

DAILY MARKET SUMMARY



VOLUME 1 February 9, 2021

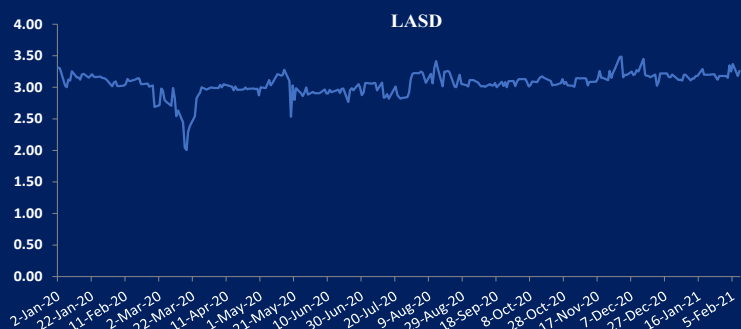
LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	LASM	SML	LASD	DTL	CHL
Current Price (\$)	4.40	4.99	3.26	2.60	7.93
Trailing EPS (\$)	0.30	0.35	0.256	0.13	0.26
P/E (times)	14.88	14.35	12.72	20.55	30.67
Projected P/E	13.60	17.26	11.70	18.98	36.50
Projected EPS (\$) [*]	0.32	0.29	0.279	0.14	0.22
Book Value per share (\$)	1.64	5.52	1.79	0.58	1.22
Price/Book Value (times)	2.68	0.90	1.82	4.46	6.49
Dividend Yield (2019 %)	1.56%	3.45%	1.56%	0.50%	2.24%
Volumes	4,069,352	24,000	45,100	5,601,035	NIL
Recommendation	BUY	HOLD	BUY	HOLD	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	152.000	117.450	148.0173	157.140	119.376	149.4815
CAN	117.900	94.542	116.0459	121.300	106.000	118.2375
GBP	207.000	161.540	199.1955	210.900	192.500	207.3744
EURO	180.700	141.983	176.3009	185.800	173.650	183.6266

*Rates as at February 08, 2021



STOCK OF THE DAY: Lasco Distributors Limited (LASD)

For the nine months ended December 31, 2020:

Lasco Distributors Limited (LASD), for the nine months ended December 31, 2020, posted 6% growth in revenue to \$15.23 billion, up from \$14.30 billion in the corresponding period in 2019.

Cost of sales amounted to \$12.44 billion, up 8% on the \$11.48 billion reported in the prior comparable period. Consequently, gross profit fell by 1% year over year, closing at \$2.79 billion compared to the \$2.82 billion generated for the same period in the prior year.

Other operating income rose by 49% to end the nine months period at \$105.68 million relative to \$70.73 million in the corresponding period last year. For the quarter, other operating income decreased by 2% to \$24.93 million (2019: \$25.42 million).

Operating expenses of \$2.02 billion was booked for the nine months, representing an 11% decline on \$2.26 billion recorded for the comparable period of 2019.

Operating profit rose by 39% to close at \$873.81 million for the period under review (2019: \$630.27 million). Finance cost fell by 71% totalling \$3.59 million for the period compared to \$12.56 million in the year prior.

Pre-tax profit amounted to \$870.22 million, an increase of 41% from the \$617.71 million in the previous year. Pre-tax profit saw a 55% increase in the third quarter closing at \$290.72 million (2019: \$187.96 million).

Net profit for the period closed at \$731.25 million (2019: \$557.50 million), a 31% increase year over year following taxation of \$138.97 million (2019: \$60.21 million).

Total comprehensive income for the period amounted to \$767.48 million (2019: \$561.08 million).

Earnings per share for the nine months ended December 31, 2020 totaled \$0.21 versus \$0.16 for the corresponding period in 2019. The trailing twelve months EPS is \$0.26. The total amount of shares outstanding used for this calculation was 3,510,403,292 units.

⁺Prices are as at February 09, 2021 *Projections are made to the company's financial year end

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (February 09, 2021) trading session. The overnight rate stood at 0.30% to 0.50%, while the 30-day rate was 1.50% to 1.70%.

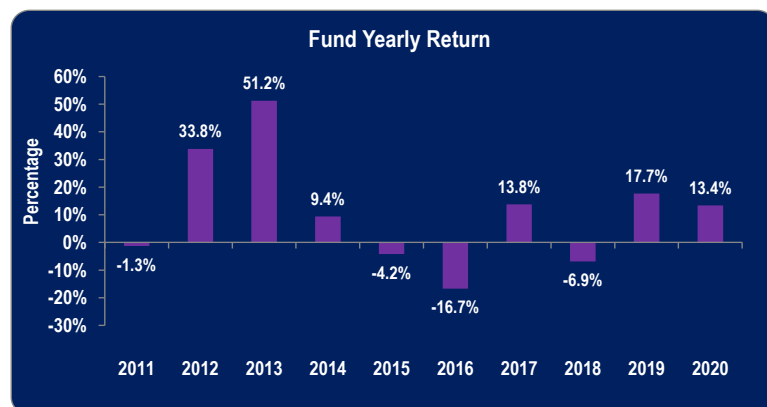
The US dollar fixed income market was also liquid during today's (February 09, 2021) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.

Over The Counter Funds (CI FUNDS)

CI Global Health Sciences Corporate Class

This fund invests primarily in equity and equity-related securities of companies around the world that specialize in the health care or medical industry.

The fund has a 3 year return of 7.5% and a 5 year return of 3.3%. The Fund also has a 10 year return of 9.4%. Rates are as at December 31, 2020.



“President Joe Biden and White House officials are siding with liberal Democrats stung by past efforts to reach compromise with Republicans and refusing to heed GOP appeals to scale back the administration’s \$1.9 trillion stimulus. Biden entered talks last week with a group of Republican senators who proposed a bill just one-third the size of his pandemic-relief package. They were the first lawmakers he invited to the White House as president, raising concern on the left he might seriously entertain their counter-proposal.”

<https://www.bloomberg.com/news/articles/2021-02-09/biden-warms-to-fast-track-stimulus-after-liberal-pressure-mounts?srnd=economics-vp>

“The U.K. stands out as the sole Group-of-Seven economy where the OECD’s Composite Leading Indicators still point to a slowdown. The measure, which the organization says is designed to anticipate turning points six to nine months before they happen, also showed a steady increase in the outlooks for Brazil, China and India. The figures should be interpreted with care as underlying components are influenced by changing measures to contain Covid-19 and vaccination campaigns, the OECD said.”

<https://www.bloomberg.com/news/articles/2021-02-09/u-k-stands-out-with-signals-of-slowdown-in-oecd-gauge-chart?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at February 09, 2021

	Percentage (%)
Yield to Maturity	3.92
Weighted Average Coupon	4.903
Current Yield	4.79

The platinum portfolio has an effective maturity of 13.31 years and duration of 4.88 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

