

# DAILY MARKET SUMMARY

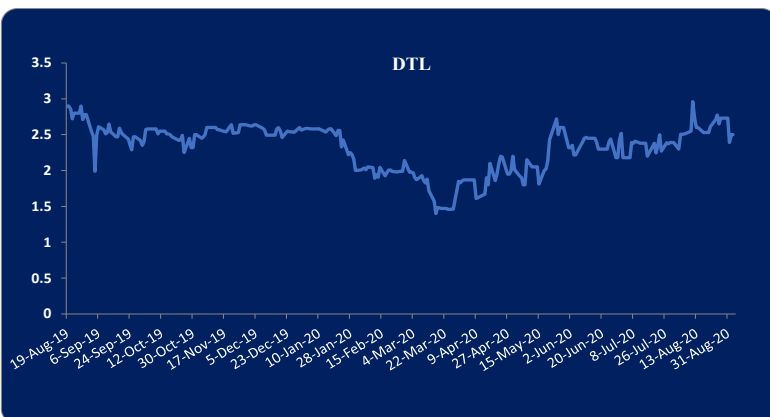


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## LOCAL STOCK MARKET: (J\$) <sup>+</sup>

Stock Symbol	SEP	DTL*	WIG	KEX	WISYNCO
Current Price (\$)	53.58	2.50	0.78	6.90	16.50
Trailing EPS (\$)	2.21	0.11	0.05	0.27	0.75
P/E (times)	24.25	23.00	14.37	25.80	22.08
Projected P/E	17.20	20.09	13.47	37.46	22.67
Projected EPS (\$) <sup>+</sup>	3.11	0.12	0.06	0.18	0.73
Book Value per share (\$)	22.18	0.55	0.34	1.69	3.46
Price/Book Value (times)	2.42	4.53	2.28	4.08	4.77
Dividend Yield (2019 %)	1.67%	0.40%	N/A	0.62%	1.55%
Volumes	2,119	2,000	1,145,733	43	1,064,952
Recommendation	BUY	HOLD	BUY	SELL	HOLD

\*- Long-Term Buy



## STOCK OF THE DAY: Derrimon Trading Limited (DTL)

### For the six months ended June 30, 2020:

Derrimon Trading Limited (DTL), for six months ended June 30, 2020, reported trading income of \$6.30 billion compared to the \$6.29 billion booked for the prior year's comparable period. Revenue for the quarter fell 5% to \$2.98 billion compared to \$3.14 billion reported in 2019.

Cost of sales decreased by 2% to \$5.10 billion for the period (2019: \$5.19 billion). As a result, Gross profit amounted to \$1.20 billion relative to \$1.09 billion for the prior comparable period, an increase of 10% year over year. Management stated, "The emphasis on attracting categories of products that generate specific hurdle returns has been the focus for the distribution business. The growth in Gross Profit continues to reflect improvements in margins arising from strategies employed within both the distribution and retail segments of the business from procurement to sales." Gross profit for the three months ended June 30, 2020 rose 8% year over year to \$586.86 million (2019: \$542.07 million).

Total operating expenses totaled \$965.76 million for the period under review, representing a growth of 17% on the \$824.21 million recorded in the prior year's corresponding period. Of this, Administrative expenses amounted to \$776.84 million, 23% higher when compared to the \$631.17 million in 2019. Selling and distribution expenses recorded a 2% decrease for the period, totaling \$188.93 million (2019: \$193.04 million). DTL noted, "This increase was driven by the increases in lease payments, the depreciation of the Jamaican Dollar to the United States Dollars, trucking and delivery charges, costs associated with the new warehouse and utilities." Total expenses for the quarter posted a 20% increase from \$408.99 million in 2019 to \$492.38 million for the three months ended June 30, 2020.

Consequently, profit before taxation grew to \$207.47 million compared to \$186.45 million in 2019. After incurring tax charges of \$23.59 million (2019: \$18.82 million), net profit amounted to \$183.89 million, a 10% growth when compared to \$167.63 million reported for the first six months of 2019. Net profit attributable to shareholders amounted to \$160.66 million compared to \$154.25 million recorded in 2019. Net profit attributable to shareholders for the quarter closed at \$69.04 million relative to \$85.74 million documented for the second quarter of 2019.

Earnings per share (EPS) for the quarter closed the period at \$0.03 (2019: \$0.03), while EPS year to date amounted to \$0.059 (2019: \$0.056). The twelve months trailing earnings per share amounted to \$0.11. The total number of shares used in the computation amounted to 2,733,360,670 units. Notably, DTL closed the trading period on August 14, 2020 at a price of \$2.60.

<sup>+</sup>Prices are as at September 04, 2020 \*Projections are made to the company's financial year

## FOREIGN EXCHANGE MARKET TRADING SUMMARY

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	150.000	116.640	146.7255	158.760	136.000	147.8115
CAN	113.900	88.600	111.7336	117.720	91.000	113.0637
GBP	201.000	158.862	192.6169	204.705	164.000	199.7850
EURO	181.719	155.000	167.7547	180.700	168.700	179.7720

\*Rates as at September 03, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (September 04, 2020) trading session. The overnight rate stood at 0.30% to 0.50%, while the 30-day rate was 1.10% to 1.30%.

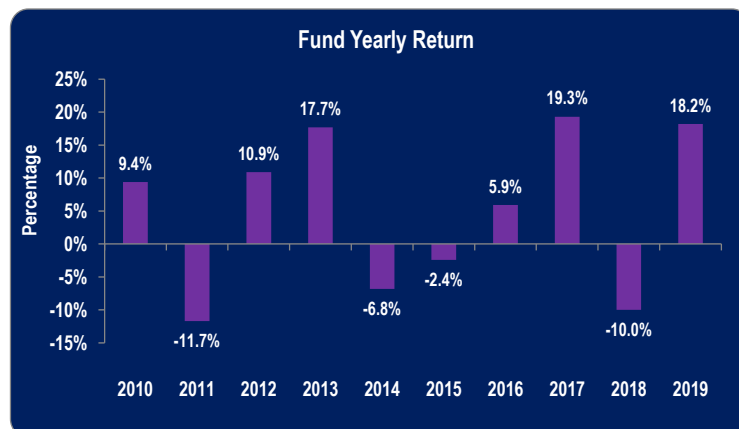
The US dollar fixed income market was also liquid during today's (September 04, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.

## Over The Counter Funds (CI FUNDS)

### CI International Value Corporate Class

This fund invests primarily in equity and equity-related securities of companies whose primary operations are out-side of North America.

The fund has a 3 year return of -1.9% and a 5 year return of 1.4%. The Fund also has a 10 year return of 3.6%. Rates are as at July 31, 2020.



“The U.S. labor-market rebound extended for a fourth month in August, offering hope that the economy can continue to recover despite a persistent pandemic and Washington’s standoff over further government aid to jobless Americans and small businesses. Nonfarm payrolls increased by 1.37 million, including the hiring of 238,000 temporary Census workers, according to a Labor Department report Friday. The unemployment rate fell by more than expected, by almost 2 percentage points, to 8.4%.”

<https://www.bloomberg.com/news/articles/2020-09-04/u-s-jobless-rate-declined-to-8-4-in-august-extending-rebound>

“The Bank of Japan is likely to consider upgrading its economic assessment amid signs of a rebound from the economy’s worst contraction on record last quarter, people familiar with the matter said. Any changes would acknowledge that Japan’s slump has bottomed, rather than indicate optimism about the outlook, according to the people. BOJ officials continue to see Japan’s economic situation amid the pandemic as severe and highly uncertain, the people said.”

<https://www.bloomberg.com/news/articles/2020-09-04/boj-is-said-to-mull-upgrading-economic-assessment-amid-pickup?srnd=premium-asia>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at August 31, 2020

	Percentage (%)
Yield to Maturity	4.66
Weighted Average Coupon	4.924
Current Yield	5.09

The platinum portfolio has an effective maturity of 13.20 years and duration of 4.75 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](http://www.jamstockex.com), [www.bloomberg.com](http://www.bloomberg.com), [www.investopedia.com](http://www.investopedia.com), [www.tradewire.com](http://www.tradewire.com)



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