

DAILY MARKET SUMMARY



VOLUME 3 December 9, 2020

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	SVL	KREMI	CAR	WISYNCO	VMIL
Current Price (\$)	17.66	4.04	6.52	16.20	5.82
Trailing EPS (\$)	0.85	0.25	0.700	0.66	0.31
P/E(times)	20.85	16.39	9.31	24.51	18.88
Projected P/E	17.38	14.55	9.86	25.47	23.11
Projected EPS (\$) [*]	1.02	0.28	0.661	0.64	0.25
Book Value per share (\$)	1.46	2.16	0.37	3.70	2.56
Price/Book Value (times)	12.06	1.87	17.77	4.38	2.27
Dividend Yield (2019 %)	4.46%	0.82%	7.07%	1.55%	5.05%
Volumes	10,612	6,070	49,894	22,510	60,678
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	148.300	112.590	142.6582	150.120	117.718	144.5292
CAN	115.000	90.000	107.8959	117.500	91.000	112.6305
GBP	195.000	169.000	189.7994	199.500	183.000	193.8823
EURO	172.600	137.500	168.4268	178.220	168.100	177.8342

*Rates as at December 08, 2020

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (December 09, 2020) trading session. The over night 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 (December 09, 2020) trading session; The over-night market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.

STOCK OF THE DAY: Caribbean Cream Ltd. (KREMI)

For the six months ended August 30, 2020:

Caribbean Cream Ltd. (KREMI) for six months ended August 31, 2020 reported a 6% increase in revenue totalling \$891.40 million compared to \$839.96 million in the corresponding period last year. Revenue for the second quarter rose 9% to close at \$461.42 million compared to \$422.30 million for the comparable quarter of 2019.

Costs of Sales amounted to \$581.73 (2019: \$571.45 million), this represents an increase of 2%. Consequently, Gross Profit increased by 15% or \$41.15 million to \$309.67 million compared to \$268.52 million for the period ended August 31, 2019. The company booked gross profit of \$171.25 million for the second quarter versus \$133.49 million reported for the similar quarter of 2019.

Administrative Expenses rose by 2% to close at \$188.27 million (2019: \$184.32 million), while Selling and Distribution Costs declined by 23% from \$36.50 million in 2019 to \$28.11 million in the period under review. As a result, operating profit for the six months period amounted to \$93.29 million, an 89% increase relative to \$49.30 million booked in 2019.

Finance Cost fell by 4% year over year, amounting to \$9.34 million relative to \$9.73 million recorded for the first six months of 2019. Interest income for the period also declined to end at \$679,446 relative to the \$804,324 for the corresponding six months in the prior year.

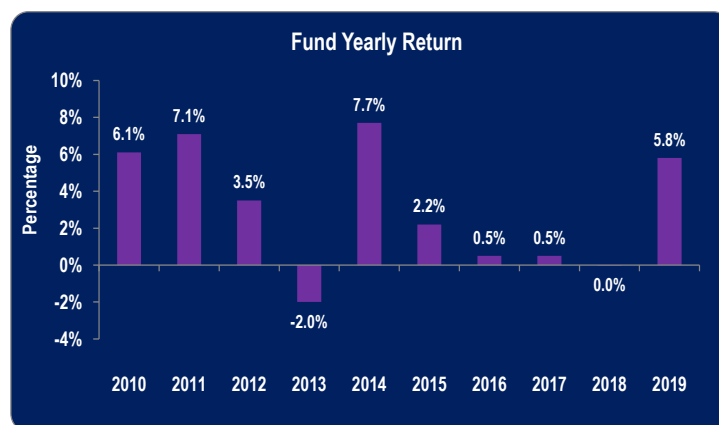
Taxation for the period amounted to \$10.58 million, a 110% increase compared to the \$5.05 million charged for the corresponding period last year. Net Profit amounted to \$74.05 million, compared to the \$35.32 million for the previous year. Profit for the quarter amounted to \$46.99 million (2019: \$14.70 million), up 220% year over year. Consequently, Earnings per Share for the six-month period amounted to \$0.20 (2019: \$0.09), while the EPS for the quarter totalled \$0.12 (2019: \$0.04). The trailing twelve months earnings per share amounted to \$0.246. The number of shares used in these calculations were 378,568,115 units.

Over The Counter Funds (CI FUNDS)

Signature Canadian Bond Fund

This fund invests primarily in fixed income securities of Canadian governments and companies. 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 4.3% and a 5 year return of 2.9%. The Fund also has a 10 year return of 3.1%. Rates are as at October 31, 2020.



⁺Prices are as at December 09, 2020 *Projections are made to the company's financial year end

“Treasury Secretary Steven Mnuchin made a surprise re-entry into talks on a 2020 pandemic-relief package with a \$916 billion proposal that opened a potential new path to a year-end deal despite objections from Democrats over elements of the plan. After largely leaving the task to Senate Majority Leader Mitch McConnell since Election Day, Mnuchin pitched a \$916 billion stimulus plan to House Speaker Nancy Pelosi in a Tuesday afternoon telephone call, more than a week after she and Senate Democratic leader Chuck Schumer retreated from their previous insistence on a \$2.4 trillion bill.”

<https://www.bloomberg.com/news/articles/2020-12-09/white-house-return-to-stimulus-talks-boosts-chance-of-a-deal?srnd=economics-vp>

“A one-off 5% tax on wealth in the U.K. could raise more than 260 billion pounds (\$348 billion) to help fix the coronavirus-hit public finances, according to a panel of experts. In a report published Wednesday, the independent Wealth Tax Commission called for a charge of 1% a year for five years on individual assets above 500,000 pounds. About 8 million residents would be affected. The debate over wealth taxes has gained momentum as the government considers how to address its fiscal situation, with the Office for Budget Responsibility predicting borrowing is on course to reach almost 400 billion pounds in the current fiscal year.”

<https://www.bloomberg.com/news/articles/2020-12-08/johnson-warns-situation-tricky-ahead-in-talks-brexite-update?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at December 7, 2020

	Percentage (%)
Yield to Maturity	3.98
Weighted Average Coupon	4.907
Current Yield	4.84

The platinum portfolio has an effective maturity of 13.31 years and duration of 4.90 years.

STRUCTURED PRODUCT

Mayberry Platinum

The Mayberry Platinum portfolio is ideal for investors seeking a short to medium-term investment with returns denominated in hard currency. The portfolio comprises Investment Grade corporate and sovereign bonds, which provide strong yield and performance. The primary objective of this product is to provide our clients with income as well as capital appreciation. The Platinum portfolio enables the client to take full advantage of a diversified bond portfolio and is ideal for persons who do not have the time to actively manage their own portfolio

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



www.mayberryinv.com

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