

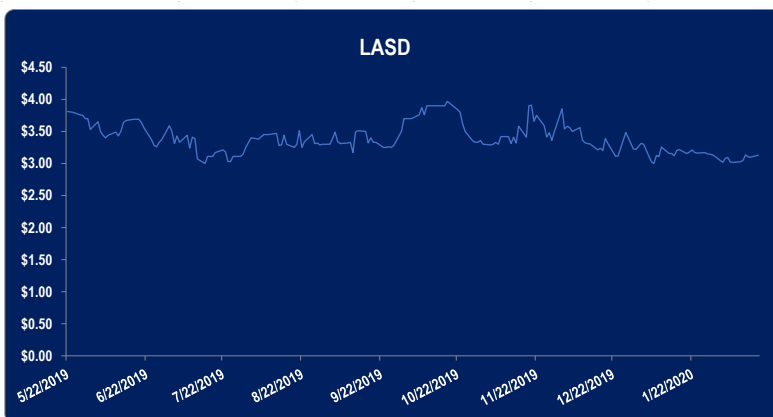
# DAILY MARKET SUMMARY



VOLUME 3 February 19, 2020

## LOCAL STOCK MARKET: (JS)<sup>+</sup>

Stock Symbol	KREMI	WIG	JBG	LASD	MEEG
Current Price (\$)	3.37	0.78	35.08	3.14	5.70
Trailing EPS (\$)	0.10	0.05	2.02	0.15	0.32
P/E (times)	35.37	16.73	17.37	20.61	17.57
Projected P/E	21.18	15.21	16.72	17.14	12.75
Projected EPS (\$) <sup>+</sup>	0.16	0.05	2.10	0.18	0.45
Book Value per share (\$)	1.94	0.31	12.83	1.60	1.93
Price/Book Value (times)	1.74	2.50	2.73	1.97	2.95
Dividend Yield (2019 %)	0.82%	N/A	1.34%	1.11%	0.86%
Volumes	NIL	2,454,830	99,646	2,731,290	24,407
Recommendation	SELL	BUY	HOLD	HOLD	BUY



## STOCK OF THE DAY: LASCO Distributors Limited (LASD)

**For the nine months ended December 31, 2019:**

Lasco Distributors Limited (LASD), for the nine months ended December 31, 2019, posted 7% growth in revenue to \$14.30 billion, up from \$13.33 billion in the corresponding period in 2018. Cost of sales amounted to \$11.48 billion, up 7% on the \$10.70 billion reported in the prior comparable period. Consequently, gross profit recorded an increase of 7% year over year, closing at \$2.82 billion compared to the \$2.63 billion generated for the same period in the prior year.

Other operating income decreased by 59% to end the nine months period at \$70.73 million relative to \$173.32 million in the corresponding period last year.

Operating expenses of \$2.26 billion was booked for the nine months, a growth of 6% on \$2.13 billion recorded for the comparable period of 2018. Operating profit decreased by 6% to close at \$630.27 million for the period under review.

Finance cost increased grossly by 2549% totalling \$12.56 million for the period compared to \$474,000 in the year prior. Pre-tax profit amounted to \$617.71 million, a decrease of 8% from the \$667.92 million in the previous year.

Net profit for the period closed at \$557.50 million (2018: \$620.85 million), a 10% decrease year over year following taxation of \$60.21 million (2018: \$47.07 million). The Company indicated that, "the nine months comparative decline in net profit was mainly attributable to the impact of foreign exchange losses, restructuring expenses and legal fees associated with ongoing matters including the Pfizer case where we anticipate a favourable outcome to our appeal."

Earnings per share for the nine months ended December 31, 2019 totalled \$0.16 versus \$0.18 for the corresponding period in 2018. The trailing twelve months EPS is \$0.15.

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	143.500	111.040	140.8442	150.120	116.928	141.6562
CAN	108.000	86.100	106.6727	110.700	99.000	107.1453
GBP	185.500	147.159	182.9474	191.808	171.800	184.3017
EURO	152.700	117.600	145.7622	158.760	144.000	154.0360

\*Rates as at February 18, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (February 19, 2020) trading session. The over night rate stood at 0.50% to 0.75% while the 30-day rate was 1.60% to 1.80%.

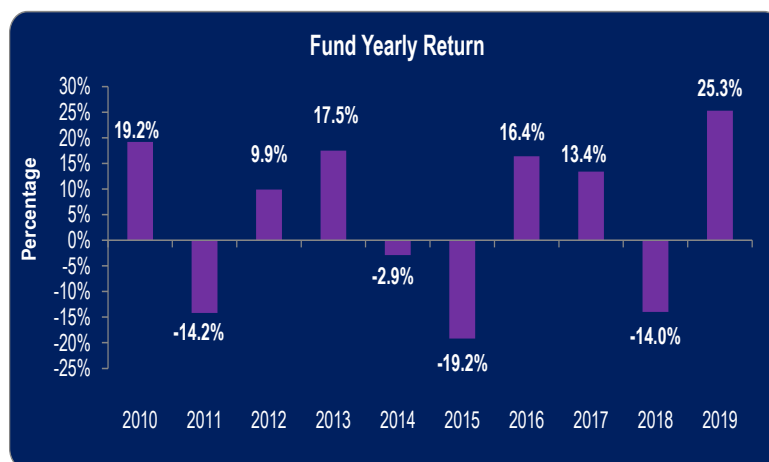
The US dollar fixed income market was also liquid during today's (February 19, 2020) trading session; The over-night market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.

## OVER THE COUNTER FUNDS (CI FUNDS)

### CI Canadian Investment Corporate Class

This fund invests primarily in shares of major Canadian corporations. It is currently expected that investments in foreign securities will generally be no more than 49% of the fund's assets.

The fund has a 3 year return of 5.9% and a 5 year return of 4.8%. The Fund also has a 10 year return of 4.5%. Rates are as at January 31, 2020.



"Federal Reserve officials viewed their current monetary policy as appropriate "for a time" while they remained on guard against domestic and global risks that could slow the longest U.S. expansion on record. "Participants discussed how maintaining the current policy stance for a time could be helpful in supporting U.S. economic activity and employment in the face of global developments that have been weighing on spending decisions," according to the minutes of the Jan. 28-29 Federal Open Market Committee meeting released Wednesday in Washington."

<https://www.bloomberg.com/news/articles/2020-02-19/fed-officials-saw-policy-appropriate-for-a-time-amid-risks?srnd=premium>

"Hong Kong is heading for its first back-to-back annual recessions on record, as the coronavirus shutdown cripples an economy already battered by months of political unrest. Economists' forecasts since the start of February point to a contraction of more than 1% this year, following a 1.2% decline in 2019. That would mark a bigger decline and a slower recovery from the virus than from the SARS episode of 2003, when output roared back after the all-clear was signaled."

<https://www.bloomberg.com/news/articles/2020-02-18/hong-kong-is-heading-for-first-back-to-back-recessions-on-record?srnd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at February 17, 2020

	Percentage (%)
<b>Yield to Maturity</b>	4.74
<b>Weighted Average Coupon</b>	5.359
<b>Current Yield</b>	3.79

The platinum portfolio has an effective maturity of 13.11 years and duration of 4.62 years.

## 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.

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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)

