

# DAILY MARKET SUMMARY



VOLUME 1 January 12, 2021

## LOCAL STOCK MARKET: (J\$) <sup>+</sup>

Stock Symbol	CCC	CFF	CAR	HONBUN	BPOW
Current Price (\$)	60.14	1.62	7.13	5.40	3.28
Trailing EPS (\$)	2.99	0.05	0.700	0.35	0.10
P/E (times)	20.12	34.75	10.18	15.26	32.18
Projected P/E	15.28	20.53	10.78	14.02	28.52
Projected EPS (\$)*	3.94	0.08	0.661	0.39	0.12
Book Value per share (\$)	12.43	0.52	0.37	1.85	1.77
Price/Book Value (times)	4.84	3.12	19.43	2.93	1.85
Dividend Yield (2019 %)	N/A	15.53%	8.86%	0.56%	0.36%
Volumes	11,410	12,028	220,543	6,000	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	144.800	112.590	141.9895	150.660	112.744	143.8710
CAN	112.800	90.000	111.9439	116.640	91.000	112.7802
GBP	195.500	156.040	188.0802	199.868	180.000	195.8509
EURO	172.000	137.760	167.9894	178.950	166.750	176.9605

\*Rates as at January 11, 2021

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 12, 2021) 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 (January 12, 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%.

## STOCK OF THE DAY: Honey Bun (1982) Limited (HONBUN)

For the year ended September 30, 2020:

Honey Bun (1982) Limited (HONBUN), booked an 8% increase in revenue to \$1.67 billion, up from \$1.54 billion reported a year ago.

The Company booked a 10% increase in cost of sales to \$875.50 million (2019: \$799.17 million) which consequently led to a 7% increase in gross profit, to close at \$799.27 million (2019: \$744.81 million). HONBUN reported other income of \$9.50 million, a \$502,482 increase on the \$8.99 million posted in the prior year.

Administrative expenses rose by 12% to \$333.75 million (2019: \$299.27 million), while Selling, Distribution & Promotion expenses increased by 5% to \$292.48 million (2019: \$277.46 million). Total expenses for the year end amounted to \$626.23 million, 9% above the \$576.73 million recorded for the prior year.

Impairment gain on financial assets amounted to \$11.75 million relative to a loss of \$406,787 booked twelve months earlier.

Profit from operations expanded by 10% from \$176.66 million in 2019 to \$196.43 million for the year in review. Finance income totaled \$4.02 million, up by 166% compared to \$1.51 million reported twelve months earlier. While, finance costs surged by 25% to close at \$1.89 million (2019: \$1.51 million).

Depreciation in value of investments classified as fair value through profit or loss amounted \$5.39 million, relative to an appreciation amount of \$5.92 million twelve months earlier. As such, profit before taxation increased by 5% to \$191.04 million compared to \$182.58 million booked in 2019.

The Company incurred taxes of \$24.29 million (2019: \$26.11 million), thus resulting in Net profit after taxation of \$166.75 million, a 7% increase relative to \$156.47 million reported for the prior year's corresponding period.

Total comprehensive income for the year amounted to \$166.75 million relative to \$156.47 million in 2019.

Consequently, Earnings per share (EPS) amounted to \$0.35 (2019: \$0.33) for the year end. The number of shares used in this calculation was 471,266,950 shares.

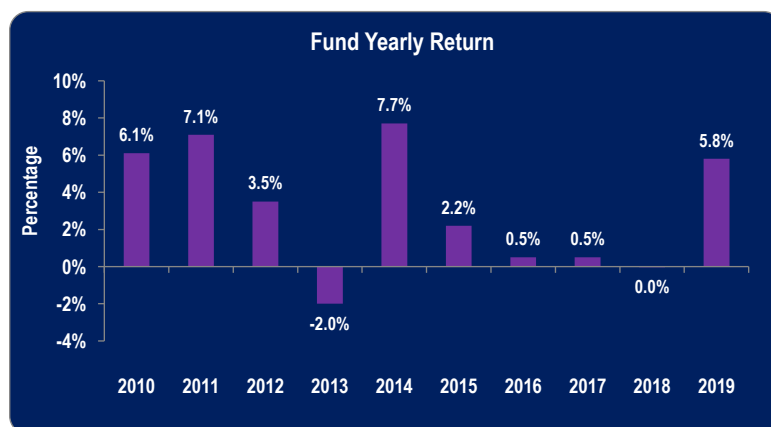
\*Prices are as at January 12, 2021\*Projections are made to the company's financial year end

## 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 4.5% and a 5 year return of 3.2%. The Fund also has a 10 year return of 3.3%. Rates are as at November 30, 2020.



“Federal Reserve officials said that more fiscal support and the mass distribution of vaccines could lead to a strong U.S. economic recovery in the second half, setting the stage for a discussion of potential tapering of bond buying before year’s end. “I do think you’re looking at a second half that is going to be very strong and the question I think is how do we get through where we are today to that second half,” Fed Richmond Bank President Thomas Barkin, who votes on monetary policy this year, told CNBC in an interview Monday.”

<https://www.bloomberg.com/news/articles/2021-01-11/fed-officials-see-strong-economic-rebound-fanning-talk-of-taper?srnd=economics-vp>

“The euro-area economy is poised to shrink again at the start of this year as the resurgent pandemic plunges the region into a double-dip recession. Analysts at banks including JPMorgan Chase & Co. and UBS Group AG are downgrading forecasts to account for renewed lockdowns -- in some places tougher than ever -- and the prospect that the new coronavirus variant ravaging the U.K. will do the same on the continent.”

<https://www.bloomberg.com/news/articles/2021-01-12/euro-area-heads-for-double-dip-recession-as-lockdowns-drag-on?srnd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at January 11, 2021

	Percentage (%)
<b>Yield to Maturity</b>	3.96
<b>Weighted Average Coupon</b>	4.903
<b>Current Yield</b>	4.83

The platinum portfolio has an effective maturity of 13.29 years and duration of 4.88 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 per-sons who do not have the time to actively manage their own portfolio.

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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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