

# DAILY MARKET SUMMARY

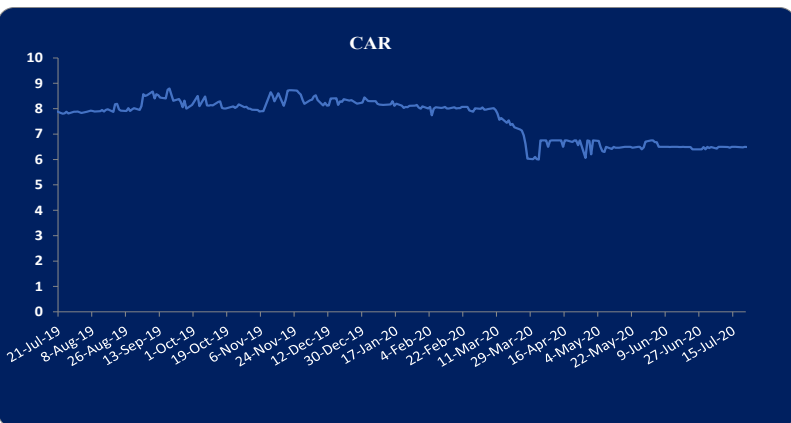


VOLUME 3 July 22, 2020

## LOCAL STOCK MARKET: (JS) +

Stock Symbol	CAR	CHL	SVL	DTL*	HONBUN
Current Price (\$)	6.49	6.50	15.31	2.35	5.50
Trailing EPS (\$)	0.74	0.34	0.97	0.11	0.30
P/E (times)	8.79	19.15	15.78	20.47	18.53
Projected P/E	8.52	26.71	15.66	18.17	16.85
Projected EPS (\$)*	0.76	0.24	0.98	0.13	0.33
Book Value per share (\$)	0.37	1.23	1.48	0.52	1.72
Price/Book Value (times)	17.77	5.29	10.33	4.48	3.20
Dividend Yield (2019 %)	7.07%	1.60%	4.46%	0.40%	1.54%
Volumes	162,415	11,091	1,067,865	59,875	4,662
Recommendation	BUY	SELL	BUY	HOLD	HOLD

\*-Long Term Buy



## STOCK OF THE DAY: Carreras Limited (CAR)

**For the year ended March 31, 2020:**

Carreras Limited, for the year ended March 31, 2020, reported operating revenue of \$14.13 billion, 9% more than the \$12.91 billion booked in 2019. Revenue for the quarter increased 26% to \$3.84 billion (2019: \$3.04 billion).

Cost of operating revenue, for the year ended March 31, 2020, increased year over year by 10%, amounting to \$7.13 billion from \$6.47 billion recorded in the year prior. As such, gross operating profit for the year ended March 31, 2020 went up 9% to total \$6.99 billion (2019: \$6.44 billion). For the quarter, gross profit closed at \$1.91 billion versus \$1.53 billion reported in the prior comparable quarter.

Other operating income for the year ended March 31, 2020 rose by 35% moving from \$149.90 million in 2019 to \$201.74 million in 2020. For the quarter, other operating income closed at \$173.38 million (2019: \$101.59 million).

Administrative, distribution and marketing expenses increased by 18% to total \$2.37 billion (2019: \$2.01 billion) for the year ended March 31, 2020. Impairment loss on trade receivables and employee benefits expense totalled \$1.77 million (2019: \$5.77 million) and \$44.70 million (2019: \$50.90 million), respectively. Lease interest expense amounted to \$16.79 million (2019: nil).

Profit before income tax was recorded at \$4.76 billion compared to \$4.52 billion in the prior year. While, for the quarter, profit before income tax amounted to \$1.48 billion (2019: \$1.11 billion).

Net profit for the year end increased by 5% to \$3.58 billion (2019: \$3.41 billion), after incurring taxes of \$1.18 billion (2019: \$1.11 billion). For the quarter, net profit closed a \$1.13 billion compared to \$853.34 million reported in the same period last year.

Profit attributable to shareholders amounted \$3.58 billion for the year ended March 31, 2020 (2019: \$3.41 billion). Total comprehensive income for the year ended March 31, 2020 amounted to \$3.54 billion (2019: \$3.45 billion).

Earnings per share for the year ended March 31, 2020 was \$0.74 (2019: \$0.70), while for the quarter, EPS amounted to \$0.23 (2019: \$0.18). The number of shares used in the computations amounted to 4,854,400,000 units.

\*Prices are as at July 22, 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	148.750	114.615	144.7738	152.820	119.568	147.0593
CAN	110.950	87.696	109.8769	110.950	100.350	110.4743
GBP	187.000	147.574	178.5518	188.640	166.000	186.4428
EURO	163.300	138.888	161.9718	170.700	160.500	170.4347

\*Rates as at July 21, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (July 22, 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%.

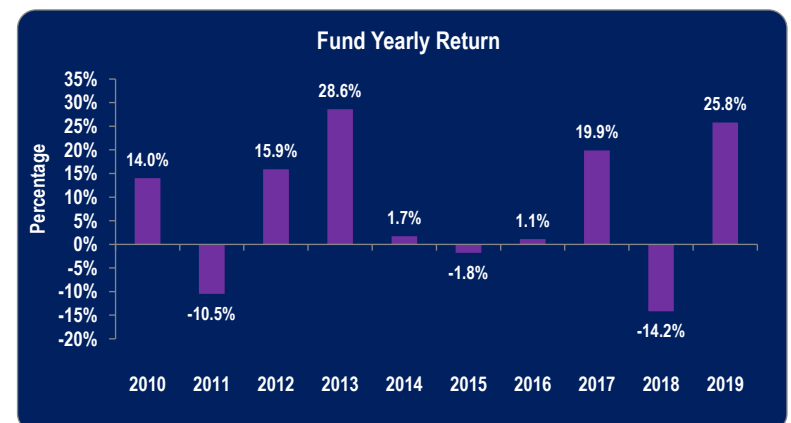
The US dollar fixed income market was also liquid during today's (July 22, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.

## Over The Counter Funds (CI FUNDS)

**Synergy Global Corporate Class**

This fund invests primarily in equity and equity-related securities of global momentum companies situated in developed markets represented in the MSCI World Index - CS.

The fund has a 3 year return of 3.9% and a 5 year return of 3.3%. The Fund also has a 10 year return of 7.5%. Rates are as at June 30, 2020.



“Judy Shelton, President Donald Trump’s contentious pick for the Federal Reserve’s Board of Governors, cleared a key hurdle to confirmation by winning the approval of a majority on the Senate Banking Committee. She was backed in a party-line vote Tuesday, 13-12. The committee also voted in favor of Fed nominee Christopher Waller, currently director of research at the St. Louis Fed. His nomination passed 18-7.”

<https://www.bloomberg.com/news/articles/2020-07-21/trump-pick-shelton-moves-a-big-step-closer-to-joining-fed-board?srnd=economics-vp>

“Japan’s government upgraded its assessment of the economy in July for a second month, saying conditions are picking up even as they remain severe amid reopening from coronavirus shutdowns. In its monthly report released Wednesday, the Cabinet Office said it saw improvement in 6 out of 14 economic categories, including consumer spending, exports, production and public investment.”

<https://www.bloomberg.com/news/articles/2020-07-22/japan-lifts-view-of-economy-again-but-says-situation-still-grim?srnd=economics-vp>

**PLATINUM PORTFOLIO**

**Platinum Portfolio Yield Measures as at July 20, 2020**

	Percentage (%)
<b>Yield to Maturity</b>	4.57
<b>Weighted Average Coupon</b>	4.944
<b>Current Yield</b>	5.21

The platinum portfolio has an effective maturity of 12.77 years and duration of 4.47 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.

**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, www.bloomberg.com, www.investopedia.com, www.tradewire.com



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