

DAILY MARKET SUMMARY



VOLUME 3 July 23, 2020

LOCAL STOCK MARKET: (JS) +

Stock Symbol	GENAC	SIL	WISYNCO	DTL*	FTNA
Current Price (\$)	6.95	2.55	17.50	2.50	5.02
Trailing EPS (\$)	0.67	0.30	0.81	0.11	0.27
P/E (times)	10.31	8.50	21.67	21.77	18.63
Projected P/E	9.99	10.99	18.84	19.33	17.60
Projected EPS (\$)†	0.70	0.23	0.93	0.13	0.29
Book Value per share (\$)	2.51	3.26	3.41	0.52	1.16
Price/Book Value (times)	2.77	0.78	5.13	4.77	4.32
Dividend Yield (2019 %)	3.91%	2.49%	1.55%	0.40%	N/A
Volumes	11,600	3,800	514,201	18,000	351,142
Recommendation	BUY	SELL	BUY	HOLD	HOLD

*-Long Term Buy

FOREIGN EXCHANGE MARKET TRADING SUMMARY

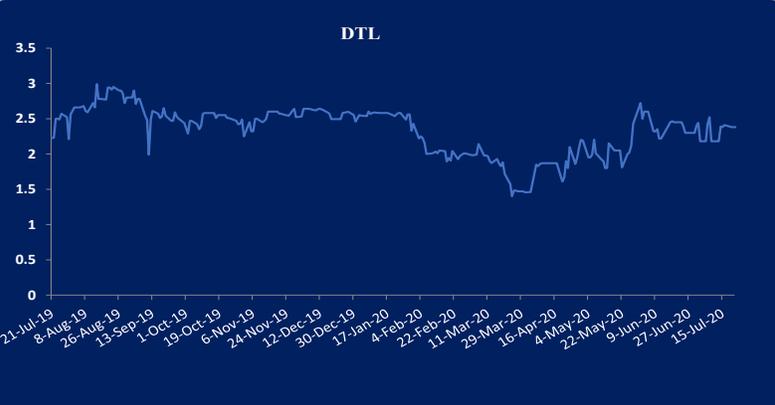
Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	149.100	114.615	144.6400	152.820	116.889	145.9447
CAN	111.380	87.696	110.4065	112.860	97.000	111.2288
GBP	188.000	148.570	181.5940	190.100	174.000	187.5797
EURO	165.100	132.430	161.8644	172.260	161.500	167.9773

*Rates as at July 22, 2020

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (July 23, 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 (July 23, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.



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.

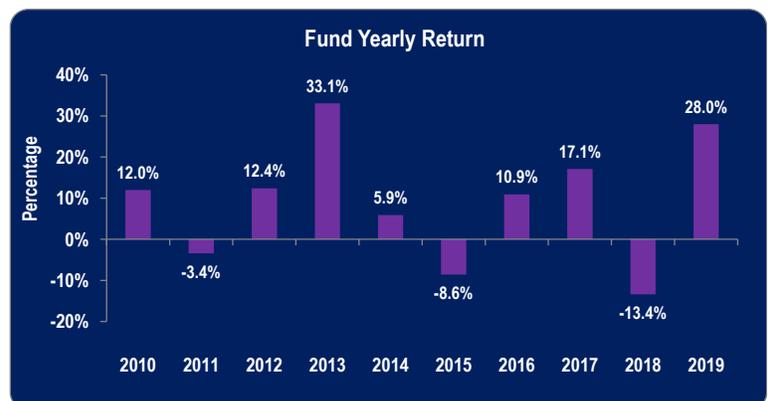
†Prices are as at July 23, 2020 *Projections are made to the company's financial year end

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 4.0% and a 5 year return of 4.2%. The Fund also has a 10 year return of 8.7%. Rates are as at June 30, 2020.



“U.S. jobless claims rose last week for the first time since March, indicating the resurgent coronavirus is stalling the nascent recovery with renewed business closings and layoffs. Initial claims through regular state programs increased to 1.42 million in the week ended July 18, up 109,000 from the prior week, a Labor Department report showed Thursday; on a non-seasonally adjusted basis, claims declined.”

<https://www.bloomberg.com/news/articles/2020-07-23/u-s-jobless-claims-rose-last-week-for-first-time-since-march?srnd=premium>

“South Korea’s economy slid into a recession with exports plummeting in the second quarter as the coronavirus pandemic hurt profits in some of the nation’s largest industries from automobiles to refineries. Gross domestic product shrank 3.3% from the previous quarter, the Bank of Korea said in a statement Thursday, far exceeding economists’ expectation for a 2.4% drop. From a year earlier, the economy contracted 2.9%.”

<https://www.bloomberg.com/news/articles/2020-07-22/south-korea-falls-into-recession-as-pandemic-hits-activity?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at July 20, 2020

	Percentage (%)
Yield to Maturity	4.57
Weighted Average Coupon	4.944
Current Yield	5.21

The platinum portfolio has an effective maturity of 12.77 years and duration of 4.47 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

