

LOCAL STOCK MARKET: (JS) +

Stock Symbol	CAR	GK	LASD	CHL	FTNA
Current Price (\$)	6.49	57.96	3.02	7.80	4.83
Trailing EPS (\$)	0.68	5.25	0.23	0.29	0.22
P/E (times)	9.51	11.04	12.92	26.86	21.82
Projected P/E	10.40	9.86	10.62	29.28	20.16
Projected EPS (\$) +	0.62	5.88	0.28	0.27	0.24
Book Value per share (\$)	0.30	55.19	1.65	1.25	1.19
Price/Book Value (times)	21.68	1.05	1.83	6.25	4.04
Dividend Yield (2019 %)	7.07%	2.44%	1.11%	1.60%	N/A
Volumes	39,571	114,291	4,500	670	518,595
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	145.600	112.590	141.3689	150.660	114.402	142.2523
CAN	108.200	80.000	107.2130	111.581	93.595	107.1584
GBP	187.600	148.570	181.2272	187.600	172.000	185.7088
EURO	167.300	133.179	161.7599	169.042	162.000	168.1110

*Rates as at September 28, 2020



STOCK OF THE DAY: Grace Kennedy Limited (GK)

For the six months ended June 30, 2020:

Grace Kennedy Limited (GK), for the six months ended June 30, 2020, recorded revenue of \$56.53 billion for period (2019: \$51.49 billion), a year over year increase of 10%. The biggest contributor to the group's overall revenue for the six month period came from the 'Food Trading' segment which contributed a total of \$44.94 billion (2019: \$41.03 billion), an increase of 10% relative to the prior year's corresponding period.

Direct and operating Expenses amounted to \$52.96 billion relative to \$49.64 billion booked for the previous period, indicating a 6% increase. The company booked a net impairment losses on financial assets of \$501.99 million (2019: \$199.90 million) and for the six months period.

As such, gross profit for the six months climbed 86% to \$3.07 billion relative to \$1.65 billion booked for the similar period of 2019. Other Income during the first six months ended June 30, 2020, rose 26% to total \$1.50 billion (2019: \$1.19 billion). Consequently, profit from operations closed the six months period at \$4.56 billion (2019: \$2.84 billion).

Interest income from non-financial services grew 6% to total \$223.46 million compared to \$211.41 million reported in the prior year's corresponding period. Interest expenses from non-financial services amounted to \$553.44 million versus \$473.30 million a year earlier, a 66% increase. Additionally, share of results of associated companies declined by 22% amounting to \$286.93 million, versus \$368.26 million reported for June 2019.

As such, pre-tax profits increased 53% to approximately \$4.52 billion, compared to pre-tax profit of \$2.95 billion documented for the first six months of 2019. Additionally, GK incurred taxation expenses amounting to approximately \$1.47 billion compared to \$678.58 million in June 2019.

Consequently, net profit climbed 34% to \$3.05 billion from \$2.27 billion booked for the first six months of 2019. Net Profits attributable to shareholders amounted to \$2.75 billion compared to \$2.01 billion in the previous year's corresponding period, showing a 37% increase.

Earnings per share for six months amounted to \$2.76 (2019: \$2.02). GK's trailing EPS amounted to \$5.25. The number of shares used in our calculations is 995,004,356 units 2019. The number of shares used in the calculations amounted to 4,091,163,151 units.

*Prices are as at September 29, 2020 *Projections are made to the company's financial year

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (September 29, 2020) trading session. The overnight rate stood at 0.30% to 0.50%, while the 30-day rate was 1.30% to 1.50%.

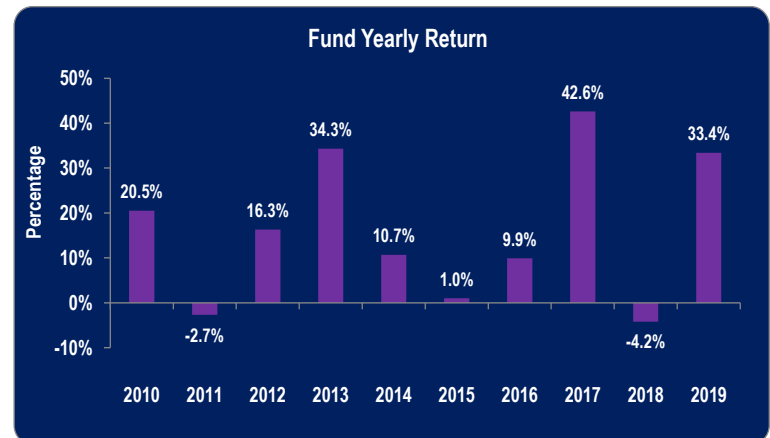
The US dollar fixed income market was also liquid during today's (September 29, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.

Over The Counter Funds (CI FUNDS)

Signature Global Science & 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 24.4% and a 5 year return of 24.0%. The Fund also has a 10 year return of 19.6%. Rates are as at August 31, 2020.



“Four years later, Trump heads into the November election on track to be the first U.S. leader since World War II to oversee a net loss of jobs during a four-year term. The pandemic upended the nation’s record-long expansion and triggered the sharpest recession since at least the 1940s. As a result, since Trump’s inauguration, the nation has shed a net 4.7 million positions as of August and more than 13 million people are unemployed, the rough equivalent of the combined populations of New York City, Chicago and Houston.”

“China reduced the pace of its purchases of U.S. goods in August, making slow progress in meeting the goals of its trade deal with the world’s biggest economy. The value of U.S. goods bought by China declined from the previous month, led by a slowdown in energy products, according to Bloomberg calculations based on Customs Administration data. By the end of August, China had purchased about 32.8% of the full-year target of more than \$170 billion -- meaning it must buy about \$115 billion of goods in the remaining four months of the year to comply with the agreement signed in January.”

<https://www.bloomberg.com/news/articles/2020-09-29/trump-s-jobs-record-fell-short-of-promises-even-before-the-coronavirus-pandemic?smd=economics-vp>

<https://www.bloomberg.com/news/articles/2020-09-29/china-makes-slow-progress-on-u-s-trade-deal-as-purchases-slide?smd=economics-vp>

PLATINUM PORTFOLIO

STRUCTURED PRODUCT

Platinum Portfolio Yield Measures as at September 28, 2020

	Percentage (%)
Yield to Maturity	4.35
Weighted Average Coupon	4.917
Current Yield	5.10

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.

The platinum portfolio has an effective maturity of 13.095 years and duration of 4.68 years.

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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



OVER 30 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH

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