

# DAILY MARKET SUMMARY



VOLUME 3 July 24, 2020

## LOCAL STOCK MARKET: (JS) +

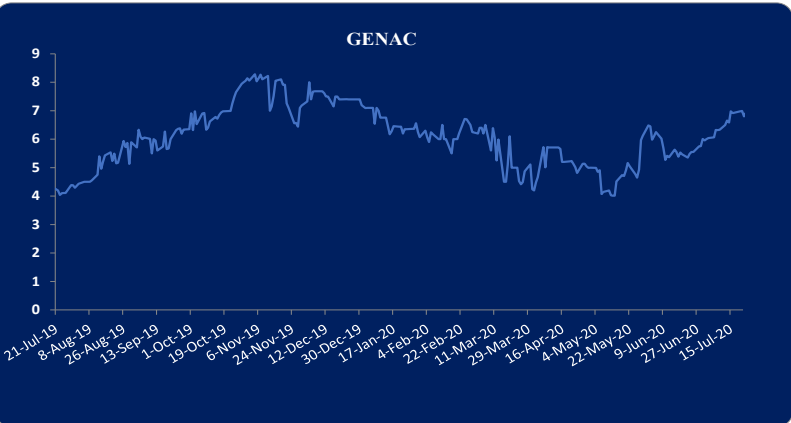
## FOREIGN EXCHANGE MARKET TRADING SUMMARY

Stock Symbol	GENAC	SIL	WISYNCO	DTL*	FTNA
Current Price (\$)	6.60	2.87	17.64	2.27	5.00
Trailing EPS (\$)	0.67	0.30	0.81	0.11	0.27
P/E (times)	9.79	9.56	21.84	19.77	18.56
Projected P/E	9.49	12.37	18.99	17.55	17.53
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)	2.63	0.88	5.17	4.33	4.31
Dividend Yield (2019 %)	3.91%	2.49%	1.55%	0.40%	N/A
Volumes	54,881	100,977	41,700	15,373	215,000
Recommendation	BUY	SELL	BUY	HOLD	HOLD

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	149.300	114.615	145.6529	153.360	131.000	147.7404
CAN	112.000	87.780	110.9708	112.600	100.000	111.8792
GBP	187.500	148.404	180.6383	192.459	167.000	188.1287
EURO	165.300	140.000	161.9641	171.802	162.000	170.6834

\*-Long Term Buy

\*Rates as at July 23, 2020



## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (July 24, 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 24, 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: General Accident Insurance Company Limited (GENAC)

## Over The Counter Funds (CI FUNDS)

### For the three months ended March 31, 2020:

General Accident Insurance Company Limited (GENAC) for the three months ended March 31, 2020, reported gross premium written of \$2.54 billion, 5% lower than the \$2.69 billion reported in 2019. Reinsurance ceded fell 14% to close at \$1.81 billion relative to \$2.11 billion booked in 2019. Excess of loss reinsurance trended upwards by 29% to \$39.02 million (2019: \$30.25 million).

As a result, net premium written increased by 27% from \$543.08 million for the first quarter of 2019 to \$689.13 million for the three months ended March 31, 2020.

Net changes in unearned premiums totalled \$18.82 million, 67% less than the \$57.72 million recorded last year. Consequently, net premiums earned grew by 38% year over year to a total of \$670.30 million compared to \$485.36 million for the prior year.

Commission income declined 27%, year over year, from \$236.18 million in 2019 to \$173.34 million in for the three months ended March 31, 2020, while commission expenses fell 56% from \$193.25 million in 2019 to \$84.98 million for the first quarter of 2020.

Claims expenses saw an increase of 52%, closing the quarter at \$447.53 million (2019: \$294.21 million), while management expenses climbed 40% to total \$268.311 million compared to 2019's total of \$191.06 million. Underwriting profit for the quarter amounted to \$42.83 million, this compares to a profit of \$43.01 million booked for the first three months of 2019.

Investment income closed at \$49.57 million, a 60% increase when compared with last year's corresponding quarter of \$31.01 million. Other income for the quarter was \$24.11 million for the quarter, relative to other losses of \$24.46 million in 2019. Other operating expenses grew by 110% to \$23.75 million relative to \$11.32 million in 2019.

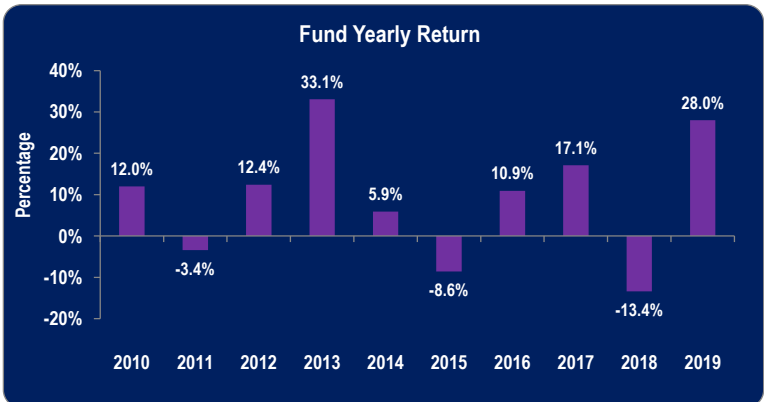
Profit before taxation amounted to \$91.34 million (2019: \$37.05 million). Following taxes of \$16.62 million (2019: \$6.17 million), net profit totalled \$74.72 million for the quarter, an increase of 142% compared to the \$30.87 million reported for the previous year's comparable quarter.

Total comprehensive income for the quarter amounted to \$68.35 million relative to a total comprehensive loss of \$2.38 million for the quarter ended March 31, 2019. As such, earning per share for the period amounted to \$0.072 (2019: \$0.030). The trailing twelve months EPS amounted to \$0.67. The number of shares used in our calculations amounted to 1,031,250,000 units.

### 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.



\*Prices are as at July 24, 2020 \*Projections are made to the company's financial year end

U.S.: U.S. Economic Recovery Is Stalling and It May Get Even Worse

“The official numbers have begun to confirm what many Americans feel in their bones: the economy is buckling once again. Despite assurances from the Trump administration that better times are at hand, the worsening pandemic is restraining or even snuffing out the economy’s nascent recovery. From restaurant dining to air travel and now to filings for unemployment benefits, a growing body of evidence indicates America’s rebound from the pandemic is stalling days before hundreds of billions of dollars’ worth of federal aid is set to expire.”

<https://www.bloomberg.com/news/articles/2020-07-23/u-s-economy-s-recovery-is-stalling-and-it-could-get-even-worse?srnd=premium>

Europe: Europe’s Return to Growth Comes With a Warning About Jobs

“Europe’s economy is finally showing signs of growing again after months of an unprecedented slump caused by the coronavirus pandemic. Private-sector activity in the euro area rose to the highest in more than two years in July, with both services and manufacturing showing expansion. In the U.K., retailers saw sales volumes rise in June close to pre-lockdown levels, even as social distancing measures prevented a complete return to normal.”

<https://www.bloomberg.com/news/articles/2020-07-24/europe-s-return-to-growth-comes-with-a-warning-about-jobs?srnd=economics-vp>

PLATINUM PORTFOLIO

**Platinum Portfolio Yield Measures as at July 20, 2020**

	Percentage (%)
<b>Yield to Maturity</b>	4.57
<b>Weighted Average Coupon</b>	4.944
<b>Current Yield</b>	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



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