

# DAILY MARKET SUMMARY

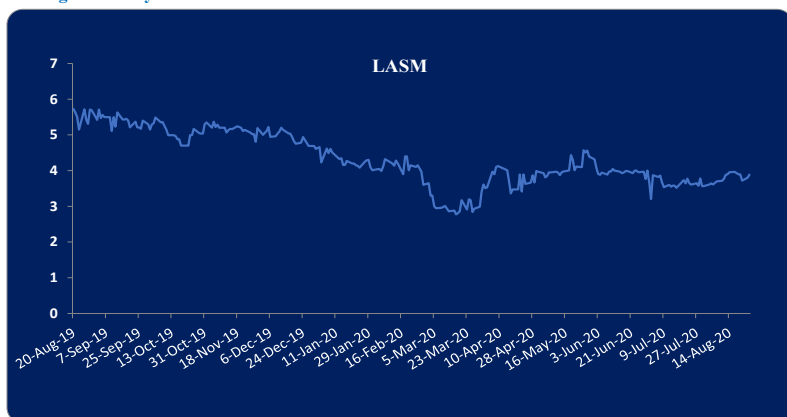


VOLUME 3 August 26, 2020

## LOCAL STOCK MARKET: (JS) +

Stock Symbol	SVL	ISP	LASM*	CAR	SEP
Current Price (\$)	13.86	14.59	3.93	6.30	52.11
Trailing EPS (\$)	0.81	0.23	0.25	0.68	2.21
P/E (times)	17.07	62.54	15.56	9.24	23.58
Projected P/E	14.05	55.65	13.91	10.09	16.73
Projected EPS (\$)*	0.99	0.26	0.28	0.62	3.11
Book Value per share (\$)	1.31	3.56	1.72	0.30	22.18
Price/Book Value (times)	10.58	4.10	2.29	21.05	2.35
Dividend Yield (2019 %)	4.46%	N/A	1.65%	7.07%	1.67%
Volumes	20,407	NIL	33,050	110,391	7,026
Recommendation	BUY	SELL	HOLD	BUY	BUY

\*-Long Term Buy



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

### For the three months ended June 30, 2020:

Lasco Manufacturing Limited (LASM) for the three months ended June 30, 2020 recorded an increase of 3% in total revenue to total \$1.85 billion, relative to the \$1.79 billion recorded for the comparable period in 2019.

Cost of sales amounted to \$1.13 billion (2019: \$1.12 billion) for the quarter, a marginal increase of 1% year on year. As a result, gross profit of \$720.16 million was recorded for the period, 8% more than the \$667.89 million booked for the quarter June 30, 2019. LASM noted that, "the increase in the gross margin is primarily attributable to on-going improvement in manufacturing efficiencies."

LASM posted other loss of \$2.32 million versus other income of \$17.12 million reported for the prior corresponding quarter.

Operating expenses decreased 6% to close the period at \$310.94 million versus \$330.19 million booked for the corresponding period last year. Management mentioned that, "the positive outcome for the quarter reflects gains from on-going improvements in operational efficiencies, reduction in structural costs and continued streamlining of the operations."

Consequently, LASM recorded operating profits of \$406.90 million, 15% higher than the \$354.82 million booked in 2019.

Finance costs for the first quarter decreased 49% to \$16.26 million compared to \$32.06 million in the prior year's comparable period.

As such, profit before taxation amounted to \$390.64 million, an increase of 21% from the \$322.76 million recorded for the previous year. Taxes recorded for the period amounted to \$48.83 million compared to \$40.35 million incurred for the corresponding period in 2019. As such, Net Profit for the first quarter totaled \$341.81 million compared to \$282.42 million in 2019, an increase of 21%.

Consequently, earnings per share for the quarter ended June 30, 2020, amounted to \$0.08 relative to \$0.07 in 2019. The twelve months trailing EPS amounts to \$0.25. The number of shares used in the calculations amounted to 4,130,913,151 units. The stock price closed trading on July 28, 2020 at \$3.58.

\*Prices are as at August 26, 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	151.500	119.678	149.5350	159.570	129.507	150.7736
CAN	116.200	90.000	113.4095	119.340	102.000	114.0739
GBP	199.000	158.613	191.6676	206.388	187.000	196.2679
EURO	176.800	150.000	170.7043	181.000	172.000	180.4600

\*Rates as at August 25, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (August 26, 2020) trading session. The overnight rate stood at 0.30% to 0.50%, while the 30-day rate was 1.10% to 1.30%.

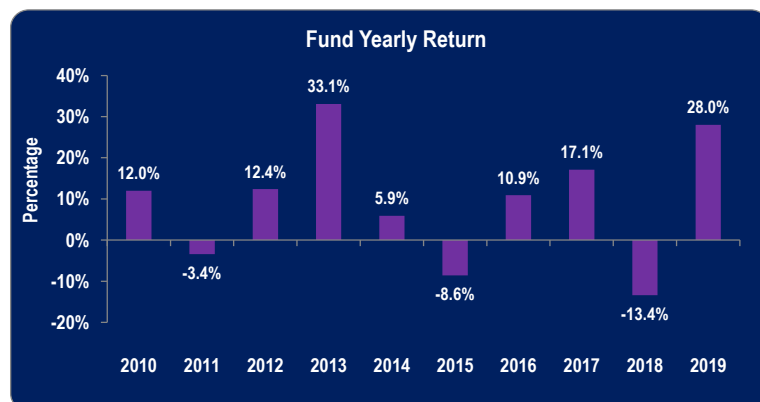
The US dollar fixed income market was also liquid during today's (August 26, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.

## 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 5.1% and a 5 year return of 5.6%. The Fund also has a 10 year return of 8.6%. Rates are as at July 31, 2020.



“The Federal Reserve looks likely to keep short-term interest rates near zero for five years or possibly more after it adopts a new strategy for carrying out monetary policy. The new approach, which could be unveiled as soon as next month, is likely to result in policy makers taking a more relaxed view toward inflation, even to the point of welcoming a modest, temporary rise above their 2% target to make up for past shortfalls.”

<https://www.bloomberg.com/news/articles/2020-08-26/fed-seen-holding-rates-at-zero-for-five-years-plus-in-new-policy?srnd=premium>

“In the dilemma over whether to support existing jobs during the pandemic or let the economy adapt to the post-virus world, European governments are increasingly siding with workers. Germany became the latest nation to extend a program under which the government covers the bulk of paychecks for employees who can’t work. That decision late Tuesday follows France, Italy, Switzerland and Austria, and others are considering doing the same.”

<https://www.bloomberg.com/news/articles/2020-08-26/europe-puts-jobs-before-restructuring-with-furloughs-extended?srnd=economics-vp>

**PLATINUM PORTFOLIO**

**Platinum Portfolio Yield Measures as at August 24, 2020**

	Percentage (%)
<b>Yield to Maturity</b>	4.04
<b>Weighted Average Coupon</b>	4.924
<b>Current Yield</b>	5.02

The platinum portfolio has an effective maturity of 13.11 years and duration of 4.75 years.

**STRUCTURED PRODUCT**

**Mayberry Individual Retirement Plan (IRP)**

IRP is a Retirement Scheme for all persons who are self employed or are employed in non-pensionable positions and do not otherwise contribute to an approved Superannuation Fund or an-other approved Retirement Scheme. The IRP will help some people make substantially greater contributions then they might otherwise do.

**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



www.mayberryinv.com

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