

## LOCAL STOCK MARKET: (JS) +

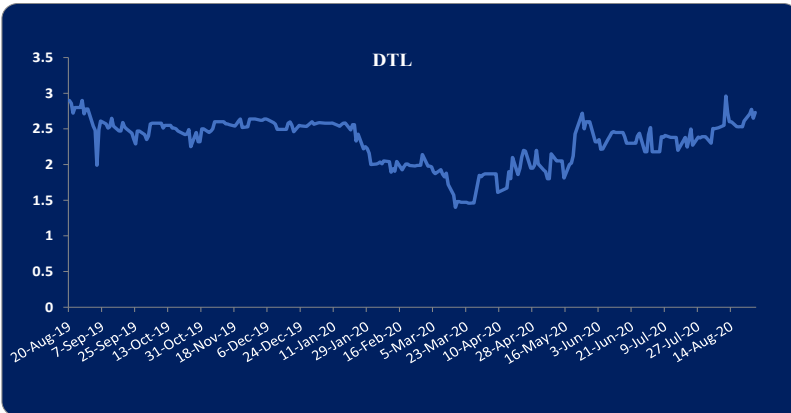
## FOREIGN EXCHANGE MARKET TRADING SUMMARY

Stock Symbol	SVL	DTL*	CAR	CHL	WISYNCO
Current Price (\$)	13.57	2.60	6.49	7.30	17.02
Trailing EPS (\$)	0.81	0.11	0.68	0.29	0.75
P/E (times)	16.71	23.92	9.51	25.13	22.78
Projected P/E	13.75	20.89	10.40	27.40	23.38
Projected EPS (\$)*	0.99	0.12	0.62	0.27	0.73
Book Value per share (\$)	1.31	0.55	0.30	1.25	3.46
Price/Book Value (times)	10.36	4.71	21.68	5.85	4.92
Dividend Yield (2019 %)	4.46%	0.40%	7.07%	1.60%	1.55%
Volumes	101,403	400	62,678	NIL	87,673
Recommendation	BUY	HOLD	BUY	SELL	HOLD

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	148.390	114.210	144.4257	152.280	131.000	145.3060
CAN	113.636	90.468	109.9964	116.316	101.000	111.1936
GBP	195.960	160.000	183.5822	200.200	176.000	189.6434
EURO	171.500	150.890	166.6605	175.670	165.500	172.3519

\*- Long-Term Buy

\*Rates as at September 09, 2020



## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (September 10, 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 10, 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)

## Over The Counter Funds (CI FUNDS)

### 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. DTL indicated, "The impact of the slow-down in economic activities and demand by consumers and manufacturers as a result of the Covid-19 pandemic were the main reason for the negligible growth experienced at the Group level. We were however, encouraged by the continued growth that was reported by the retail segment of our business and by Caribbean Flavours and Fragrances Limited which speaks to the diversity of the Derrimon Group of Companies."

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).

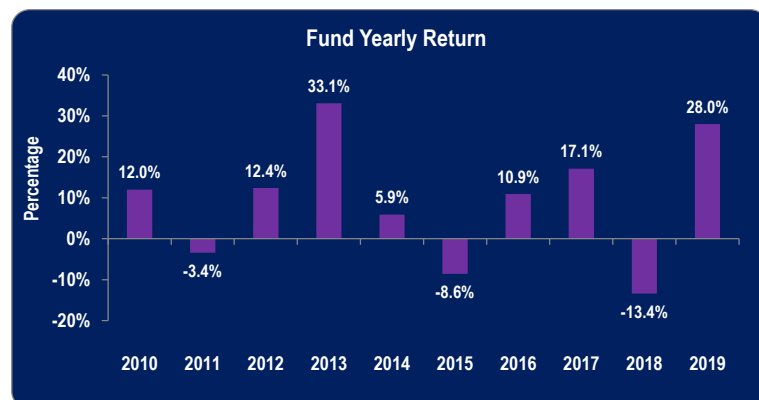
For the quarter, finance cost closed at \$67.79 million versus \$95.69 million in the 2019, a 29% decline year over year. Management noted, "The realignment of our debt portfolio from short term to long term amortized facilities continues to have a positive effect on the Group by way of lower interest cost."

Consequently, profit before taxation grew to \$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.

### 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 5.1% and a 5 year return of 5.6%. The Fund also has a 10 year return of 8.6%. Rates are as at July 31, 2020.



\*Prices are as at September 10, 2020 \*Projections are made to the company's financial year

U.S.: More Americans Are Quitting Their Jobs. That's a Good Sign

"The number of U.S. workers who voluntarily left their jobs in July increased to a five-month high, indicating more Americans are becoming sanguine about their prospects of finding a new position as the economy recovers. So-called quits climbed by 344,000 to nearly 3 million during the month, Labor Department figures showed Wednesday. The number of job leavers as a share of total employed rose to 2.1%, creeping closer to the 2.3% that was prevalent before the coronavirus shut down the economy."

<https://www.bloomberg.com/news/articles/2020-09-10/pickup-in-u-s-quits-rate-hints-of-growing-labor-market-optimism?srd=economics-vp>

Europe: ECB Keeps Its Crisis Support Steady With Recovery Fragile

"The European Central Bank kept its emergency monetary stimulus unchanged as the region enters a critical phase in its recovery from the coronavirus crisis. President Christine Lagarde and her colleagues held their pandemic bond-buying program at 1.35 trillion euros (\$1.6 trillion) and the deposit rate at -0.5% on Thursday, maintaining the flood of liquidity that has calmed markets and kept borrowing costs low. Follow the ECB decision and press conference on our live blog."

<https://www.bloomberg.com/news/articles/2020-09-10/ecb-keeps-its-crisis-support-steady-with-recovery-still-fragile?srd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at September 07, 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 Individual Retirement Plan (IRP)

IRP is a Retirement Scheme for all persons who are self employed or are employed in non-pensionable positions and do not otherwise contribute to an approved Superannuation Fund or an-other approved Retirement Scheme. The IRP will help some people make substantially greater contributions than they might otherwise do.

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



www.mayberryinv.com

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