

# DAILY MARKET SUMMARY



VOLUME 1 January 5, 2021

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

Stock Symbol	LASM	KREMI	JAMT	SML	PBS
Current Price (\$)	3.89	4.40	1.97	5.48	0.79
Trailing EPS (\$)	0.28	0.25	0.105	0.35	0.01
P/E (times)	13.87	17.85	18.74	15.76	111.30
Projected P/E	12.48	15.84	12.39	18.95	156.53
Projected EPS (\$) <sup>*</sup>	0.31	0.28	0.159	0.29	0.01
Book Value per share (\$)	1.75	2.16	0.81	5.52	0.26
Price/Book Value (times)	2.22	2.04	2.42	0.99	3.04
Dividend Yield (2019 %)	1.56%	0.69%	3.05%	3.45%	1.08%
Volumes	1,392	10,925	510,981	NIL	NIL
Recommendation	BUY	HOLD	BUY	HOLD	SELL

## FOREIGN EXCHANGE MARKET TRADING SUMMARY

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	144.000	110.160	141.0031	150.000	112.329	142.6786
CAN	110.750	89.418	106.8112	116.218	89.880	110.9288
GBP	193.500	153.675	189.6028	199.180	183.000	193.1731
EURO	171.400	137.022	167.7201	177.846	168.000	176.5634

\*Rates as at January 04, 2021

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 05, 2021) trading session. The over night rate stood at 0.30% to 0.50%, while the 30-day rate was 1.40% to 1.60%.

The US dollar fixed income market was also liquid during today's (January 05, 2021) 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: Lasco Manufacturing (LASM)

**For the six months ended September 30, 2020:**

Lasco Manufacturing Limited (LASM) for the six months ended September 30, 2020, recorded an increase of \$276.02 million or 7% in revenue to total \$4.12 billion relative to the \$3.85 billion recorded for the comparable period in 2019. For the second quarter, total revenue closed at \$2.28 billion (2019: \$2.06 billion), a 10% rise.

Cost of sales amounted to \$2.52 billion (2019: \$2.43 billion) for the period, an increase of 4% year on year. As a result, gross profit of \$1.60 billion was recorded for the period, 13% more than the \$1.42 billion booked in September 2019. For the quarter, gross profit grew by 17% to close at \$880.51 million (2019: \$754.22 million).

Operating expenses closed the period at \$667.84 million compared to \$721.99 million booked for the corresponding period last year. While, for the quarter, operating expenses declined by 9% amounting to \$356.91 million (2019: \$391.80 million).

LASM recorded operating profits of \$914.65 million, 28% higher than the \$714.03 million booked in 2019. Operating profits rose 41% to close the second quarter at \$507.76 million relative to \$359.21 million in the prior comparable quarter.

Profit before taxation amounted to \$882.82 million, an increase of 34% from the \$660.07 million recorded for the previous year. Taxes recorded for the period amounted to \$145.35 million (2019: \$97.51 million). Thus, net profit for the six months period totalled \$737.47 million compared to \$562.56 million in 2019, an increase of 31%. While, for the second quarter, net profit closed at \$395.66 million (2019: \$280.15 million), up by 41%.

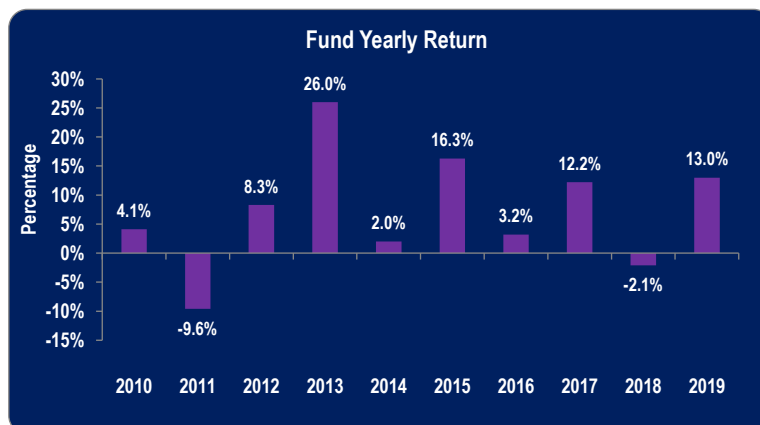
Consequently, Earnings per share for the period ended September 30, 2020 amounted to \$0.18 relative to \$0.14 in 2019. For the quarter, Earnings per share totalled to \$0.10 (2019: \$0.07). The trailing twelve months EPS amounts to \$0.28. The number of shares used in the calculations amounted to 4,130,913,151 units.

## Over The Counter Funds (CI FUNDS)

### CI International Value Fund

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

The fund has a 3 year return of 1.6% and a 5 year return of 4.6%. The Fund also has a 10 year return of 6.6%. Rates are as at November 30, 2020.



<sup>+</sup>Prices are as at January 05, 2021\*Projections are made to the company's financial year end

"Federal Reserve Bank of Chicago President Charles Evans said the U.S. central bank shouldn't be shy about letting inflation run, as it has promised, above its 2% target in order to make up for years of under-shooting that goal. "If we try to fine-tune a very modest inflation overshoot of only a 10th or two, we run a very large risk of failing to achieve our 2% averaging goal within any reasonable amount of time," Evans said Monday during a virtual presentation to the annual meeting of the American Economics Association."

<https://www.bloomberg.com/news/articles/2021-01-04/fed-s-evans-says-he-favors-aiming-for-2-5-inflation?srnd=economics-vp>

"Britain is headed for a sharper double-dip recession after Prime Minister Boris Johnson plunged the nation back into a lockdown with no clear end. Economists said the action, announced Monday to prevent the health service from being overwhelmed by surging coronavirus infections, all but certainly means the U.K. economy will shrink in the first quarter. That will delay the recovery from the worst downturn in three centuries, which analysts say already was unlikely before 2023."

<https://www.bloomberg.com/news/articles/2021-01-05/u-k-head-for-deeper-double-dip-recession-with-third-lockdown?srnd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at January 04, 2021

	Percentage (%)
<b>Yield to Maturity</b>	3.96
<b>Weighted Average Coupon</b>	4.903
<b>Current Yield</b>	4.83

The platinum portfolio has an effective maturity of 13.29 years and duration of 4.88 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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