

# DAILY MARKET SUMMARY

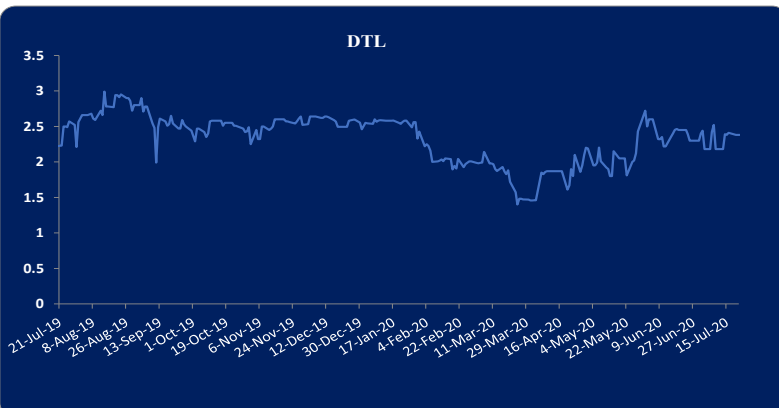


VOLUME 3 July 30, 2020

## LOCAL STOCK MARKET: (J\$) +

Stock Symbol	CAR	DCOVE	MAILPAC	FTNA	DTL*
Current Price (\$)	6.50	7.50	2.10	5.01	2.39
Trailing EPS (\$)	0.74	0.51	0.13	0.27	0.11
P/E (times)	8.81	14.70	15.79	18.60	20.81
Projected P/E	8.54	21.61	14.89	17.56	18.48
Projected EPS (\$)*	0.76	0.35	0.14	0.29	0.13
Book Value per share (\$)	0.37	9.84	0.18	1.16	0.52
Price/Book Value (times)	17.80	0.76	11.52	4.31	4.56
Dividend Yield (2019 %)	7.07%	3.64%	N/A	N/A	0.40%
Volumes	307,328	1,000	479,529	83,879	49,170
Recommendation	BUY	SELL	BUY	HOLD	HOLD

\*-Long Term Buy



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

### For the three months ended March 31, 2020:

Derrimon Trading Limited (DTL), for the three months ended March 31, 2020, reported trading income of \$3.32 billion compared to the \$3.15 billion booked for the prior year's comparable period, a 5% increase.

Cost of sales increased by 4% to \$2.71 billion for the period (2019: \$2.60 billion). As a result, Gross profit amounted to \$612.71 million relative to \$552.12 million for the prior comparable period, an increase of 11% year over year.

Other income for the period under review rose 360% to close the quarter at \$22.65 million relative to \$4.92 million booked in the prior comparable period.

Total operating expenses totalled \$473.38 million for the period under review, representing a growth of 14% on the \$414.20 million recorded in the prior year's corresponding quarter. Of this, Administrative expenses amounted to \$373.18 million, 16% higher when compared to the \$320.68 million in 2019. Selling and distribution expenses recorded a 7% increase for the quarter, totalling \$100.21 million (2019: \$93.52 million).

For the quarter, finance cost closed at \$49.30 million versus \$58.28 million in the 2019, a 15% decline year over year. Management noted, "The realignment of our debt portfolio from short term to long term amortized facilities continues to have a positive effect on the Group by way of lower interest cost."

Consequently, profit before taxation grew to \$112.67 million compared to \$84.57 million in 2019. After incurring tax charges of \$13.85 million (2019: \$10.57 million), net profit amounted to \$98.82 million, a 34% growth when compared to \$74 million reported for the first quarter of 2019. Net profit attributable to shareholders amounted to \$91.62 million compared to \$68.51 million recorded in 2019.

Earnings per share (EPS) for the quarter closed the period at \$0.034 (2019: \$0.025). The twelve months trailing earnings per share amounted to \$0.12. The total number of shares used in the computation amounted to 2,733,360,670 units.

\*Prices are as at July 30, 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	149.600	115.830	146.3524	154.440	131.000	147.7195
CAN	111.680	88.704	111.0640	114.500	104.000	111.8225
GBP	192.000	151.890	187.0996	194.850	181.500	190.9059
EURO	178.571	140.000	168.8105	181.818	156.500	176.2852

\*Rates as at July 29, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (July 30, 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%.

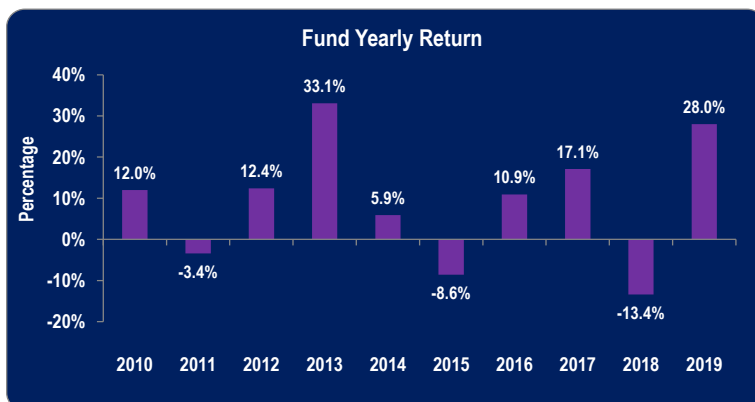
The US dollar fixed income market was also liquid during today's (July 30, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.

## Over The Counter Funds (CI FUNDS)

### CI American Managers Corporate Class

This fund invests primarily in equity and equity-related securities of companies that are located in countries that have signed the North American Free Trade Agreement (NAFTA) (or its successor).

The fund has a 3 year return of 4.0% and a 5 year return of 4.2%. The Fund also has a 10 year return of 8.7%. Rates are as at June 30, 2020.



“The U.S. economy suffered its sharpest downturn since at least the 1940s in the second quarter, highlighting how the pandemic has ravaged businesses across the country and left millions of Americans out of work. Gross domestic product shrank 9.5% in the second quarter from the first, a drop that equals an annualized pace of 32.9%, the Commerce Department’s initial estimate showed on Thursday.”

<https://www.bloomberg.com/news/articles/2020-07-30/u-s-economy-shrinks-at-record-32-9-pace-in-second-quarter?srnd=premium>

“Japan’s government sees its pandemic-hit economy shrinking around 4.5% this fiscal year, according to mid-year projections released Thursday by the Cabinet Office. Gross domestic product should rebound next fiscal year, growing about 3.4% in price-adjusted terms, it said. Inflation is forecast to remain lackluster, with the overall consumer price index dropping 0.3% in the 12 months through March, before eking out a 0.5% gain the year after.”

<https://www.bloomberg.com/news/articles/2020-07-30/japan-now-sees-covid-hit-economy-shrinking-4-5-this-fiscal-year?srnd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at July 27, 2020

	Percentage (%)
<b>Yield to Maturity</b>	4.44
<b>Weighted Average Coupon</b>	4.944
<b>Current Yield</b>	5.22

The platinum portfolio has an effective maturity of 12.93 years and duration of 4.65 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)



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