

# DAILY MARKET SUMMARY

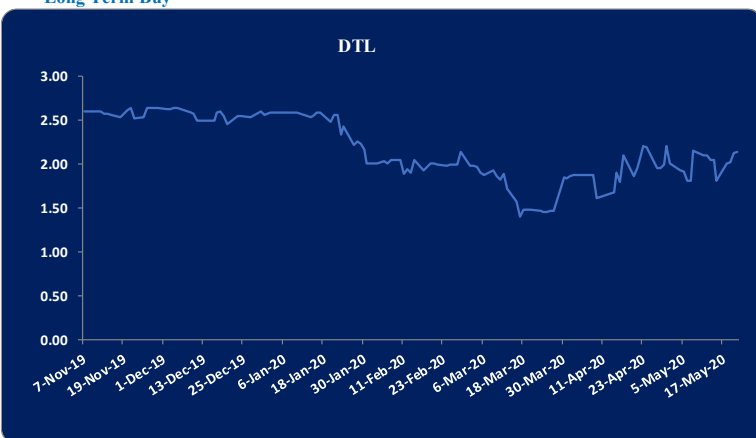


VOLUME 3 May 21, 2020

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

Stock Symbol	CAR	LASM*	PROVEN	DTL*	WIG*
Current Price (\$)	6.50	4.31	0.23	2.24	0.70
Trailing EPS (\$)	0.68	0.28	0.04	0.11	0.05
P/E (times)	9.55	15.39	5.23	19.51	15.01
Projected P/E	9.66	14.33	9.40	17.32	13.65
Projected EPS (\$)*	0.67	0.30	0.02	0.13	0.05
Book Value per share (\$)	0.29	1.57	0.19	0.52	0.31
Price/Book Value (times)	22.43	2.74	1.21	4.27	2.25
Dividend Yield (2019 %)	7.07%	1.65%	3.74%	0.40%	N/A
Volumes	249,702	1,481	25,876	85,106	2,368,147
Recommendation	BUY	HOLD	SELL	HOLD	HOLD

\*-Long Term Buy



## STOCK OF THE DAY: Derrimon Trading Limited (DTL)

for the year ended December 31, 2019:

Derrimon Trading Limited (DTL), for the year ended December 31, 2019, reported trading income of \$12.65 billion compared to the \$9.30 billion for the prior comparable period, a 36% increase. For the quarter, trading income went up grossly by 5% closing at \$3.12 billion (2018: \$2.96 billion).

Cost of sales increased by 36% to \$10.37 billion for the period (2018: \$7.61 billion). As a result, Gross profit amounted to \$2.28 billion relative to \$1.69 billion for the prior comparable period, an increase of 35% year over year. Gross profit for the quarter totalled \$619.93 million (2018: \$557.22 million).

Other income for the period under review fell 43% to close the year end at \$37.77 million relative to \$66.25 million booked in the prior comparable period. While for the quarter, other income closed at \$17.28 million (2018: \$22.49 million).

Total operating expenses totalled \$1.69 billion for the period, representing a growth of 30% on the \$1.30 billion recorded in the prior corresponding period. Of this, Administrative expenses amounted to \$1.28 billion, 20% higher when compared to the \$1.07 billion in 2018. Selling and distribution expenses recorded a 75% increase for the period, totalling \$408.27 million (2018: \$233.72 million). For the quarter, administrative and selling and distribution expenses closed the period at \$296.41 million (2018: \$311.53 million) and \$125.53 million (2018: \$106.03 million), respectively.

Finance cost increased to total \$298.60 million (2018: \$172.22 million). While, for the quarter, finance cost closed at \$139.23 million versus \$60.86 million in the previous comparable quarter. In addition, finance income amounted to \$15.41 million (2018: nil)

Consequently, profit before taxation grew to \$345.73 million compared to \$281.85 million in 2018. After incurring tax charges of \$43.02 million (2018: \$4.63 million), net profit amounted to \$302.71 million, a 9% growth when compared to \$277.21 million in the prior corresponding period. For the quarter, the Company reported a 16% decline in net profit to \$81.59 million (2018: \$96.67 million). Net profit attributable to shareholders amounted to \$290.74 million compared to \$249.12 million recorded in 2018.

Earnings per share (EPS) closed the period at \$0.11 (2018: \$0.09), while for the quarter, the EPS was \$0.03 (2018: \$0.04). The total number of shares used in the computation amounted to 2,733,360,670 units.

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	149.600	127.500	145.4015	149.700	131.000	146.1529
CAN	105.900	92.000	105.5404	108.500	94.000	105.7892
GBP	180.500	160.000	174.1371	183.450	170.000	178.6780
EURO	158.500	141.000	154.2255	164.500	153.000	163.7849

\*Rates as at May 20, 2020

## MONEY MARKET

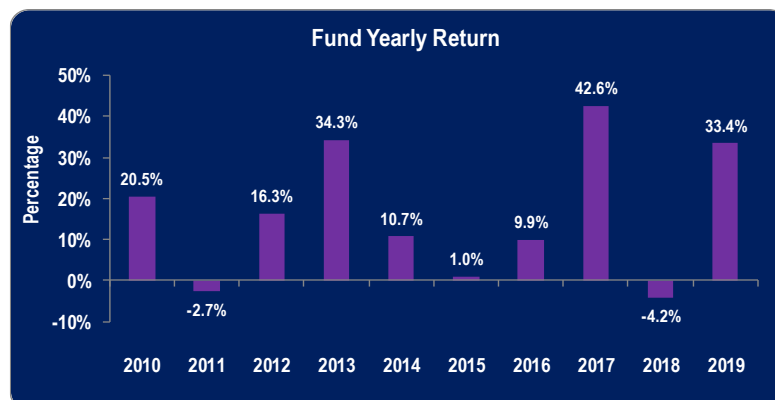
The Jamaican dollar fixed income market was liquid in today's (May 21, 2020) trading session. The over night rate stood at 0.30% to 0.50%, while the 30-day rate was 1.10% to 1.30%.

The US dollar fixed income market was also liquid during today's (May 21, 2020) trading session; The overnight market rates were quoted at 1.80% while the 30-day market rates stood at 2.20% to 2.50%.

## Over The Counter Funds (CI FUNDS)

### Signature Global Technology Corporate Class

This fund invests primarily in equity and equity-related securities of companies around the world that have developed or are developing technological products, processes or services. The fund has a 3 year return of 15.7% and 5 year return of 14.7%. The Fund also has a 10 year return of 14.5%. Rates are as at April 30, 2020.



\*Prices are as at May 21, 2020 \*Projections are made to the company's financial year end

## U.S.: Americans Again File by the Millions for Unemployment Benefits

“Millions more Americans applied for unemployment benefits last week, indicating major job losses are continuing two months after the coronavirus pandemic started shuttering businesses. Initial jobless claims for regular state programs totaled 2.44 million in the week ended May 16, Labor Department figures showed Thursday. The prior week’s figure was revised down by 294,000 to 2.69 million after a clerical error by Connecticut labor officials inflated the overall nationwide figure. The median estimate in a Bloomberg survey of economists called for 2.4 million claims in the latest week.”

<https://www.bloomberg.com/news/articles/2020-05-21/another-2-4-million-americans-filed-for-unemployment-last-week?smd=premium>

## Europe: British Lenders Brace for Negative Rates Floated by Central Bank

“British banks are confronting the European import of sub-zero interest rates that could damage profits already weakened by the coronavirus pandemic as the Brexit divorce rumbles toward its rocky end. Bank of England officials have begun talking openly about going negative, erasing the red line drawn by former Governor Mark Carney. His successor, Andrew Bailey, told lawmakers on Wednesday, “I have changed my position a bit” and refused to rule it out.”

<https://www.bloomberg.com/news/articles/2020-05-21/british-lenders-brace-for-sub-zero-rates-floated-by-central-bank?smd=premium-europe>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at May 18, 2020

	Percentage (%)
<b>Yield to Maturity</b>	5.29
<b>Weighted Average Coupon</b>	4.991
<b>Current Yield</b>	5.80

The platinum portfolio has an effective maturity of 12.89 years and duration of 4.21 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 pro-vide 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 per-sons 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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