

DAILY MARKET SUMMARY



VOLUME 1 January 19, 2021

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	SVL	CFF	SEP	FOSRICH	BPOW
Current Price (\$)	17.11	1.62	63.60	4.37	3.19
Trailing EPS (\$)	0.85	0.05	4.196	0.20	0.10
P/E(times)	20.20	34.75	15.16	21.78	31.29
Projected P/E	16.84	20.53	14.67	20.99	27.73
Projected EPS (\$) [*]	1.02	0.08	4.336	0.21	0.12
Book Value per share (\$)	1.46	0.52	22.55	1.73	1.77
Price/Book Value (times)	11.68	3.12	2.82	2.53	1.80
Dividend Yield (2019 %)	4.09%	15.53%	1.23%	N/A	0.36%
Volumes	34,402	283,096	7,986	31,681	2,021
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	147.500	114.210	143.4711	152.280	115.540	144.9716
CAN	113.000	91.770	111.7379	117.990	102.000	113.5365
GBP	199.000	157.783	196.5018	203.213	185.500	198.2637
EURO	178.571	138.170	168.0886	177.700	169.150	176.8127

*Rates as at January 18, 2021

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 19, 2021) trading session. The over night rate stood at 0.35% to 0.50%, while the 30-day rate was 1.60% to 1.90%.

The US dollar fixed income market was also liquid during today's (January 19, 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: Seprod Limited (SEP)

For the nine months ended September 30, 2020:

Revenue, for the nine months ended September 30, 2020, totalled \$28.66 billion compared to the \$24.80 billion recorded for the same period of the prior financial year; this represents a 16% increase year over year.

Cost of Sales rose by 15% from \$15.77 billion to \$18.06 billion. Consequently, Gross Profit increased 17% to close at \$ \$10.60 billion (2019: \$9.02 billion).

Finance and Other Income for the period totalled \$997.70 million relative to \$175.03 million in 2019 a 470% increase year over year.

Other operating expenses increased by 11% to close the nine months at \$7.78 billion (2019: \$6.99 billion). Operating Profit increased by 73% to total \$3.81 billion (2019: \$2.21 billion) for the nine months.

Finance Costs totalled \$866.09 million; a negligible decrease of 0.1% compared \$866.67 million in 2019. Pre-tax Profits more than doubled to end at \$2.93 billion in comparison to profits of \$1.39 billion last year, representing a 111% increase. Taxation of \$401.17 million was booked for the period relative to \$233.81 million in 2019 to result in a Net Profit from continuing operations of \$2.53 billion (2019: \$1.16 billion).

The Company also reported loss from discontinued operation of \$47.30 million relative to last year's loss from discontinued operations of \$786.50 million. As such, Net Profit for the nine months ended September 2020 totalled \$2.48 billion (2019: \$377.75 million).

Additionally, Seprod, for the nine months ended September 30, 2020, reported Total Comprehensive Income of \$2.61 billion relative to \$469.98 million reported in the corresponding 2019 period.

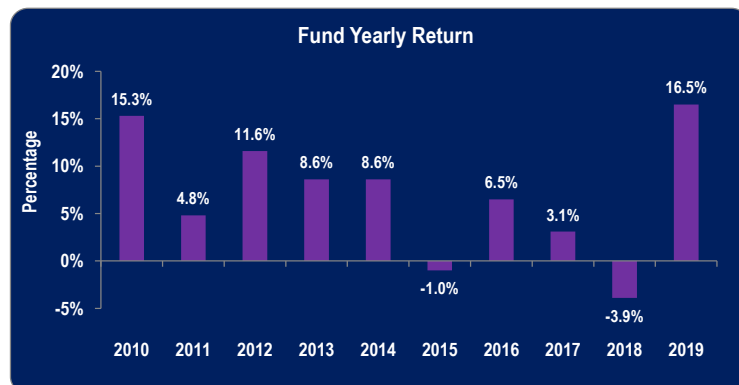
Earnings Per Share for the nine months ended September 30, 2020 amounted to \$3.38 relative to \$0.51 for the corresponding period in 2019. The twelve months trailing EPS is \$4.20. The number of shares used in our calculations is 733,546,855.

Over The Counter Funds (CI FUNDS)

Signature High Income Fund

This fund invests primarily in high-yielding equity securities and Canadian corporate bonds.

The fund has a 3 year return of 4.3% and a 5 year return of 4.5%. The Fund also has a 10 year return of 5.5%. Rates are as at December 31, 2020.



⁺Prices are as at January 19, 2021*Projections are made to the company's financial year end

“U.S. Treasury Secretary nominee Janet Yellen on Tuesday steps into a new role following more than a quarter-century in government: salesperson for economic policy after years of defending Federal Reserve thinking and actions. The Senate Finance Committee’s 10 a.m. hearing Tuesday is likely to feature topics from foreign-exchange policy to taxes, but it will also serve as the first congressional forum where lawmakers will vet President-elect Joe Biden’s \$1.9 trillion Covid-19 relief plan. Yellen will tell them that low borrowing costs mean it’s time to “act big,” according to her prepared remarks.”

<https://www.bloomberg.com/news/articles/2021-01-18/yellen-to-enter-firing-line-on-biden-aid-plan-as-recovery-fades?srnd=economics-vp>

“Chancellor of the Exchequer Rishi Sunak can’t afford to wait for the budget on March 3 to provide extra support for hobbled U.K. firms, according to the U.K.’s biggest business lobby group. With Britain back in a severe lockdown, urgent action is needed to help companies survive, the Confederation of British Industry said in a letter to the Chancellor on Tuesday. The group is calling for an extension of the government’s job support program to the end of June, rather than stopping in April, and a “commitment to targeted support thereafter.” It also wants to see the deadline for sales tax payments pushed back and a lengthening of the business-rate holiday.”

<https://www.bloomberg.com/news/articles/2021-01-19/u-k-firms-tell-sunak-they-need-urgent-help-to-survive-lockdown?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at January 18, 2021

	Percentage (%)
Yield to Maturity	3.94
Weighted Average Coupon	4.903
Current Yield	4.80

The platinum portfolio has an effective maturity of 13.30 years and duration of 4.91 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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