

DAILY MARKET SUMMARY

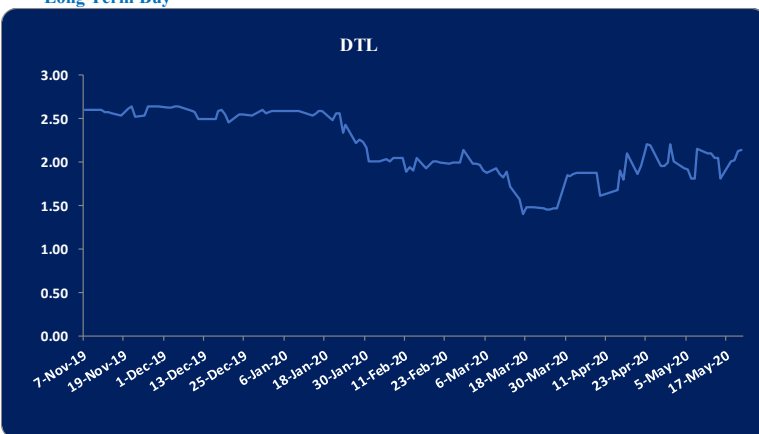


VOLUME 3 June 3, 2020

LOCAL STOCK MARKET: (J\$) ⁺

| Stock Symbol | CFF* | MTL | DTL* | WIG* | MAILPAC |
|---------------------------------|--------|-------|-------|-----------|-----------|
| Current Price (\$) | 11.30 | 0.18 | 2.35 | 0.85 | 1.87 |
| Trailing EPS (\$) | 0.38 | 0.01 | 0.11 | 0.05 | 0.13 |
| P/E (times) | 30.08 | 15.11 | 20.47 | 18.23 | 14.06 |
| Projected P/E | 15.45 | 23.61 | 18.17 | 16.58 | 13.26 |
| Projected EPS (\$) ⁺ | 0.73 | 0.01 | 0.13 | 0.05 | 0.14 |
| Book Value per share (\$) | 4.94 | 0.07 | 0.52 | 0.31 | 0.18 |
| Price/Book Value (times) | 2.29 | 2.43 | 4.48 | 2.73 | 10.26 |
| Dividend Yield (2019 %) | 1.32% | 1.15% | 0.40% | N/A | N/A |
| Volumes | 20,000 | 1,089 | 100 | 1,701,583 | 1,482,324 |
| 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 3, 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 | 145.000 | 124.500 | 141.9980 | 149.000 | 127.000 | 142.9706 |
| CAN | 106.550 | 90.000 | 106.0936 | 109.098 | 94.050 | 106.4429 |
| GBP | 180.500 | 160.000 | 176.3743 | 184.099 | 162.000 | 177.4556 |
| EURO | 157.000 | 135.000 | 153.2840 | 163.850 | 150.000 | 162.0502 |

*Rates as at June 2, 2020

MONEY MARKET

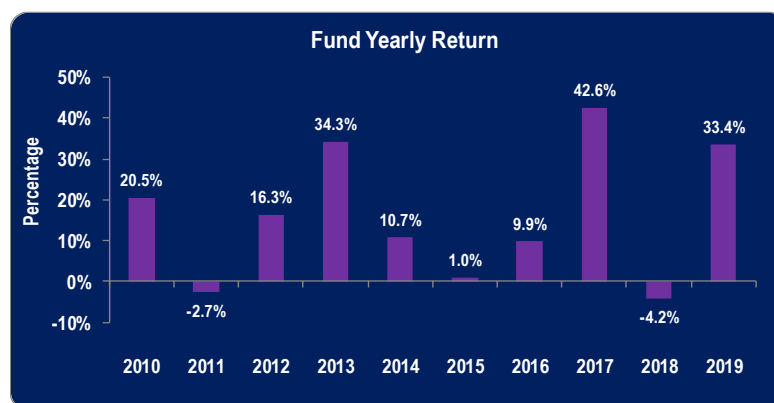
The Jamaican dollar fixed income market was liquid in today's (June 3, 2020) trading session. The over night rate stood at 0.30% to 0.50%, while the 30-day rate was 1.10% to 1.30%.

The US dollar fixed income market was also liquid during today's (June 3, 2020) trading session; The overnight market rates were quoted at 1.80% while the 30-day market rates stood at 2.00% to 2.30%.

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.



“U.S. companies shed fewer workers in May than expected, offering some hope that the worst of the coronavirus-related hit to the labor market is over. The 2.76 million decline in business payrolls last month followed a revised 19.6 million decrease in April, according to ADP Research Institute data released Wednesday.”

<https://www.bloomberg.com/news/articles/2020-06-03/companies-in-u-s-cut-payrolls-by-2-76-million-in-may-adp-says?srnd=economics-vp>

“China’s central bank can provide U.S. dollars to back Hong Kong’s currency peg should the Trump administration impose sanctions on the territory, according to the city’s financial chief.”

<https://www.bloomberg.com/news/articles/2020-06-03/hong-kong-can-get-u-s-dollars-from-china-if-needed-chan-says?srnd=premium-asia>

■ PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at June 01, 2020

| | Percentage (%) |
|-------------------------|----------------|
| Yield to Maturity | 5.29 |
| Weighted Average Coupon | 4.991 |
| Current Yield | 5.29 |

The platinum portfolio has an effective maturity of 12.79 years and duration of 4.21 years.

■ STRUCTURED PRODUCT

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.

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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