

### LOCAL STOCK MARKET: (JS)\*

Stock Symbol	KREMI	FTNA	CCC	LUMBER	CHL
Current Price (\$)	5.90	6.00	93.10	2.95	8.00
Trailing EPS (\$)	0.34	0.33	6.207	0.21	0.21
P/E (times)	17.48	18.35	15.00	14.37	38.54
Projected P/E	16.62	17.24	14.07	12.03	37.84
Projected EPS (\$)*	0.35	0.35	6.619	0.25	0.21
Book Value per share (\$)	2.35	1.41	17.23	0.46	1.29
Price/Book Value (times)	2.51	4.26	5.40	6.45	6.19
Dividend Yield (2020 %)	0.69%	2.12%	N/A	1.30%	2.24%
Volumes	350	67,968	2,758	645,830	NIL
Recommendation	HOLD	HOLD	BUY	BUY	SELL

### FOREIGN EXCHANGE MARKET TRADING SUMMARY

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	157.500	124.740	154.2968	172.480	126.835	155.1981
CAN	124.990	102.060	123.9592	131.220	107.000	124.3852
GBP	218.000	175.006	208.2067	227.718	204.000	215.6913
EURO	182.000	147.272	176.3559	193.968	170.000	186.0702

\*Rates as at August 3, 2021

### MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (August 4, 2021) trading session. The overnight rate stood at 0.35% to 0.50%, while the 30-day rate was 1.70% to 1.90%.

The US dollar fixed income market was also liquid during today's (August 4, 2021) trading session; The overnight market rates were quoted at 1.00% to 1.20% while the 30-day market rates stood at 1.70% to 1.90%.

### STOCK OF THE DAY: Caribbean Cream Limited (KREMI)

#### For the three months ended May 31, 2021

For the three months ended May 31, 2021, Caribbean Cream Limited (KREMI)'s turnover rose by 28% to \$548.45 million (2020: \$429.98 million). According to the Company, "We are deeply grateful for continued strong product demand while we work on our strategy to get closer to the consumer."

Cost of sales also increased by 17% to \$340.92 million (2020: \$291.55 million), while, gross profit increased by 50% to \$207.53 million compared to \$138.42 million in 2020.

Administrative expenses rose by 37% to close at \$125.61 million (2020: \$91.96 million). In addition, selling and distribution costs rose by 21% from \$12.59 million in 2020 to \$15.22 million for the period under review. According to management, "The increase was because of higher transportation cost resulting from more deliveries, an internal reclassification of electricity, salary increases, staff-related expenditures due to COVID-19 safety measures and the full annualized cost for the new Ocho Rios depot." Nevertheless, operating profit for the quarter amounted to \$66.70 million, up 97% relative to the \$33.87 million booked in the prior year.

Finance costs for the first quarter grew 49% to \$5.03 million relative to \$3.37 million reported in the prior year's first quarter. Interest income decreased by 45% to \$229,852 from \$418,924 recorded in the prior comparable period.

Consequently, profit before taxation amounted to \$61.90 million relative to \$30.92 million in 2020 representing a 100% increase year-on-year for the period.

Taxes of \$7.74 million were charged for the period relative to \$3.87 million booked in the corresponding quarter in the prior year. As such, net profit attributable to shareholders increased by 100% from \$27.06 million in 2020 to \$54.16 million for the period under review.

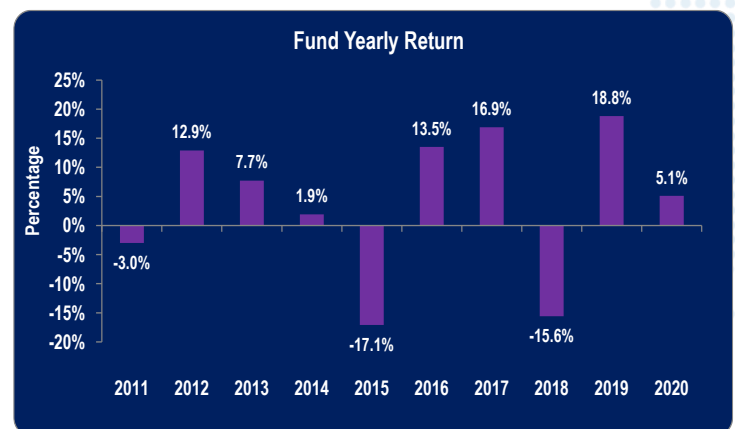
As such, the earnings-per-share, for the first three months of 2021, amounted to \$0.14 relative to \$0.07 for the same quarter last year. The trailing twelve months earnings per share totalled \$0.34. The number of shares used in our calculation is 378,568,115.

### OVER THE COUNTER FUNDS (CI FUNDS)

#### Signature Dividend Corporate Class

This fund invests in securities that generate a high level of dividend income and preserve capital.

The fund has a 3-year return of 9.40% and a 5-year return of 8.70%. The Fund also has a 10-year return of 4.40%. Rates are as at June 30, 2021.



\*Prices are as at August 04, 2021 \*Projections are made to the company's financial year end

## U.S. Companies Add Far Fewer Jobs Than Forecast, ADP Data Show

"U.S. companies added far fewer jobs than expected in July, indicating persistent hiring obstacles despite broader improvement in the economy. Businesses' payrolls increased by 330,000 last month, the smallest gain since February, after a revised 680,000 gain in June, according to ADP Research Institute data released Wednesday. The figure fell short of all economists' estimates in a Bloomberg survey. The median estimate was for a 690,000 rise."

<https://www.bloomberg.com/news/articles/2021-08-04/u-s-companies-add-fewer-jobs-than-forecast-adp-data-show?srd=economics-vp&sref=FmvzgEwg>

## U.K. House Prices Ease as Tax Cut Starts to Phase Out

"U.K. house prices fell unexpectedly in July, signaling a loss of momentum in the property market after a tax break on purchases began to be phased out. The average value of a home fell 0.5% to 244,229 pounds (\$338,800), the first decline in four months, Nationwide Building Society said Wednesday. It followed an average gain of 1.6% between April and June. The annual pace of increase slowed to 10.5% from a 17-year high of 13.4%."

<https://www.bloomberg.com/news/articles/2021-07-28/u-k-house-prices-fell-in-july-as-tax-cut-starts-to-phase-out?srd=economics-vp&sref=FmvzgEwg>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at August 04, 2021

	Percentage (%)
Yield to Maturity	2.95
Weighted Average Coupon	4.25
Current Yield	4.02

The platinum portfolio has an effective maturity of 11.57 years and duration of 3.44 years.

## STRUCTURED PRODUCT

### Mayberry Individual Retirement Plan (IRP)

IRP is a Retirement Scheme for all persons who are self employed or are employed in non-pensionable positions and do not otherwise contribute to an approved Superannuation Fund or an other approved Retirement Scheme. The IRP will help some people make substantially greater contributions than they might otherwise do.

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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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