

## LOCAL STOCK MARKET: (JS) +

| Stock Symbol              | SEP     | HONBUN | LASM   | BPOW  | BIL     |
|---------------------------|---------|--------|--------|-------|---------|
| Current Price (\$)        | 51.44   | 7.85   | 5.11   | 6.99  | 70.60   |
| Trailing EPS (\$)         | 1.30    | 0.33   | 0.28   | 0.22  | 2.08    |
| P/E (times)               | 39.68   | 23.64  | 18.51  | 31.91 | 33.96   |
| Projected P/E             | 15.75   | 21.86  | 17.55  | 30.51 | 68.32   |
| Projected EPS (\$)*       | 3.27    | 0.36   | 0.29   | 0.23  | 1.03    |
| Book Value per share (\$) | 20.66   | 1.57   | 1.51   | 1.67  | 16.45   |
| Price/Book Value (times)  | 2.49    | 5.00   | 3.39   | 4.19  | 4.29    |
| Dividend Yield            | 3.17%   | 1.00%  | 1.01%  | 0.45% | N/A     |
| Volumes                   | 514,964 | 37,205 | 90,600 | 3,838 | 438,561 |
| Recommendation            | BUY     | HOLD   | HOLD   | SELL  | SELL    |

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

| Currency | PURCHASE RATE |         |                       | SALES RATE |         |                       |
|----------|---------------|---------|-----------------------|------------|---------|-----------------------|
|          | Highest       | Lowest  | Weighted Average Rate | Highest    | Lowest  | Weighted Average Rate |
| USD      | 136.500       | 102.305 | 133.2106              | 140.184    | 102.305 | 134.9503              |
| CAN      | 105.000       | 80.095  | 101.4511              | 105.500    | 95.500  | 102.2620              |
| GBP      | 177.500       | 130.000 | 173.0845              | 181.220    | 164.000 | 175.5222              |
| EURO     | 149.500       | 111.798 | 145.1130              | 154.008    | 139.000 | 150.9765              |

\*Rates as at December 04, 2019

On November 14, 2019, the Bank of Jamaica sold US\$20 million via B-FXITT, following two consecutive intervention of a total of US\$70 million on November 12&13, 2019, to authorized dealers and Cambios to augment supply in the market.

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (December 05, 2019) trading session. The overnight rate stood at 0.30% while the 30-day rate was 1.40%.

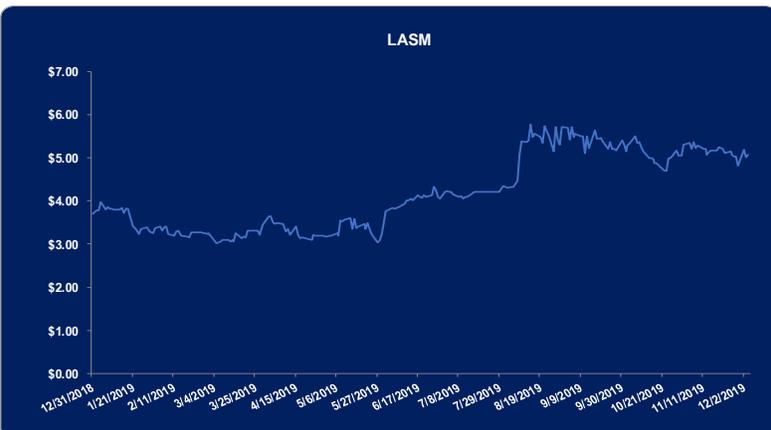
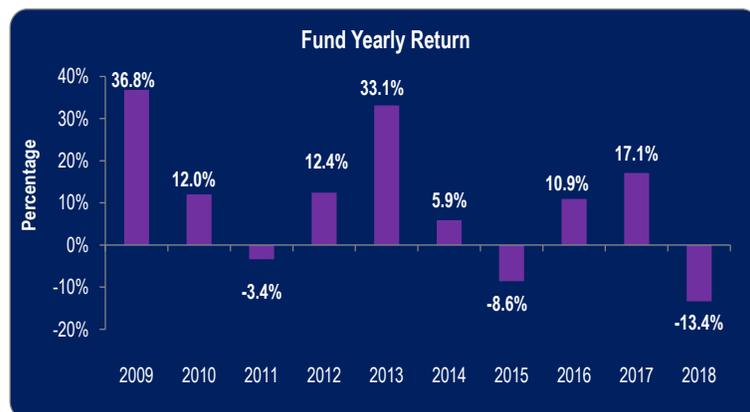
The US dollar fixed income market was also liquid during today's (December 05, 2019) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.

## OVER THE COUNTER FUNDS (CI FUNDS)

### CI American Managers Corporate Class

This fund invests primarily in equity and equity-related securities of companies that are located in countries that have signed the North American Free Trade Agreement (NAFTA) (or its successor).

The fund has a 3 year return of 9.2% and a 5 year return of 4.9%. The Fund also has a 10 year return of 8.9%. Rates are as at October 31, 2019.



## STOCK OF THE DAY: Lasco Manufacturing Limited (LASM)

### For the six months ended September 30, 2019:-

Lasco Manufacturing Limited (LASM) for the six months ended September 30, 2019, recorded an increase of \$50.30 million or 1% in revenue to total \$3.85 billion relative to the \$3.80 billion recorded for the comparable period in 2018. For the second quarter, total revenue closed at \$2.06 billion (2018: \$2.07 billion), a 0.2% decline.

Gross profit of \$1.42 billion was recorded for the period, 7% more than the \$1.32 billion booked in September 2018. For the quarter, gross profit grew by 5% to close at \$754.22 million (2018: \$716.08 million).

LASM posted other income of \$13.91 million, compared to other losses of \$4.47 million reported for the prior year. While for the quarter, other losses totaled \$3.20 million versus losses of \$7.44 million in the previous comparable quarter.

Operating expenses closed the period at \$721.99 million compared to \$651.86 million booked for the corresponding period last year. While, for the quarter, operating expenses rose by 14% amounting to \$391.80 million (2018: \$344.29 million).

Consequently, LASM recorded operating profits of \$714.03 million, 7% higher than the \$667.18 million booked in 2018. Operating profits fell 1% to close the second quarter at \$359.21 million relative to \$364.35 million in the prior comparable quarter.

As such, profit before taxation amounted to \$660.07 million, an increase of 9% from the \$603.50 million recorded for the previous year. Taxes recorded for the period amounted to \$97.51 million (2018: \$100.44 million). Thus, net profit for the six months period totalled \$562.56 million compared to \$503.06 million in 2018, an increase of 12%. While, for the second quarter, net profit closed at \$280.15 million (2018: \$265.40 million), up by 6%.

\*Prices are as at December 05, 2019 \*Projections are made to the company's financial year end

## U.S.: U.S. Labor Market Is Helping Trump and Fed Be More Patient

“The Federal Reserve and President Donald Trump may be at loggerheads over interest rates, but they have one thing in common right now: the resilient U.S. labor market is helping both be more patient. For the Fed, the November employment data due Friday should signal that jobs and consumers remain buoyant enough to sustain the expansion, validating Chairman Jerome Powell’s view that rates can stay on hold following three cuts. For Trump, it likely reduces the urgency for a trade deal with China even with investors fretting about a possible tariff increase on Dec. 15, given that escalating levies have so far failed to significantly dent the U.S. labor market. The Labor Department figures are set to show that 185,000 workers were added to nonfarm payrolls last month -- one of the highest estimates this year ahead of a jobs report.”

<https://www.bloomberg.com/news/articles/2019-12-05/u-s-jobs-report-seen-helping-trump-and-fed-be-a-little-patient>

## Asia: China in Close Contact with U.S. on Trade, Urges Tariffs Cut

“Chinese officials are in “close contact” with U.S. counterparts on trade negotiations, Ministry of Commerce spokesman Gao Feng said, while reiterating that tariffs should be reduced proportionately as part of a phase-one accord. Gao declined to give further details on the talks at a regular briefing in Beijing on Thursday. Stocks rose in Asia and Europe, and U.S. equity futures gained, as the world’s two largest economies try to reach a truce in a 20-month-long trade war that’s led to the largest volley of tariffs since the 1930s -- hitting some \$500 billion in shipments going in both directions. The U.S. has pledged to slap tariffs on more Chinese imports if a deal isn’t struck by Dec. 15, and many economists are pinning forecasts for a global economic rebound next year on a cease-fire that avoids such an escalation. President Donald Trump, speaking Wednesday at a meeting in London with German Chancellor Angela Merkel, said the discussions with China are going very well.”

<https://www.bloomberg.com/news/articles/2019-12-05/china-in-close-contact-with-u-s-on-trade-needs-tariffs-cut?srnd=premium-asia>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at December 02, 2019

|                                | Percentage (%) |
|--------------------------------|----------------|
| <b>Yield to Maturity</b>       | 5.22           |
| <b>Weighted Average Coupon</b> | 5.427          |
| <b>Current Yield</b>           | 4.09           |

The platinum portfolio has an effective maturity of 13.08 years and duration of 4.59 years.

## STRUCTURED PRODUCT

### Mayberry Managed Equity Portfolio (MMEP)

We offer a managed equity portfolio for both institutions and individuals. The MMEP is a full discretionary managed portfolio of a diversified group of stocks. The stocks included in the portfolio represent Mayberry’s top recommended stocks. Persons who find it difficult to manage their equity portfolios on a day to day basis should consider the MMEP. Further, the MMEP is for individuals and institutions who would like to pursue a medium to long term equity strategy.

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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



OVER 30 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH

POSITIVE TRANSFORMATION FOR OUR CLIENTS

MANAGED FUNDS SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS