

# DAILY MARKET SUMMARY



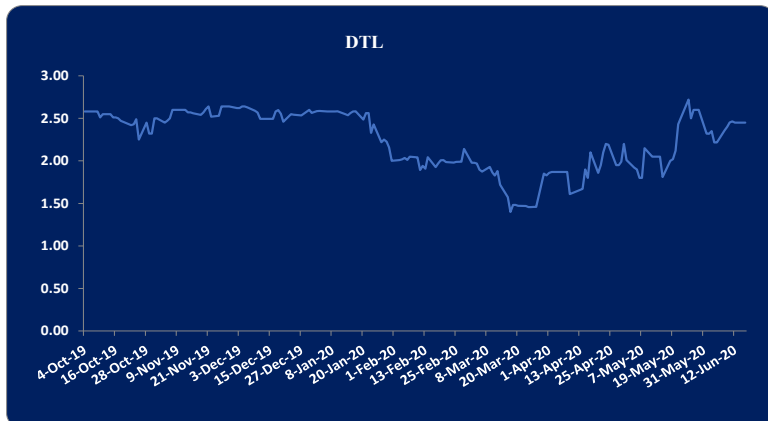
**MAYBERRY**  
INVESTMENTS LIMITED

VOLUME 3 June 29, 2020

## LOCAL STOCK MARKET: (J\$) +

Stock Symbol	SVL	MTL	LASM*	DTL*	MAILPAC
Current Price (\$)	15.37	0.18	3.97	2.20	1.95
Trailing EPS (\$)	0.97	0.01	0.24	0.11	0.13
P/E(times)	15.84	15.11	16.67	19.16	14.67
Projected P/E	15.72	23.61	14.83	17.01	13.83
Projected EPS (\$)*	0.98	0.01	0.27	0.13	0.14
Book Value per share (\$)	1.48	0.07	1.63	0.52	0.18
Price/Book Value (times)	10.37	2.43	2.43	4.20	10.70
Dividend Yield (2019 %)	4.46%	1.15%	1.65%	0.40%	N/A
Volumes	165,351	6,000	28,604	235,383	516,217
Recommendation	BUY	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 29, 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	144.650	110.565	139.4210	149.500	127.000	139.9985
CAN	105.870	91.760	105.4326	106.500	98.000	106.0039
GBP	177.510	158.970	175.2246	182.822	166.000	177.5205
EURO	153.500	128.000	152.3696	164.800	152.000	159.1841

\*Rates as at June 26, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (June 29, 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%.

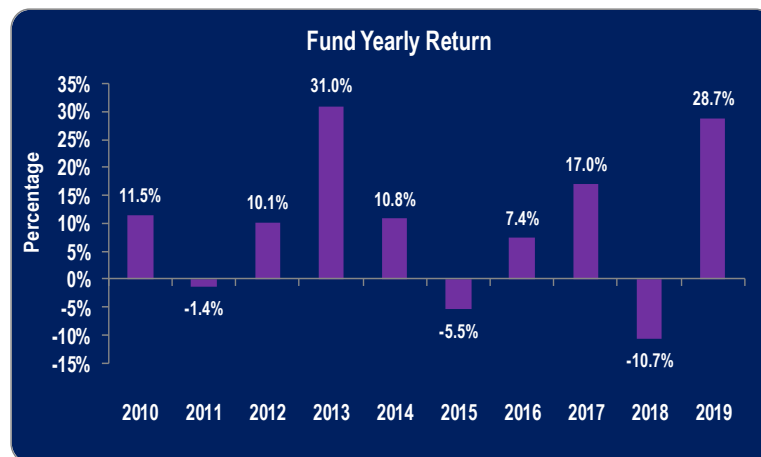
The US dollar fixed income market was also liquid during today's (June 29, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.80% to 2.00%.

## Over The Counter Funds (CI FUNDS)

### CI American Managers Corporate Class

This fund invests primarily in equity and equity-related securities of companies that are located in countries that have signed the North American Free Trade Agreement (NAFTA) (or its successor).

The fund has a 3 year return of 4.4% and a 5 year return of 3.7%. The Fund also has a 10 year return of 8.0%. Rates are as at May 31, 2020



“The U.S. and China are moving beyond bellicose trade threats to exchanging regulatory punches that threaten a wide range of industries including technology, energy and air travel. The two countries have blacklisted each other’s companies, barred flights and expelled journalists. The unfolding skirmish is starting to make companies nervous the trading landscape could shift out from under them.”

<https://www.bloomberg.com/news/articles/2020-06-28/u-s-china-feud-quietly-gets-nasty-with-red-tape-as-weapon>

“The coronavirus pandemic is transforming workplaces across the world, with offices and factory floors adjusting to social-distancing rules. For metal pressing company Bruderer U.K., it’s underscored a weakness in the British economy that management has been grappling with for years. About 60% of employees at the firm’s plant in Luton, southern England, is aged over 60, putting them statistically at higher risk of complications from Covid-19 than younger workers. Managing Director Adrian Haller said he’s been trying to train apprentices and hire fresh blood for years, but to little avail.”

<https://www.bloomberg.com/news/articles/2020-06-29/reviving-britain-s-economy-is-tough-with-an-aging-workforce>

PLATINUM PORTFOLIO

STRUCTURED PRODUCT

Platinum Portfolio Yield Measures as at June 29, 2020	
	Percentage (%)
Yield to Maturity	4.70
Weighted Average Coupon	4.944
Current Yield	5.33

Mayberry Platinum

The Mayberry Platinum portfolio is ideal for investors seeking a short to medium-term investment with returns denominated in hard currency. The portfolio comprises Investment Grade corporate and sovereign bonds, which provide strong yield and performance. The primary objective of this product is to provide our clients with income as well as capital appreciation. The Platinum portfolio enables the client to take full advantage of a diversified bond portfolio and is ideal for persons who do not have the time to actively manage their own portfolio.

The platinum portfolio has an effective maturity of 12.83 years and duration of 4.59 years.

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](http://www.jamstockex.com), [www.bloomberg.com](http://www.bloomberg.com), [www.investopedia.com](http://www.investopedia.com), [www.tradewire.com](http://www.tradewire.com)



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