

DAILY MARKET SUMMARY



VOLUME 3 September 22, 2020

LOCAL STOCK MARKET: (J\$) +

Stock Symbol	SEP	WISYNCO	MAILPAC	CHL	SML
Current Price (\$)	55.81	16.43	2.09	6.16	5.13
Trailing EPS (\$)	2.21	0.75	0.11	0.29	0.34
P/E (times)	25.26	21.99	18.93	21.21	15.07
Projected P/E	17.92	22.57	14.01	23.12	14.40
Projected EPS (\$) *	3.11	0.73	0.15	0.27	0.36
Book Value per share (\$)	22.18	3.46	0.22	1.25	5.47
Price/Book Value (times)	2.52	4.75	9.62	4.94	0.94
Dividend Yield (2019 %)	1.67%	1.55%	N/A	1.60%	4.50%
Volumes	19,699	70,453	446,478	8,448	109
Recommendation	BUY	HOLD	BUY	SELL	HOLD

FOREIGN EXCHANGE MARKET TRADING SUMMARY

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	145.000	110.970	141.3788	150.000	113.573	142.5752
CAN	107.000	85.000	102.9538	112.500	86.000	111.2921
GBP	188.679	147.906	178.1998	193.300	172.000	185.1362
EURO	166.000	136.332	161.8717	171.550	155.000	170.5802

*Rates as at September 21, 2020

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (September 22, 2020) trading session. The overnight rate stood at 0.30% to 0.50%, while the 30-day rate was 1.20% to 1.40%.

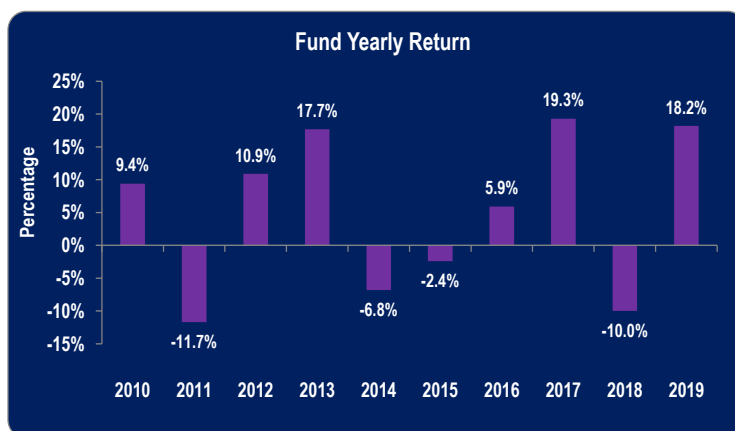
The US dollar fixed income market was also liquid during today's (September 22, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.

Over The Counter Funds (CI FUNDS)

CI International Value Corporate Class

This fund invests primarily in equity and equity-related securities of companies whose primary operations are out-side of North America.

The fund has a 3 year return of -0.6% and a 5 year return of 3.4%. The Fund also has a 10 year return of 4.2%. Rates are as at August 31, 2020.



STOCK OF THE DAY: WisyncoGroup Limited (WISYNCO)

For the year ended June 30, 2020:

Wisynco Group Limited for the year ended June 30, 2020, reported total revenue of \$32.17 billion a 19% increase when compared with the \$26.94 billion reported in 2019.

Cost of sales for the year amounted to \$21.10 billion, up 25% relative to \$16.87 billion reported in 2019. Consequently, gross profit rose 10% to close at \$11.07 billion compared to the \$10.07 billion a year earlier.

Total expenses, for the twelve months ended June 30, 2020, rose 13% to close at \$8.16 billion (2019: \$7.22 billion). Of total expenses, selling and distribution expenses climbed 11% to total \$6.78 billion (2019: \$6.12 billion), while administrative expenses increased 25% to \$1.37 billion (2019: \$1.10 billion).

Other income for the year decreased 51% to \$142.65 million (2019: \$288.66 million). As such, WISYNCO booked a 3% decline in operating profit to \$3.05 billion (2019: \$3.14 billion).

Finance income amounted to \$320.50 million, up 169% from the \$119.22 million reported in 2019. Finance costs decreased 32% to \$155.84 million for the year from \$230.21 million for 2019. Moreover, the Company reported 'Share of results of associate' of \$984,000 for the year (2019: 7.79 million).

Profit before taxation amounted to \$3.22 billion, relative to \$3.03 billion reported in 2019, a 6% increase year over year. Taxation for the period amounted to \$557.57 million (2019: \$491.72 million). Profit from continuing operation amounted to \$2.66 billion relative to \$2.54 billion booked for the comparable period in 2019. The Company booked a 64% decrease in profit from discontinued operations from \$387.16 million to \$139.74 million for the year ended June 30, 2020.

As such, net profit decreased 4% to \$2.80 billion relative to \$2.93 billion posted in 2019. Net profit for the fourth quarter amounted to \$460.51 million relative to \$691.04 million in 2019. Notably, total comprehensive income for the year amounted to \$2.84 billion (2019: \$2.94 billion).

Earnings per share (EPS) for the quarter amounted to \$0.12 (2019: \$0.18), while the EPS for the year end amounted to \$0.76 (2019: \$0.78). The number of shares used in our calculations is 3,750,000,000.

*Prices are as at September 22, 2020 *Projections are made to the company's financial year end

“Federal Reserve Chair Jerome Powell said the U.S. economy is improving but has a long way to go before fully recovering from the coronavirus pandemic. “Many economic indicators show marked improvement,” Powell said Monday in the text of testimony he’s scheduled to deliver before the House Financial Services Committee on Tuesday. “Both employment and overall economic activity, however, remain well below their pre-pandemic levels, and the path ahead continues to be highly uncertain,” he said.”

<https://www.bloomberg.com/news/articles/2020-09-21/fed-s-powell-says-u-s-economy-faces-long-uncertain-recovery?srnd=economics-vp>

“The Bank of England isn’t close to negative interest rates despite the resurgence of the coronavirus reinforcing downside risks to the U.K. economy, according to Governor Andrew Bailey. While the bank has “looked hard” at rate cuts and negative rates are in the toolbox, planned technical work on the policy is to examine whether it can be implemented rather than a signal it is coming, he said.“It’s in the toolbag but it doesn’t imply anything about the probability of us using negative interest rates at the moment,” Bailey said.”

<https://www.bloomberg.com/news/articles/2020-09-22/boe-s-bailey-plays-down-chance-of-negative-rates-on-virus-risks?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at September 21, 2020	
	Percentage (%)
Yield to Maturity	4.66
Weighted Average Coupon	4.924
Current Yield	5.09

The platinum portfolio has an effective maturity of 13.20 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.

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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

