

DAILY MARKET SUMMARY



VOLUME 3 August 7, 2020

LOCAL STOCK MARKET: (J\$) +

Stock Symbol	WISYNCO	CHL	FTNA	CFF*	SVL
Current Price (\$)	17.27	6.53	5.02	10.51	15.34
Trailing EPS (\$)	0.81	0.34	0.27	0.38	0.81
P/E (times)	21.38	19.24	18.63	27.97	18.89
Projected P/E	18.59	26.84	17.60	18.97	15.54
Projected EPS (\$) +	0.93	0.24	0.29	0.55	0.99
Book Value per share (\$)	3.41	1.23	1.16	4.94	1.31
Price/Book Value (times)	5.07	5.31	4.32	2.13	11.71
Dividend Yield (2019 %)	1.55%	1.60%	N/A	1.32%	4.46%
Volumes	85,689	NIL	85,126	NIL	111,039
Recommendation	BUY	SELL	HOLD	HOLD	BUY

*-Long Term Buy

FOREIGN EXCHANGE MARKET TRADING SUMMARY

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	150.500	116.640	147.6275	155.520	131.000	149.0867
CAN	115.000	85.000	112.4234	116.532	86.000	113.1790
GBP	196.800	153.965	190.0463	199.764	161.000	195.0437
EURO	181.818	138.443	174.4738	183.000	169.000	177.9378

*Rates as at August 5, 2020

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (August 07, 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 07, 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: WisyncoGroup Limited (WISYNCO)

For the nine months ended March 31, 2020:

WisyncoGroup Limited for the nine months ended March 31, 2020, reported total revenue of \$25.19 billion a 28% increase when compared with the \$19.75 billion reported for the same period in 2019. Total revenues for the quarter amounted to \$8.08 billion reflecting an increase of 24% over the \$6.54 billion achieved in the corresponding quarter of the previous year.

Cost of sales for the nine months ended March 31, 2020 amounted to \$16.41 billion, up 36% relative to \$12.03 billion reported in 2019. Consequently, gross profit rose 14% to close at \$8.78 billion compared to the \$7.72 billion for the same period a year earlier. Whereas, gross profit for the quarter amounted to \$2.59 billion (2019: \$2.52 billion).

Total expenses, for the nine months ended March 31, 2020, rose 21% to close at \$6.31 billion (2019: \$5.20 billion). Of total expenses, selling and distribution expenses climbed 20% to total \$5.26 billion (2019: \$4.40 billion), while administrative expenses increased 30% to \$1.04 billion (2019: \$799.94 million). Total expenses for the third quarter rose 20% to \$2.07 billion (2019: \$1.72 billion).

Other income for the nine months increased 12% to \$95.74 million (2019: \$85.39 million). As such, WISYNCO booked a 1% marginal decrease in operating profit to \$2.57 billion (2019: \$2.60 billion). Whereas, for the quarter ended March 31, 2020, operating profit amounted to \$549.40 million (2019: \$824.88 million), a 33% decrease.

Finance income nine months ended March 31, 2020 amounted to \$212.24 million, up 235% or \$148.86 million from the \$63.38 million reported for the corresponding period in 2019. Finance costs decreased 61% to \$118.97 million for the period from \$301.79 million for 2019.

Profit before taxation amounted to \$2.67 billion, relative to \$2.36 billion reported in 2019, a 13% increase year over year. Taxation for the period amounted to \$492.74 million (2019: \$422.98 million). Profit from continuing operation amounted to \$2.17 billion relative to \$1.94 billion booked for the comparable period in 2019. The Company booked a 45% decrease in profit from discontinued operations from \$299.94 million to \$165.38 million for the nine months ended March 31, 2020.

As such, net profit increased 4% to \$2.34 billion relative to \$2.24 billion that was posted for the nine months ended March 31, 2019. Net profit for the third quarter amounted to \$580.30 million relative to \$693.92 million in 2019, a 16% decrease year over year. Notably, total comprehensive income for the nine months ended March 31, 2020 amounted to \$2.41 billion (2019: \$2.25 billion). Whereas, total comprehensive income for the third quarter ended March 31, 2020 amounted to \$603.39 million (2019: \$691.66 million). Net profit attributable to shareholders for the nine months totalled \$2.34 billion (2019: \$2.24 billion) while for the quarter net profit attributable to shareholders amounted to \$580.30 million (2019: \$693.92 million).

Earnings per share (EPS) for the quarter amounted to \$0.15 (2019: \$0.19), while the EPS for the nine months amounted to \$0.62 (2019: \$0.60). The twelve-month trailing EPS amounted to \$0.81. The number of shares used in our calculations is 3,750,000,000.

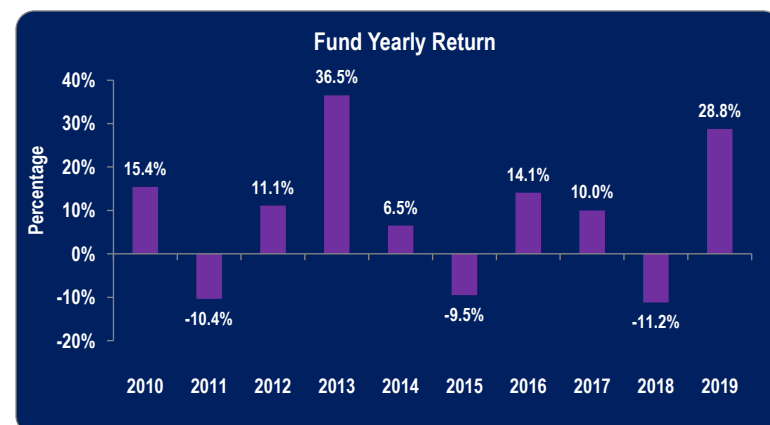
*Prices are as at August 7, 2020 *Projections are made to the company's financial year end

Over The Counter Funds (CI FUNDS)

Sentry U.S. Growth and Income Corporate Class

This fund invests primarily in equity and equity-related securities of companies in the United States.

The fund has a 3 year return of 2.9% and a 5 year return of 3.4%. The Fund also has a 10 year return of 7.7%. Rates are as at June 30, 2020.



“The U.S. labor market’s third straight month of solid improvement from the depths of the pandemic could very well be its last for a while. Workers returned to low-wage jobs at restaurants and retailers, as major cities -- especially New York -- continued to reopen early in the month. Since then, though, many measures of activity have leveled off and a key relief program has expired with no agreement on a new deal. The July jobs report also showed that millions of Americans who lost their jobs in the early days of the pandemic remain unemployed, with the overall rate still almost triple the pre-crisis level.”

<https://www.bloomberg.com/news/articles/2020-08-07/employment-in-u-s-increased-by-more-than-forecast-in-july?srnd=economics-vp>

“The Bank of England’s surprisingly upbeat assessment for Britain’s economy in coming months is lost on analysts and investors, who see mounting risks that will trigger another round of monetary stimulus. While policy makers said on Thursday that the hit from the coronavirus was shallower than initially thought, and the consumer-driven rebound faster, the calls in markets were for extra bond purchases after the summer. Driving the doubts: Expectations for more coronavirus flareups and a messy Brexit, as well as the central bank’s own outlook for a lengthy recovery after the initial bounce.”

<https://www.bloomberg.com/news/articles/2020-08-06/boe-seen-adding-stimulus-as-investors-doubt-upbeat-policy-makers?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at August 03, 2020

	Percentage (%)
Yield to Maturity	4.42
Weighted Average Coupon	4.944
Current Yield	5.20

The platinum portfolio has an effective maturity of 12.93 years and duration of 4.65 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



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