: Lasco Manufacturing (LASM)

### For the year ended March 31, 2020:

Lasco Manufacturing, for the year ended March 31, 2020, total revenue increased by 4% from \$7.57 billion in 2019 to \$7.89 billion in 2020. Revenue increased 5% for the fourth quarter to a total of \$2.04 billion, relative to the \$1.95 billion recorded for the comparable period in 2019.

Cost of sales amounted to \$4.97 billion (2019: \$4.89 billion) for the period, an increase of 2% year on year. For the quarter, cost of sales was recorded at \$1.27 billion relative to \$1.21 billion in 2019. As a result, gross profit of \$2.92 billion was recorded for the year ended March 31, 2020, 9% more than the \$2.68 billion booked for the corresponding period in 2019.

Operating expenses increased 16% to close the period at \$1.66 billion versus \$1.42 billion booked for the corresponding period last year. Of this, administrative and other expenses climbed 20% to \$1.36 billion (2019: \$1.14 billion), while selling and promotion expenses rose 2% to \$291.01 million (2019: \$285.96 million).

Consequently, LASM for the year ended March 31, 2020, recorded operating profits of \$1.29 billion, 3% higher than the \$1.26 billion booked in 2019. Finance costs for the year ended March 31, 2020 fell 13% to \$93.62 million compared to \$107.43 million in the prior year.

As such, profit before taxation amounted to \$1.20 billion, an increase of 4% from the \$1.15 billion recorded for the previous corresponding period. Taxes recorded for the period amounted to \$217.11 million compared to \$73.67 million incurred for the corresponding period in 2019. Net profit for the year was \$983.68 million, 9% lower than last year's net profit of \$1.08 billion. As such Total Comprehensive Income for the year ended totalled \$1.02 billion compared to \$1.08 billion in 2019, a decrease of 5%.

Consequently, earnings per share (EPS) for the period amounted to \$0.24 relative to \$0.26 in 2019. The EPS for the quarter amounted to \$0.05 relative to \$0.09 reported for 2019. The number of shares used in the calculations amounted to 4,091,163,151 units

\*Prices are as at June 22, 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	143.700	111.862	140.0186	147.420	133.100	140.5440
CAN	105.600	90.000	104.7318	106.830	97.000	105.6180
GBP	177.200	159.240	173.7060	180.041	165.000	177.1945
EURO	154.300	125.000	150.9859	162.630	126.000	160.7440

\*Rates as at June 19, 2020

## MONEY MARKET

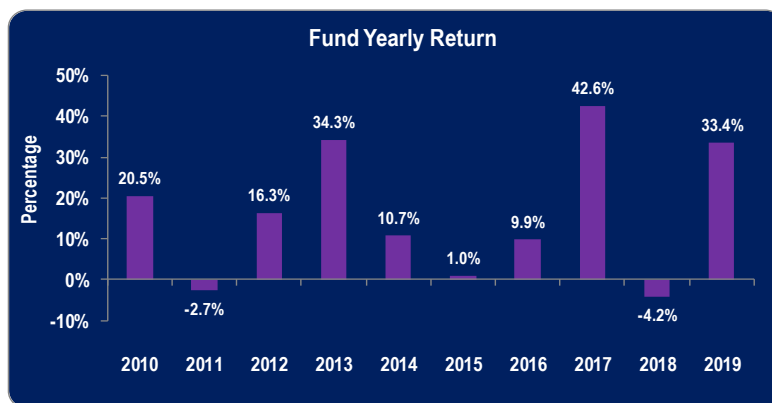
The Jamaican dollar fixed income market was liquid in today's (June 22, 2020) trading session. The over night rate stood at 0.30% to 0.50%, while the 30-day rate was 1.00% to 1.20%.

The US dollar fixed income market was also liquid during today's (June 22, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.80% to 2.00%.

## 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 16.9% and 5 year return of 15.2%. The Fund also has a 10 year return of 16.3%. Rates are as at May 31, 2020.



“New York City’s unemployment rate surged to 18.3% in May, from 15% in April 2020 and 4.1% in May 2019, according to preliminary data from the state labor department. Statewide, New York’s unemployment rate declined to 14.5% in May from 15.3% in April. Both are far higher than the 4% rate in May 2019, data show.”

“Bank of England Governor Andrew Bailey signaled a major shift in the central bank’s strategy for removing emergency stimulus, stressing the need to reduce the institution’s balance sheet before hiking interest rates. Writing for Bloomberg Opinion, Bailey said such a plan would give officials more firepower in future crises. The BOE’s balance sheet has swelled to almost 700 billion pounds (\$864 billion) because of its extraordinary measures during the coronavirus pandemic, and is set to grow much larger because of the central bank’s bond-buying program.”

<https://www.bloomberg.com/news/articles/2020-06-18/nyc-unemployment-reached-18-3-in-may-up-from-4-1-year-earlier?smd=economics-vp>

<https://www.bloomberg.com/news/articles/2020-06-22/boe-s-bailey-says-he-d-shrink-balance-sheet-before-raising-rates?smd=economics-vp>

**PLATINUM PORTFOLIO**

**STRUCTURED PRODUCT**

**Platinum Portfolio Yield Measures as at June 22, 2020**

	Percentage (%)
<b>Yield to Maturity</b>	4.88
<b>Weighted Average Coupon</b>	4.991
<b>Current Yield</b>	5.52

**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 then they might otherwise do.

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