

# DAILY MARKET SUMMARY



VOLUME 3 August 18, 2020

## LOCAL STOCK MARKET: (JS) +

Stock Symbol	WIG	MTL	SML	FTNA	LASD
Current Price (\$)	0.77	0.14	4.80	4.89	3.25
Trailing EPS (\$)	0.05	0.01	0.34	0.27	0.23
P/E (times)	14.19	11.75	14.10	18.15	13.91
Projected P/E	13.30	18.36	13.47	17.14	11.43
Projected EPS (\$)*	0.06	0.01	0.36	0.29	0.28
Book Value per share (\$)	0.34	0.07	5.47	1.16	1.65
Price/Book Value (times)	2.25	1.89	0.88	4.21	1.97
Dividend Yield (2019 %)	N/A	1.15%	4.50%	N/A	1.11%
Volumes	14,872,782	NIL	1,000	62,789	42,319
Recommendation	BUY	SELL	HOLD	HOLD	BUY

\*-Long Term Buy



## STOCK OF THE DAY: Wigton Windfarm Limited (WIG)

**For the three months ended June 30, 2020:**

Wigton Windfarm Limited, for the three months ended June 30, 2020, reported sales of \$750.89 million, a 10% decrease on the \$832.82 million reported in the prior year. WIG noted that, "the change was largely due to the decrease in sales which resulted from a lower wind regime in the current reporting period."

Management highlighted, "the average plant availability rate was approximately 97% ahead of the target of 93.9% which led to total production output of 46,508,754 kWh. This availability rate was consistent with the previous year's 97%. The two main factors that affect our production are wind speed and plant availability, with wind speed being the most critical element increasing output. For 2020, the wind regime for the period under review was lower than that of 2019."

Cost of sales went up 8% to close the first quarter at \$207.69 million versus \$192 million booked in the previous comparable quarter. As such, gross profit fell to total \$543.20 million (2019: \$640.82 million).

Other income amounted to \$68.78 million, a 1% increase when compared to \$68.03 million in the same period last quarter. In addition, general administrative expenses increased for the quarter amounting to \$92.19 million relative to \$79.31 million documented in the same quarter in the previous year.

Consequently, operating profit booked a 17% decrease closing the period under review at \$519.79 million (2019: \$629.54 million). Finance expense trended downwards from \$147.43 million in 2019 to \$124.11 million in 2020.

Additionally, profit before taxation went down by 18% to close at \$4395.68 million (2019: \$482.11 million). After taxation of \$94.96 million (2019: \$115.71 million), net profit for the quarter ended June 2020 closed at \$300.71 million versus \$366.40 million booked in the similar period last year.

Earnings per share (EPS) was \$0.027 for the first quarter compared to \$0.033 in 2019. The twelve-month trailing EPS amounted to \$0.054. The number of shares used in the calculations is 11,000,000,000.

\*Prices are as at August 18, 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	151.850	119.070	149.1711	158.760	115.000	150.7086
CAN	115.050	85.000	113.8351	118.044	86.000	114.9294
GBP	198.600	157.700	195.5031	205.200	161.000	197.8963
EURO	173.200	140.000	169.8968	181.981	172.000	181.0134

\*Rates as at August 17, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (August 18, 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%.

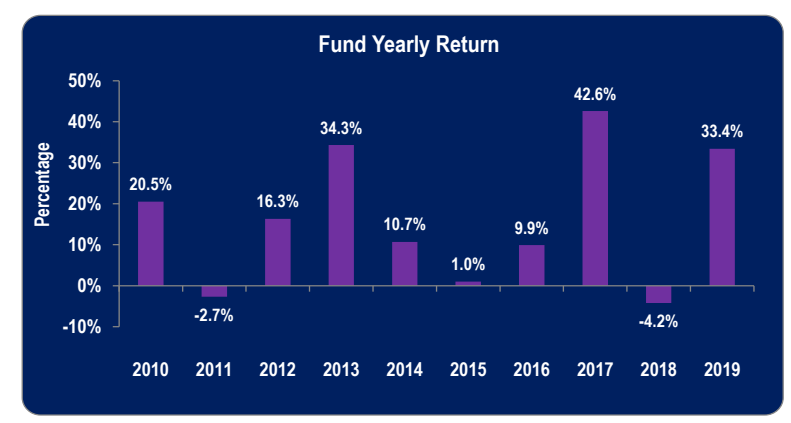
The US dollar fixed income market was also liquid during today's (August 18, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.

## Over The Counter Funds (CI FUNDS)

### Signature Global Science & 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 23.1% and a 5 year return of 20.2%. The Fund also has a 10 year return of 18.3%. Rates are as at July 31, 2020



“President Donald Trump said he’ll punish American companies that move jobs abroad and reward firms with tax breaks for shifting work from China to the U.S., proposals aimed at hastening the decoupling of the world’s largest economies. “We will create tax credits for companies that bring jobs from China back to America, and we’ll impose tariffs on companies that leave America to produce jobs overseas,” he said in a speech Monday in Minnesota. With 11 weeks to go before his re-election bid, and with the unemployment rate at 10.2%, Trump is doubling-down on a message imploring domestic corporations to produce goods and services at home rather than in places like China where it’s less expensive.”

<https://www.bloomberg.com/news/articles/2020-08-18/trump-pledges-tax-credits-tariffs-to-redirect-jobs-from-china?srnd=economics-vp>

“The U.K. is entering a critical phase in the coronavirus crisis that could shape the future of its economy long after the pandemic is gone. Employers are anxiously awaiting to see whether mounting pressure on Chancellor of the Exchequer Rishi Sunak will force him to reverse course on plans to phase out wage-support programs. That would echo a proposal this week by Germany, where the finance minister wants to extend support to 24 months. It could save millions of jobs in the short term, but the British government has so far insisted the economy must be allowed to restructure for a post-virus world. There are political risks. Prime Minister Boris Johnson won over traditionally left-wing voters in northern England by promising an economic boost. Now those areas face the biggest jobs crunch -- and renewed restrictions as infections rise.”

<https://www.bloomberg.com/news/articles/2020-08-18/u-k-end-to-pandemic-aid-pushes-employers-to-adapt-or-fade-away?srnd=economics-vp>

**PLATINUM PORTFOLIO**

**Platinum Portfolio Yield Measures as at August 17, 2020**

	Percentage (%)
<b>Yield to Maturity</b>	4.34
<b>Weighted Average Coupon</b>	4.924
<b>Current Yield</b>	5.12

The platinum portfolio has an effective maturity of 13.11 years and duration of 4.72 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.

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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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