

DAILY MARKET SUMMARY



VOLUME 3 October 5, 2020

LOCAL STOCK MARKET: (JS) +

Stock Symbol	LASM	CCC	SEP	CHL	HONBUN
Current Price (\$)	3.50	49.59	55.83	6.35	4.75
Trailing EPS (\$)	0.25	1.64	2.21	0.29	0.30
P/E (times)	13.86	30.33	25.26	21.86	15.61
Projected P/E	12.39	21.58	17.93	23.84	14.83
Projected EPS (\$) +	0.28	2.30	3.11	0.27	0.32
Book Value per share (\$)	1.72	10.32	22.18	1.25	1.76
Price/Book Value (times)	2.04	4.81	2.52	5.09	2.70
Dividend Yield (2019 %)	1.65%	N/A	1.67%	1.60%	1.54%
Volumes	4,431	4,716	30,748	400	28,625
Recommendation	BUY	HOLD	BUY	SELL	HOLD

FOREIGN EXCHANGE MARKET TRADING SUMMARY

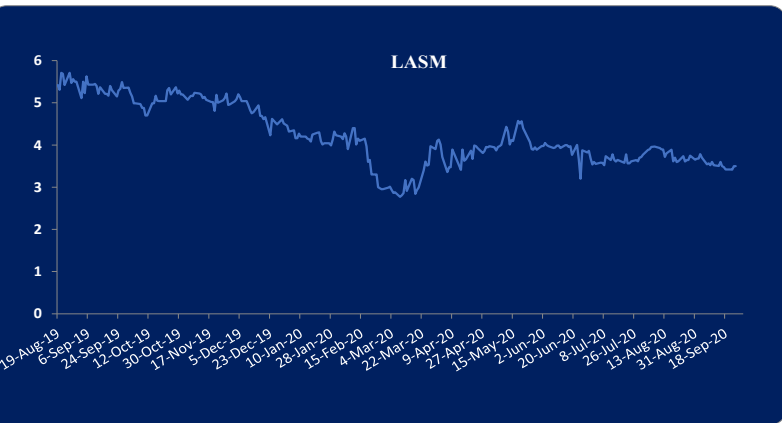
Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	146.200	112.995	142.3970	150.660	127.000	143.9567
CAN	109.000	88.032	104.6007	112.806	100.000	109.0402
GBP	188.600	149.400	178.9092	192.647	175.000	186.5718
EURO	170.500	136.400	169.5698	172.270	163.000	170.0248

*Rates as at October 02, 2020

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (October 5, 2020) trading session. The over night 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 (October 5, 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%.



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%.

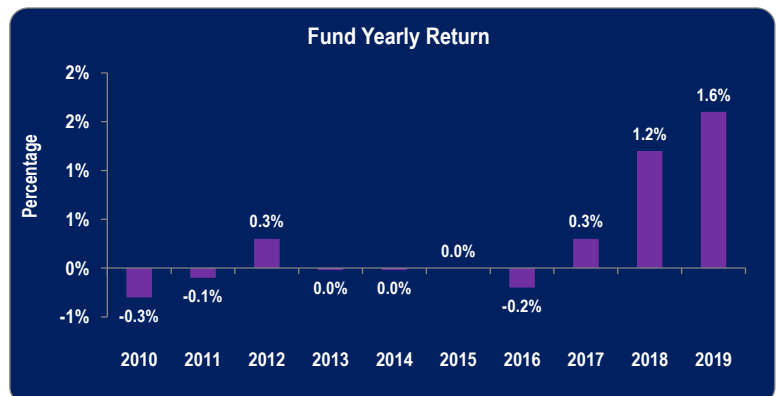
Consequently, earnings per share for the quarter ended June 30, 2020, amounted to \$0.08 relative to \$0.07 in 2019. The twelve months trailing EPS amounts to \$0.25. The number of shares used in the calculations amounted to 4,130,913,151 units.

Over The Counter Funds (CI FUNDS)

CI Short-Term US\$ Corporate Class

This fund invests primarily in U.S. money market instruments.

The fund has a 3 year return of 1.0% and a 5 year return of 0.6%. The Fund also has a 10 year return of 0.3%. Rates are as at August 31, 2020



+Prices are as at October 5, 2020 *Projections are made to the company's financial year end

U.S.: Fed's Evans Says He'd Welcome 2.5% Inflation Rate in U.S.

"Federal Reserve Bank of Chicago President Charles Evans said he would welcome 2.5% inflation in the U.S. for a time in order to average out the current period in which price pressures are running below the central bank's 2% target. "I think we have to cross over, beyond 2%, with some momentum," Evans said Monday during a Bloomberg TV interview with Michael McKee. "I would be quite pleased if we could get core inflation up to 2.5% for a time." The Chicago Fed president's comments followed earlier remarks Monday at a virtual conference in which he predicted it would be several years before the inflation rate, which by the Fed's preferred measure was 1.4% in August, rises back to the target, and foreshadowed a debate about when and how fast to raise interest rates once the target is achieved."

<https://www.bloomberg.com/news/articles/2020-10-05/fed-s-evans-sees-years-long-wait-ahead-for-inflation-overshoot?srnd=economics-vp>

Europe: BOE's Haskel Says He Stands Ready to Vote for More Stimulus

"Bank of England policy maker Jonathan Haskel said he's prepared to back more monetary support for the U.K. if necessary as he warned that the near-term risks to the economy lie to the downside. Haskel, considered one of the more dovish members of the Monetary Policy Committee, helped lead the charge for the BOE's previous round of stimulus. Speaking in a webinar on Monday, he said that a "material amount" of spare capacity has emerged and that he anticipates a temporary period of subdued inflation pressure. I stand ready to vote for more stimulus measures should they be needed," Haskel said. Most economists expect additional easing to be announced by the end of this year as a resurgence of the coronavirus, rising unemployment and the potential for a messy Brexit reinforce risks to the economy."

<https://www.bloomberg.com/news/articles/2020-10-05/boe-s-haskel-says-he-stands-ready-to-vote-for-more-stimulus?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at October 5, 2020

	Percentage (%)
Yield to Maturity	4.35
Weighted Average Coupon	4.917
Current Yield	5.05

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

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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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