

# DAILY MARKET SUMMARY



VOLUME 1 January 27, 2021

## LOCAL STOCK MARKET: (J\$) +

Stock Symbol	SEP	JBG	MAILPAC	JAMT	SOS
Current Price (\$)	63.66	29.01	3.84	2.94	4.23
Trailing EPS (\$)	4.20	1.46	0.170	0.11	0.20
P/E (times)	15.17	19.90	22.58	27.97	21.51
Projected P/E	14.68	16.68	20.20	18.49	32.10
Projected EPS (\$)*	4.34	1.74	0.190	0.16	0.13
Book Value per share (\$)	22.55	14.30	0.19	0.81	2.50
Price/Book Value (times)	2.82	2.03	20.53	3.61	1.69
Dividend Yield (2019 %)	1.23%	1.05%	3.24%	3.05%	1.76%
Volumes	11,134	8,603	217,050	918,783	8,000
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	149.800	115.020	145.9638	153.360	131.000	147.8806
CAN	114.000	90.000	110.9321	119.400	91.000	116.8818
GBP	202.500	170.000	195.4325	206.194	190.000	203.7218
EURO	180.200	156.000	173.2148	183.205	164.050	181.7341

\*Rates as at January 26, 2021

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 27, 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 27, 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: JAMAICA BROILERS GROUP (JBG)

For the six months ended October 31, 2020:

JBG reported Total Revenues of \$26.54 billion for the six months ended October 31, 2020, a 1% increase on the \$26.27 billion reported in 2019.

The Jamaica Operations, which accounted for approximately 59% of total revenues, contributed \$15.56 billion, a decline of 8% relative to \$16.85 billion in 2019. US Operations (approximately 37% of total revenues) contributed \$9.94 billion, increasing 18% relative to \$8.43 billion for the prior year's comparable period. Haiti Operations (approximately 4% of total revenue) contributed \$1.05 billion compared to \$989.02 million reported in 2019.

Cost of Sales for the six months period increased by 2% to \$20.09 billion from \$19.77 billion in 2019. Consequently, Gross Profit increased to \$6.45 billion, down 1% relative to \$6.49 billion reported in 2019.

Distribution costs decreased to \$1.10 billion for the period compared to \$1.11 billion for the corresponding period last year, while administration and other expenses fell by 7% to \$3.88 billion (2019: \$4.18 billion).

The Company reported other income of \$228.47 million for the period relative to \$102.53 million reported in 2019, up 123% year on year. Operating Profit increased by 30%, totalling \$1.70 billion for the six-month period relative to \$1.31 billion last year.

JBG reported no Finance Income for the period under review (2019: \$36.46 million), while finance costs fell by 65% to \$179.88 million relative to \$518.15 million in 2019.

Profit before Taxation rose 85% to \$1.52 billion (2019: \$823.40 million). Following taxation for the period of \$415.39 million (2019: \$156.68 million), Net profit went up 66% to a total of \$1.11 billion (2019: \$666.72 million). Net Profits attributable to shareholders amounted to \$1.03 billion, 51% higher than the \$685.63 million reported in 2019.

Total comprehensive income for the six months amounted to \$1.78 billion relative to \$852.74 million. Total comprehensive income for the quarter amounted to \$1.15 billion relative to \$380.03 million book- ing for the comparable period in 2019.

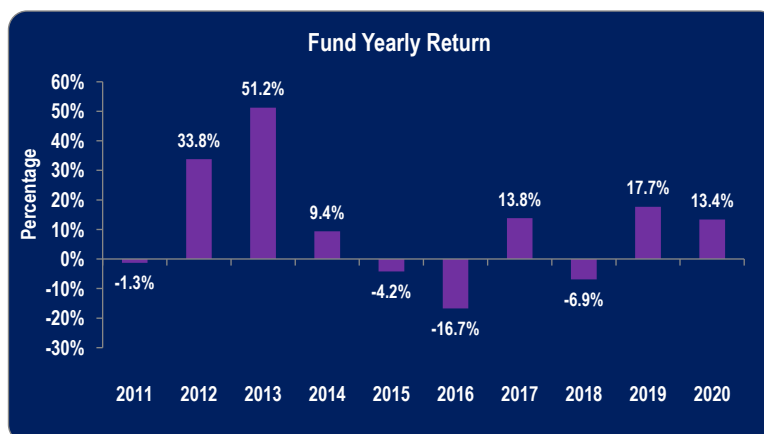
Earnings per share (EPS) for period totalled \$0.86 (2019: \$0.57). The twelve months trailing EPS totalled \$1.46. The total number of shares employed in our calculations amounted to 1,199,276,400 units.

## 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 7.5% and a 5 year return of 3.3%. The Fund also has a 10 year return of 9.4%. Rates are as at December 31, 2020.



\*Prices are as at January 27, 2021 \*Projections are made to the company's financial year end

“U.S. consumer confidence rose in January as Americans grew more upbeat about the outlook for the economy and job market in light of further fiscal aid and the distribution of coronavirus vaccines. The Conference Board’s index of sentiment increased to 89.3 from a revised 87.1 reading in December, according to a report on Tuesday. The median forecast in a Bloomberg survey of economists called for a reading of 89.”

<https://www.bloomberg.com/news/articles/2021-01-26/consumer-confidence-in-u-s-improves-on-outlook-for-economy?srnd=economics-vp>

“The U.K. labor market proved more resilient than expected in the three months to November as an extension of government aid helped protect jobs amid a widespread lockdown. The nation’s unemployment rate climbed to 5% in the period, the highest since 2016 but lower than the 5.1% predicted by economists, the Office for National Statistics said Tuesday. The number of people in work fell by 88,000, the least since July, while the pace of increase for job cuts slowed.”

<https://www.bloomberg.com/news/articles/2021-01-26/u-k-unemployment-rate-lower-than-expected-in-november-lockdown?srnd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at January 25, 2021

	Percentage (%)
<b>Yield to Maturity</b>	3.92
<b>Weighted Average Coupon</b>	4.903
<b>Current Yield</b>	4.79

The platinum portfolio has an effective maturity of 13.31 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 persons 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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