

DAILY MARKET SUMMARY



VOLUME 3 November 18, 2020

LOCAL STOCK MARKET: (J\$) +

Stock Symbol	LASM	WIG	CCC	JAMT	CAC
Current Price (\$)	3.81	0.72	57.81	6.10	9.00
Trailing EPS (\$)	0.28	0.05	2.99	0.30	0.16
P/E (times)	13.58	13.73	19.34	20.25	57.47
Projected P/E	12.23	11.59	14.69	16.73	51.42
Projected EPS (\$)	0.31	0.06	3.94	0.36	0.18
Book Value per share (\$)	1.75	0.35	12.43	2.57	2.90
Price/Book Value (times)	2.17	2.04	4.65	2.38	3.10
Dividend Yield (2019 %)	1.65%	N/A	N/A	1.33%	0.21%
Volumes	10,000	1,653,915	23,334	123,595	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	149.800	115.830	145.8892	155.520	118.547	148.0984
CAN	114.000	96.000	111.9687	115.950	100.000	112.8377
GBP	196.500	145.975	192.8819	201.642	180.000	193.9599
EURO	171.200	140.000	168.0558	183.000	169.000	177.0898

*Rates as at November 17, 2020

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (November 18, 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 (November 18, 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 six months ended September 30, 2020:

Lasco Manufacturing Limited (LASM) for the six months ended September 30, 2020, recorded an increase of \$276.02 million or 7% in revenue to total \$4.12 billion relative to the \$3.85 billion recorded for the comparable period in 2019. For the second quarter, total revenue closed at \$2.28 billion (2019: \$2.06 billion), a 10% rise.

Cost of sales amounted to \$2.52 billion (2019: \$2.43 billion) for the period, an increase of 4% year on year. As a result, gross profit of \$1.60 billion was recorded for the period, 13% more than the \$1.42 billion booked in September 2019. For the quarter, gross profit grew by 17% to close at \$880.51 million (2019: \$754.22 million).

LASM posted other operating loss of \$18.18 million, compared to other operating income of \$13.91 million reported for the prior year. While for the quarter, other operating losses totaled \$15.85 million versus other operating losses of \$3.20 million in the previous comparable quarter.

Operating expenses closed the period at \$667.84 million compared to \$721.99 million booked for the corresponding period last year. While, for the quarter, operating expenses declined by 9% amounting to \$356.91 million (2019: \$391.80 million).

Consequently, LASM recorded operating profits of \$914.65 million, 28% higher than the \$714.03 million booked in 2019. Operating profits rose 41% to close the second quarter at \$507.76 million relative to \$359.21 million in the prior comparable quarter.

Finance costs for the six months declined by 41% to \$31.83 million compared to \$53.96 million in the prior year's comparable period. In the second quarter, finance costs also fell by 29% to close the quarter at \$15.57 million (2019: \$21.91 million).

As such, profit before taxation amounted to \$882.82 million, an increase of 34% from the \$660.07 million recorded for the previous year. Taxes recorded for the period amounted to \$145.35 million (2019: \$97.51 million). Thus, net profit for the six months period totalled \$737.47 million compared to \$562.56 million in 2019, an increase of 31%. While, for the second quarter, net profit closed at \$395.66 million (2019: \$280.15 million), up by 41%.

Consequently, Earnings per share for the period ended September 30, 2020 amounted to \$0.18 relative to \$0.14 in 2019. For the quarter, Earnings per share totalled to \$0.10 (2019: \$0.07). The trailing twelve months EPS amounts to \$0.28. The number of shares used in the calculations amounted to 4,130,913,151 units.

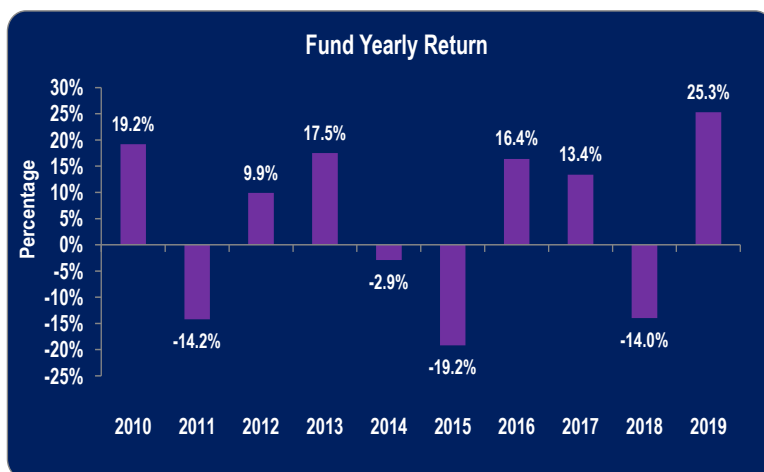
*Prices are as at November 18, 2020 *Projections are made to the company's financial year end

Over The Counter Funds (CI FUNDS)

CI Canadian Investment Corporate Class

This fund invests primarily in shares of major Canadian corporations. It is currently expected that investments in foreign securities will generally be no more than 49% of the fund's assets.

The fund has a 3 year return of 0.7% and a 5 year return of 4.0%. The Fund also has a 10 year return of 2.2%. Rates are as at October 31, 2020.



“U.S. retail sales climbed in October at the slowest pace in six months, suggesting consumers are becoming more hesitant amid a surging pandemic and lack of fresh federal stimulus. The value of total sales increased 0.3% from the prior month, when there was a downwardly revised 1.6% gain, Commerce Department figures showed Tuesday. The median estimate in a Bloomberg survey of economists called for a 0.5% increase. Excluding autos and gasoline, sales rose 0.2%, compared with estimates for a 0.6% gain.”

<https://www.bloomberg.com/news/articles/2020-11-17/u-s-retail-sales-rose-in-october-at-slowest-pace-in-six-months?srd=economics-vp>

“China’s surging economy is set to overtake 56 countries in the world’s per-capita income rankings during the quarter-century through 2025, the International Monetary Fund projects. By that date, China will rank 70th in the world on the metric, putting it close to joining the richest one-third of nations, according to data analyzed by Bloomberg from last month’s IMF World Economic Outlook.”

<https://www.bloomberg.com/news/articles/2020-11-17/china-to-leapfrog-56-nations-during-quarter-century-income-surge?srd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at November 16, 2020

	Percentage (%)
Yield to Maturity	4.05
Weighted Average Coupon	4.907
Current Yield	4.89

The platinum portfolio has an effective maturity of 13.35 years and duration of 4.84 years.

STRUCTURED PRODUCT

USD Money Market

This portfolio is a full discretionary managed bond portfolio, ideal for clients who have short-term USD liquidity needs. Assets within the portfolio can be used as collateral for loans. The product provides a solid short-term investment option in hard currency and allows the individual to hedge against the prevailing devaluation in the local currency.

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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



www.mayberryinv.com

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