

DAILY MARKET SUMMARY



VOLUME 3 July 16, 2020

LOCAL STOCK MARKET: (J\$) +

Stock Symbol	WIG	DCOVE	MTL	LASM*	SML
Current Price (\$)	0.77	7.02	0.16	3.58	4.94
Trailing EPS (\$)	0.06	0.51	0.01	0.24	0.36
P/E (times)	12.78	13.75	13.43	15.03	13.66
Projected P/E	12.12	20.23	20.98	13.38	13.86
Projected EPS (\$)*	0.06	0.35	0.01	0.27	0.36
Book Value per share (\$)	0.31	9.84	0.07	1.63	5.39
Price/Book Value (times)	2.45	0.71	2.16	2.19	0.92
Dividend Yield (2019 %)	N/A	3.64%	1.15%	1.65%	4.50%
Volumes	8,506,726	NIL	649	83,154	NIL
Recommendation	BUY	SELL	SELL	HOLD	HOLD

*-Long Term Buy



STOCK OF THE DAY: Wigton Windfarm Limited (WIG)

For the nine months ended December 31, 2019:

Wigton Windfarm Limited (WIG), for the nine months ended December 31, 2019, reported sales of \$1.83 billion, a 6% decline on the \$1.95 billion reported in the prior year. Revenue for the quarter declined 22% to \$363.38 million (2018: \$465.02 million). WIG noted that, "the lower revenues are directly related to a 25.6% decrease in production in the current reporting quarter due to a decline in average wind speed from 8 meters per second in 2018 to 7 meters per second in 2019."

Cost of sales went up 9% to close the period at \$592.14 million versus \$543.45 million booked in the previous comparable period. As such, gross profit declined to total \$1.24 billion (2018: \$1.41 billion).

Other income amounted to \$233.57 million, a 50% decline when compared to \$465.12 million in the same period last year. General administrative expenses increased for the period amounting to \$266.40 million relative to \$248.11 million documented in the same period in the previous year.

Consequently, operating profit decreased 26%, closing the period under review at \$1.20 billion (2018: \$1.63 billion). While, for the quarter, operating profit amounted to \$189.35 million (2018: \$485 million).

Finance expense decreased from \$881.04 million in 2018 to \$511.96 million in 2019.

As such, profit before taxation went down by 7% to close at \$691.62 million (2018: \$746.07 million). After taxation of \$165.99 million (2018: \$179.06 million), net profit for the period totaled \$525.63 million (2018: \$567.02 million). Net loss for the quarter closed at \$15.87 million versus net profit \$270.96 million booked in the similar period last year.

Earnings per share (EPS) was \$0.05 for the period, the same reported in 2018. LPS for the quarter amounted to \$0.0014 (2018: EPS of \$0.02). The twelve-month trailing EPS amounted to \$0.047. The number of shares used in the calculations is 11,000,000,000.

*Prices are as at July 16, 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	147.500	113.805	142.5635	151.740	113.911	144.4314
CAN	107.319	85.806	103.2456	110.700	96.000	109.7584
GBP	184.000	155.000	179.3642	185.508	156.000	184.3304
EURO	164.474	139.000	158.1779	168.310	155.000	162.9039

*Rates as at July 15, 2020

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (July 16, 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%.

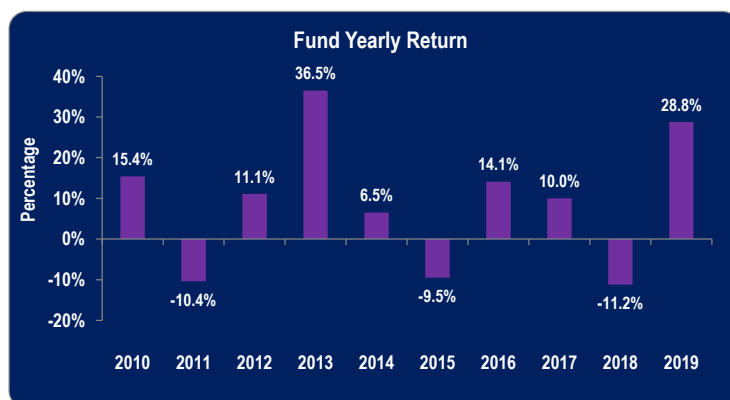
The US dollar fixed income market was also liquid during today's (July 16, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.

Over The Counter Funds (CI FUNDS)

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.



“Applications for U.S. unemployment benefits posted the smallest weekly decline since March after coronavirus cases surged and reopenings paused or reversed across the South and West. Initial jobless claims in regular state programs totaled 1.3 million in the week ended July 11, down 10,000 from the prior period, Labor Department figures showed Thursday. Economists surveyed by Bloomberg News had forecast a larger drop, to 1.25 million initial claims.”

<https://www.bloomberg.com/news/articles/2020-07-16/u-s-initial-jobless-claims-post-smallest-decline-since-march?smd=premium>

“European Central Bank President Christine Lagarde said she won’t let monetary policy be constrained as she fights to support the euro area’s economic recovery from the coronavirus crisis. She said the central bank currently expects to spend the full amount of its pandemic bond-buying program, in apparent contrast to some policy makers, including Executive Board member Isabel Schnabel, who recently said going that far may not be necessary.”

<https://www.bloomberg.com/news/articles/2020-07-16/ecb-keeps-pandemic-stimulus-steady-on-eve-of-eu-recovery-talks?smd=premium-europe>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at July 13, 2020	
	Percentage (%)
Yield to Maturity	4.67
Weighted Average Coupon	4.944
Current Yield	5.22

The platinum portfolio has an effective maturity of 12.77 years and duration of 4.57 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 then they might otherwise do.

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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

