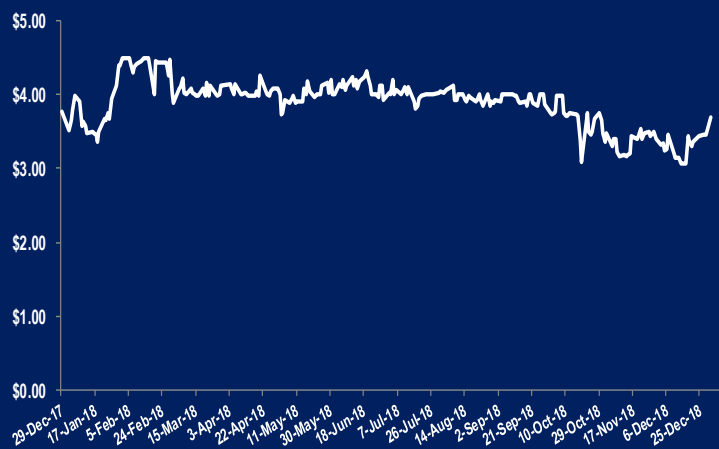


## DAILY RECOMMENDATION

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

Stock Symbol	DCOVE	SALF	LASM	CAR	HONBUN
Current Price (\$)	16.50	31.50	3.78	9.45	3.89
Trailing EPS (\$)	0.81	2.11	0.18	0.73	0.18
P/E (times)	20.37	14.90	21.29	12.91	21.24
Projected P/E	12.42	13.73	19.93	12.31	22.66
Projected EPS (\$)*	1.33	2.29	0.19	0.77	0.17
Book Value per share (\$)	9.47	9.04	1.29	0.30	1.31
Price/Book Value (times)	1.74	3.49	2.93	31.69	2.97
Dividend Yield (2018 %)	3.64%	3.33%	1.01%	9.21%	1.03%
Volumes	NIL	10,000	134,261	17,518	4,523
Recommendation	BUY	BUY	HOLD	BUY	SELL

LASM



## STOCK OF THE DAY: Lasco Manufacturing Limited (LASM)

## For the six months ended September 30, 2018:

Lasco Manufacturing Limited (LASM) for the six months ended September 30, 2018 recorded an increase of \$302.01 million or 9% in revenue to total \$3.80 billion relative to the \$3.50 billion recorded for the comparable period in 2017. For the second quarter, total revenue closed at \$2.07 billion (2017: \$1.99 billion), a 4% growth. The Company highlighted that, "this increase was driven by growth in sales volume."

Cost of sales amounted to \$2.47 billion (2017: \$2.39 billion) for the period, an increase of 3% year on year. As a result, gross profit of \$1.32 billion was recorded for the period, 20% more than the \$1.10 billion booked in September 2017. For the quarter, gross profit grew by 15% to close at \$716.08 million (2017: \$624.07 million).

LASM posted other losses of \$4.47 million, compared to an other income of \$18.33 million reported for the prior year. While for the quarter, other losses totaled \$7.44 million versus an income \$4.57 million in the previous comparable quarter.

Operating expenses closed the period at \$651.86 million compared to \$669.71 million booked for the corresponding period last year. While, for the quarter, operating expenses fell by 5% amounting to \$344.29 million (2017: \$361.34 million).

Consequently, LASM recorded operating profits of \$667.18 million, 48% higher than the \$450.91 million booked in 2017. Operating profits jumped 36% to close the second quarter at \$364.35 million relative to \$267.30 million in the prior comparable quarter.

Finance costs for the six months declined by 3% to \$63.68 million compared to \$65.50 million in the prior year's comparable period. In the second quarter, finance costs also fell, declining by 8% to close the quarter at \$32.46 million (2017: \$35.43 million).

As such, profit before taxation amounted to \$603.50 million, an increase of 57% from the \$385.41 million recorded for the previous year. Taxes recorded for the period amounted to \$100.44 million (2017: \$48.18 million). Thus, net profit for the six months period totaled \$503.06 million compared to \$337.23 million in 2017, an increase of 49%. While, for the second quarter, net profit closed at \$265.40 million (2017: \$202.95 million), up by 31%.

Consequently, Earnings per share for the period ended September 30, 2018 amounted to \$0.12 relative to \$0.08 in 2017. For the quarter, Earnings per share totaled to \$0.06 (2017: \$0.05). The twelve months trailing EPS amounts to \$0.18. The number of shares used in the calculations amounted to 4,091,163,151 units. The stock price closed trading on November 08, 2018 at \$3.23.

\*Prices are as at January 02, 2019 \*Projections are made to the company's financial year end

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	130.620	92.210	125.8936	147.860	98.070	127.7162
CAN	95.820	71.010	88.7520	105.860	75.700	91.5382
GBP	164.500	123.090	161.1013	180.880	151.000	159.0355
EURO	144.000	103.650	135.9185	169.840	138.200	140.6062

\*Rates as at December 31, 2018

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 02, 2019) trading session. The overnight rate stood at 1.25% to 1.80% while the 30-day rate ranged at 1.50% to 2.00%.

The US dollar fixed income market was also liquid during today's (January 02, 2019) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.80% to 2.10%.

## OVER THE COUNTER FUNDS (CI FUNDS)

## CI American Managers Corporate Class

This fund's objective is to obtain maximum long-term capital growth. It invests primarily in equity and equity-related securities of companies believed to have good growth potential. These companies are located in countries that have signed the North American Free Trade Agreement (NAFTA), or its successor. These countries currently include the United States, Canada and Mexico, but may also include countries that become members of NAFTA in the future. The fund has a 3 year return of 6.1% and a 5 year return of 9.4% as at November 30, 2018. The Fund also has a 10 year return of 11.7%.

Fund Yearly Return



## U.S: U.S. Stocks Rise as Oil Reversal Boosts Sentiment: Markets Wrap

"U.S. stocks turned higher in afternoon trading, with a surge in the price of oil boosting sentiment as the new year gets under way. Treasuries rose with gold. The S&P 500 Index pushed to a session high after earlier falling more than 1 percent. A report that Saudi Arabia lowered oil exports fueled a surge in the price of crude. Stocks and oil have been tracking each other in recent weeks. The reversal undid some of the poor sentiment sparked by a weak reading on Chinese manufacturing, which added to concern that global growth is slowing. The 10-year Treasury yield pared a drop that took it to the lowest in 11 months, while similar-maturity German bunds remained on a tear. The yen was higher versus the dollar, which gained against most of its other major peers. "The overall theme that's been driving the market down is concerns about future economic growth and future earnings growth," Peter Jankovskis, co-chief investment officer at Oakbrook Investments, said by phone. "The concern is that the tariff action, while it hasn't had a significant impact to date here in the U.S., is going to start weighing on things. And when we get these economic reports from overseas, principally from China, that provides some evidence that, yeah, it is starting to bite, and that makes people nervous."

<https://www.bloomberg.com/news/articles/2019-01-01/asian-stocks-to-usher-in-new-year-on-cautious-note-markets-wrap?smd=premium>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at December 31, 2018

	Percentage (%)
Yield to Maturity	6.67
Weighted Average Coupon	5.539
Current Yield	6.59

The platinum portfolio has an effective maturity of 13.71 years and duration of 4.59 years.

## 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](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)

## Asia: India Central Bank Surprises by Reversing Debt Revamp Stance

"India's central bank will permit lenders to restructure stressed loans to small companies, breaking from a five-year-old policy of eschewing sweeping corporate debt overhauls. The Reserve Bank of India will allow one-time restructuring of loans to micro, small and medium-sized companies that are in default, the regulator said in a statement on Tuesday. To be eligible for the program, the loan should not exceed 250 million rupees (\$3.6 million), according to the statement. The latest directive is new central bank Governor Shaktikanta Das's first big policy move and yields to the government's call to provide relief to small firms, many of which are still suffering from Prime Minister Narendra Modi's 2016 cash-ban program. As much as 1.3 trillion rupees (\$18.7 billion) of loans made to small firms are stressed, according to data from SBICAP Securities Ltd. "The biggest concern with such forbearance packages is the risk that such schemes could end up vitiating the repayment culture of honest MSME borrowers by encouraging defaults," ASV Krishnan, vice president at SBICAP Securities, said in a note on Wednesday. Still, the RBI's precondition for borrowers will "disincentivize any incremental non-repayment or defaults by existing standard borrowers," he said.

<https://www.bloomberg.com/news/articles/2019-01-02/india-s-central-bank-surprises-by-reversing-debt-revamp-stance?smd=economics-vp>

## STRUCTURED PRODUCT

### Mayberry Gold

This portfolio is ideal for investors, both retail and corporate, seeking a conservative, short-term investment. The securities in the Gold are directly owned by the client and provide them with a safe investment option. Our Gold portfolio can also provide investors with coupon payments that can generate a positive income stream.

OVER 20 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH  
= POSITIVE TRANSFORMATION FOR OUR CLIENTS

MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS



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