

### LOCAL STOCK MARKET: (JS)\*

Stock Symbol	SJ	GK	LASD	LUMBER	SOS
Current Price (\$)	52.37	88.01	4.05	3.31	8.50
Trailing EPS (\$)	3.79	6.59	0.256	0.12	0.18
P/E (times)	13.82	13.36	15.81	27.32	47.64
Projected P/E	13.67	11.88	14.54	18.97	27.82
Projected EPS (\$)	3.83	7.41	0.279	0.17	0.31
Book Value per share (\$)	27.12	62.88	1.79	0.40	2.66
Price/Book Value (times)	1.93	1.40	2.26	8.38	3.20
Dividend Yield (2020 %)	1.70%	2.55%	1.56%	1.30%	1.76%
Volumes	13,121	58,997	18,634	334,579	267,890
Recommendation	HOLD	HOLD	BUY	BUY	SELL

### FOREIGN EXCHANGE MARKET TRADING SUMMARY

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	154.500	117.531	149.3155	163.072	120.701	150.6757
CAN	126.000	101.590	120.1999	127.900	118.500	124.6677
GBP	214.000	169.403	208.2386	218.834	203.500	211.2043
EURO	181.700	147.840	176.3010	186.250	175.000	183.9302

\*Rates as at May 17, 2021

### MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (May 18, 2021) trading session. The over night rate stood at 0.35% to 0.50%, while the 30-day rate was 1.60% to 1.80%.

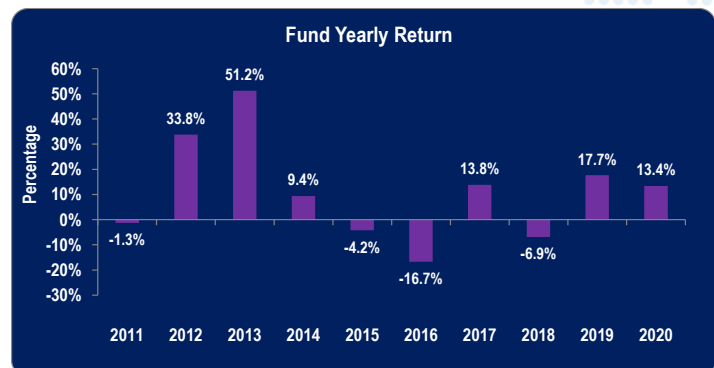
The US dollar fixed income market was also liquid during today's (May 18, 2021) trading session; The overnight market rates were quoted at 1.00% to 1.20% while the 30-day market rates stood at 1.70% to 1.90%.

### 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 9.50% and a 5-year return of 6.40%. The Fund also has a 10-year return of 9.20%. Rates are as at March 31, 2021.



### STOCK OF THE DAY: GraceKennedy Limited (GK)

#### For the three months ended March 31, 2021

GraceKennedy Limited (GK) recorded revenues of \$31.39 billion for the period under review (2020: \$28.85 billion), a year over year increase of 9%. Of this, revenue from products and services amounted to \$30.28 billion (2020: \$27.77 billion), while interest revenue totalled \$1.11 billion (2020: \$1.08 billion).

Total direct and operating expenses amounted to \$29.76 billion relative to \$27.33 billion booked in 2020, indicating a 9% growth compared to twelve months earlier. In addition, Net impairment losses on financial assets amounted to \$104.48 million for the three months ended March 31, 2021 relative to loss of \$247.51 million for the corresponding period last year. As such, profit before other income for the three months ended March 31, 2021 amounted to \$1.53 billion versus \$1.28 billion booked for the comparative period of 2020.

Other income for the period rose by 31% to total \$841.07 million (2020: \$641.21 million).

Moreover, profit from operations amounted to \$2.37 billion for the three months ended March 31, 2021 relative to \$1.92 billion for the comparable period last year.

Interest income from non-financial services rose by 11% to total \$130.17 million compared to \$117.62 million reported in the prior corresponding period. Interest expenses from non-financial services closed at \$264.60 million versus \$283.37 million twelve months earlier, reflecting a 7% decrease year over year.

Share of results of associated companies totalled \$285.61 million compared to \$233.63 million reported for the three months ended March 2020.

Pretax profits rose by 27% to approximately \$2.52 billion compared to pretax profit of \$1.99 billion documented for the period ended March 2020. Additionally, GK incurred taxation expenses amounting to \$680.03 million compared to \$537.27 million in the prior corresponding period.

Consequently, net profit increased by 27% to \$1.84 billion from \$1.45 billion booked for the corresponding period of 2020. Net profits attributable to shareholders for the first quarter ended March 31, 2021 amounted to \$1.65 billion compared to \$1.32 billion in the previous corresponding period in 2020. Total comprehensive income closed the three months at \$1.84 billion (2020: \$1.45 billion).

Earnings per share for the period amounted to \$1.66 (2020: \$1.32). GK's trailing EPS amounted to \$6.59. The number of shares used in our calculations is 994,916,483 units.

\*Prices are as at May 18, 2021 \*Projections are made to the company's financial year end

## U.S. Housing Starts Trail Estimate, Hinting at Supply Chain Woes

“U.S. housing starts fell by more than forecast in April, suggesting that supply-chain constraints and rising materials costs continue to hold builders back. Residential starts decreased 9.5% in April to a 1.57 million annualized rate, according to government data released Tuesday. The median estimate in a Bloomberg survey called for a 1.7 million pace.”

<https://www.bloomberg.com/news/articles/2021-05-18/u-s-housing-starts-fell-by-more-than-expected-in-april?srd=economics-vp>

## China Steps Up Efforts to Join Trade Pact Created to Exclude It

“China is pushing ahead with behind-the-scenes talks to join a major trade deal that originally aimed to exclude Beijing and cement U.S. economic power and trade ties in the Asia-Pacific region. Officials from Australia, Malaysia, New Zealand and possibly other nations have held technical talks with Chinese counterparts on details of the Comprehensive and Progressive Trans-Pacific Partnership.”

<https://www.bloomberg.com/news/articles/2021-05-17/china-steps-up-efforts-to-join-trade-pact-created-to-exclude-it?srd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at May 18, 2021

	Percentage (%)
Yield to Maturity	3.12
Weighted Average Coupon	4.26
Current Yield	4.10

The platinum portfolio has an effective maturity of 25.03 years and duration of 3.44 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](http://www.jamstockex.com), [www.bloomberg.com](http://www.bloomberg.com), [www.investopedia.com](http://www.investopedia.com), [www.tradewire.com](http://www.tradewire.com)



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