

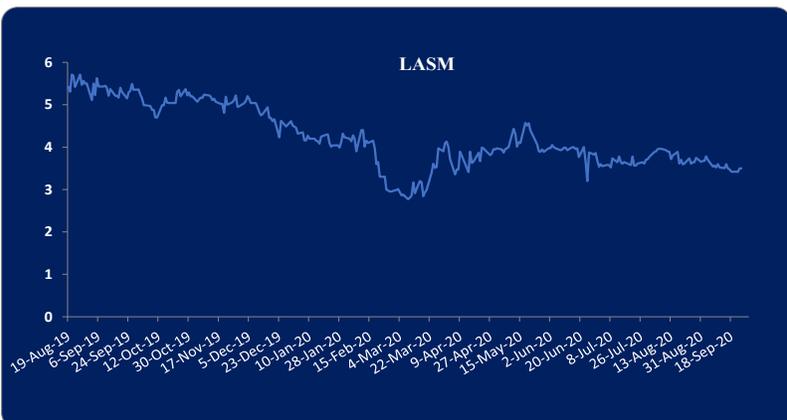
LOCAL STOCK MARKET: (JS) +

Stock Symbol	GK	KREMI	LASM	MTL	CABROKERS
Current Price (\$)	57.61	5.01	3.45	0.15	1.80
Trailing EPS (\$)	5.25	0.25	0.25	0.01	0.12
P/E (times)	10.98	20.33	13.66	12.59	15.27
Projected P/E	9.81	18.04	12.21	19.67	16.17
Projected EPS (\$) +	5.88	0.28	0.28	0.01	0.11
Book Value per share (\$)	55.19	2.16	1.72	0.07	1.09
Price/Book Value (times)	1.04	2.32	2.01	2.03	1.64
Dividend Yield (2019 %)	2.44%	0.82%	1.65%	1.15%	N/A
Volumes	45,317	32,162	6,027	NIL	1,067
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	148.000	113.400	144.8864	152.280	116.060	146.0437
CAN	112.450	88.788	110.5703	114.156	100.000	111.9854
GBP	189.000	151.641	183.5538	197.316	171.000	190.2179
EURO	170.000	134.000	166.3121	177.250	165.500	175.3894

*Rates as at October 20, 2020



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 out-turn 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.

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (October 21, 2020) trading session. The overnight rate stood at 0.30% to 0.50%, while the 30-day rate was 1.40% to 1.60%.

The US dollar fixed income market was also liquid during today's (October 21, 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 outside of North America.

The fund has a 5 year return of 4.1% and a 10 year return of 3.0%. Rates are as at September 30, 2020



“The U.S. economy continued to grow across the country as it recovered from the coronavirus pandemic but the picture was uneven, according to a new report from the Federal Reserve. “Changes in activity varied greatly by sector,” the central bank said in its Beige Book survey released Wednesday in Washington. “Economic activity continued to increase across all districts, with the pace of growth characterized as slight to modest in most districts.”

<https://www.bloomberg.com/news/articles/2020-10-21/fed-s-beige-book-shows-slight-to-modest-growth-recovery-uneven?srnd=economics-vp>

“The European Central Bank is fielding the clearest calls yet for more democratic accountability, tougher action on climate change, and new stimulus that more directly helps workers rather than boosting asset prices. In an “ECB Listens” event as part of the institution’s strategic overhaul, labor unions, environmental campaigners and social groups urged officials to be more mindful of the side effects of their policies.”

<https://www.bloomberg.com/news/articles/2020-10-21/lane-warns-weak-inflation-is-bad-idea-in-ecb-listening-session?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at October 20, 2020

	Percentage (%)
Yield to Maturity	4.20
Weighted Average Coupon	4.917
Current Yield	4.78

The platinum portfolio has an effective maturity of 13.31 years and duration of 4.86 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 than 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



OVER 30 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH

POSITIVE TRANSFORMATION FOR OUR CLIENTS

MANAGED FUNDS SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS