

DAILY MARKET SUMMARY



VOLUME 3 October 29, 2020

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	WISYNCO	LASM	CCC	FTNA	CHL
Current Price (\$)	15.53	3.41	56.56	4.91	7.75
Trailing EPS (\$)	0.75	0.25	2.99	0.22	0.29
P/E (times)	20.78	13.50	18.92	22.19	26.68
Projected P/E	21.34	12.07	14.37	20.49	29.09
Projected EPS (\$) [*]	0.73	0.28	3.94	0.24	0.27
Book Value per share (\$)	3.46	1.72	12.43	1.19	1.25
Price/Book Value (times)	4.49	1.99	4.55	4.11	6.21
Dividend Yield (2019 %)	1.55%	1.65%	N/A	N/A	1.60%
Volumes	136,098	110,395	19,412	98,078	NIL
Recommendation	HOLD	BUY	BUY	HOLD	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	148.100	114.210	145.1283	152.280	116.889	146.4328
CAN	113.050	89.880	111.2219	114.000	100.000	111.7912
GBP	195.000	152.430	184.2445	199.000	177.550	192.0871
EURO	168.563	155.000	166.6806	177.411	165.500	176.4661

*Rates as at October 28, 2020

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (October 29, 2020) trading session. The overnight rate stood at 0.30% to 0.50%, while the 30-day rate was 1.40% to 1.60%.

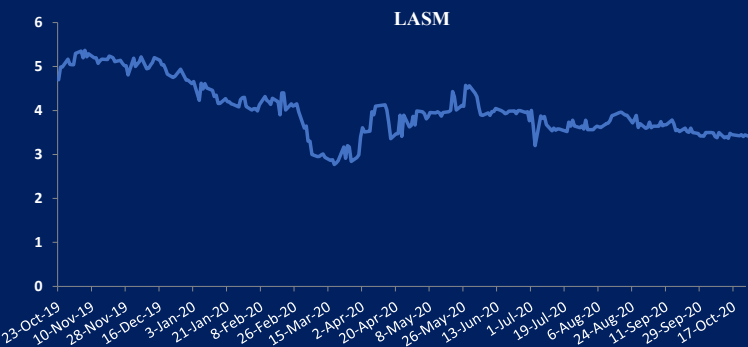
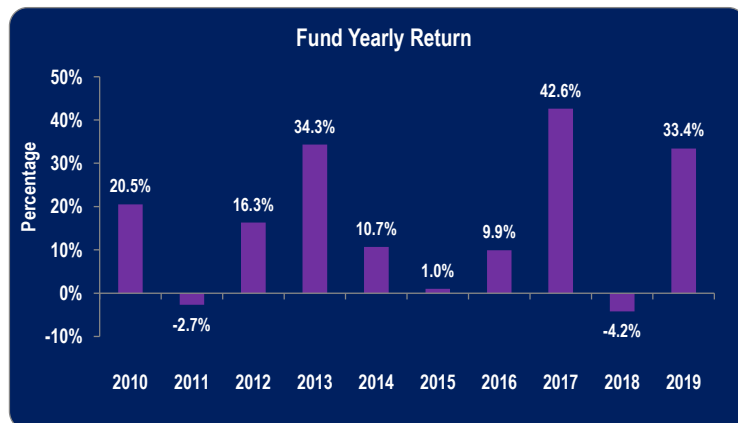
The US dollar fixed income market was also liquid during today's (October 29, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.

Over The Counter Funds (CI FUNDS)

Signature Global 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 22.1% and a 5 year return of 23.6%. The Fund also has a 10 year return of 17.7%. Rates are as at September 30, 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

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

“The U.S. economy bounced back with a record yet temporary surge of growth in the third quarter as businesses reopened and stimulus cash powered consumer spending, reversing much of the collapse stemming from coronavirus-enforced lockdowns. Just as the second-quarter plunge in output was the biggest in seven decades of data, so too was the third-quarter rebound: Gross domestic product grew 7.4%, a quarterly gain that equals an annualized pace of 33.1%, the Commerce Department’s initial estimate showed Thursday.”

<https://www.bloomberg.com/news/articles/2020-10-29/u-s-economy-expands-at-record-33-1-pace-after-covid-plunge?srnd=premium>

“China unveiled the first glimpses of its economic plans for the next five years, promising to build the nation into a technological powerhouse as it emphasized quality growth over speed. Initial details released by the Communist Party’s Central Committee Thursday stressed the need for sustainable growth and also pledged to develop a robust domestic market. The communique published by state media following a four-day closed-door meeting didn’t specify the pace of growth policy makers would target.”

<https://www.bloomberg.com/news/articles/2020-10-29/china-pledges-quality-growth-in-new-5-year-economic-plan?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at October 26, 2020

	Percentage (%)
Yield to Maturity	4.13
Weighted Average Coupon	4.917
Current Yield	4.92

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 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



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