

## DAILY MARKET SUMMARY



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

| Stock Symbol                | SEP   | JAMT  | SALF  | BRG   | SGJ    |
|-----------------------------|-------|-------|-------|-------|--------|
| Current Price (\$)          | 29.95 | 4.24  | 9.00  | 15.26 | 43.34  |
| Trailing EPS (\$)           | 2.11  | 0.20  | 0.86  | 1.47  | 3.96   |
| P/E (times)                 | 14.16 | 21.57 | 10.43 | 10.36 | 10.94  |
| Projected P/E               | 11.46 | 12.69 | 7.88  | 10.28 | 10.20  |
| Projected EPS (\$)*         | 2.61  | 0.33  | 1.14  | 1.48  | 4.25   |
| Book Value per share (\$)   | 18.34 | 1.37  | 7.49  | 4.56  | 30.54  |
| Price/Book Value (times)    | 1.63  | 3.10  | 1.20  | 3.35  | 1.42   |
| Dividend Yield (2016 YTD %) | N/A   | N/A   | 5.18% | 3.57% | 4.57%  |
| Volumes                     | 2,000 | NIL   | NIL   | 3,390 | 49,135 |
| Recommendation              | HOLD  | BUY   | BUY   | HOLD  | HOLD   |

### FOREIGN EXCHANGE MARKET TRADING SUMMARY

|      | PURCHASE RATE |         |                       | SALES RATE |         |                       |
|------|---------------|---------|-----------------------|------------|---------|-----------------------|
|      | Highest       | Lowest  | Weighted Average Rate | Highest    | Lowest  | Weighted Average Rate |
| USD  | 129.600       | 98.720  | 127.2072              | 148.080    | 123.400 | 128.3263              |
| CAN  | 102.650       | 73.580  | 101.4177              | 117.720    | 98.000  | 103.1439              |
| GBP  | 167.400       | 121.730 | 162.9787              | 194.760    | 143.000 | 167.8278              |
| EURO | 147.000       | 107.250 | 142.4994              | 164.450    | 142.500 | 149.0555              |

\*Rates as at July 21, 2017

### MONEY MARKET

The Jamaican dollar fixed income market was illiquid in today's (July 24, 2017) trading session. The overnight rates were quoted around 4.00% to 4.50% while the 30-day rates were between 5.5% to 5.9%.

The US dollar fixed income market was also liquid during today's (July 24, 2017) trading session; The overnight market rates were quoted at 1% while the 30-day market rates stood around 1.2% to 1.4%.

### OVER THE COUNTER FUNDS (CI FUNDS)

#### CI International Value Corporate Class

This fund's objective is to obtain maximum long-term capital growth. It invests primarily in equity and equity-related securities of companies whose primary operations are outside of North America. The fund has a 6 month return of 10.7% and a 5 year return of 12.8% as at June 30, 2017. The Fund also has a three months return of 4.6%.



### STOCK OF THE DAY: Seprod Limited (SEP)

For the three months ended March 31, 2017:

Revenue totalled \$4.25 billion compared to the \$3.68 billion recorded for the same period of the prior financial year; this represents a 15.45% increase year over year.

Cost of Sales increased by 17.03% from \$2.73 billion to \$3.19 billion resulting in Gross Profits increasing by 10.96% to close at \$1.06 billion (2016: \$954.37 million).

Finance and Other Operating Income totalled \$182.77 million relative to \$118.07 million in 2017, a 54.80% increase year over year.

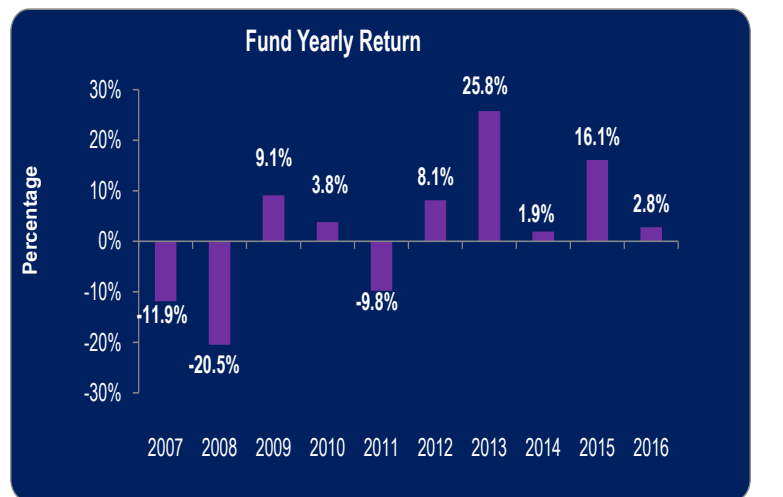
Selling expenses increased by 29.65% to close the first quarter of 2017 at \$191.61 million (2016: \$147.79 million). Administrative Expenses for the period climbed by 18.72% to total \$593.60 million relative to \$499.99 million. As such Operating Profit grew 7.51%, moving from \$424.66 million in 2016 to a total of \$456.57 million for quarter ended March 31, 2017.

Finance Costs totalled \$69.85 million (2016: \$76.34 million); a decrease of 8.50% year over year. Share of Results of Joint Venture recorded a loss of \$17.75 million; this led to Profit before taxation increasing to \$368.97 million in comparison to \$338.11 million reported last year.

The company reported Net Profit of \$282.96 million, a growth of 27.58% relative to last year's corresponding period of \$221.79 million, following taxation of \$86.01 million (2016: \$116.33 million). Net Profits attributable to shareholders amounted to \$293.41 million, a 12.46% improvement year on year from the \$260.91 million recorded a year ago.

Earnings per share for the quarter totalled \$0.57 (2016: \$0.51). The twelve months trailing EPS is \$2.18. The number of shares used in this calculation was 516,397,918 shares.

\*Prices are as at July 24, 2017 \*Projections are for the forward 12 months from the most recent quarter results



**U.S.: Alphabet beats Wall Street estimates; revenue up 21 percent**

“(Reuters) - Alphabet Inc surpassed expectations for quarterly revenue and earnings on Monday, reporting higher advertising sales across its platforms and trying to move past a record \$2.7 billion European Union fine by taking the entire charge at once. On a consolidated basis, revenue rose about 21 percent to \$26.01 billion in the second quarter ended on June 30, beating the analysts' average estimate of \$25.65 billion, according to Thomson Reuters I/B/E/S. Earnings per share was \$5.01, beating an average estimate of \$4.49, and would have been \$8.90 if not for the EU antitrust fine announced last month, Alphabet said. Earnings per share was \$7 in the second quarter of 2016. But the company's shares, which closed up in regular trading on Monday, fell about 3 percent to \$968 after the bell. Shares of Alphabet, the owner of the Google search engine and the YouTube video service, had gained nearly 26 percent this year through Monday's close”.

<http://www.reuters.com/article/us-alphabet-results-idUSKBN1A92GZ>

**Europe: Britain seeking certainty with U.S. as it Brexits: UK's Fox**

“WASHINGTON (Reuters) - Britain wants to ensure business relations with the United States are not disrupted and will seek negotiations on an "ambitious" trade agreement with the United States, UK trade secretary, Liam Fox, told Trump administration officials at the launch of discussions on Monday on post-Brexit planning. Fox and his U.S. counterpart, Robert Lighthizer, jointly chaired the first meeting of a U.S.-UK trade and investment working group, which will start work on a bilateral trade agreement between the countries after Brexit. Britain is not free to enter into new trade deals until it has left the EU in 2019. It has indicated, however, that it wants to get legal documents in place to ensure that such things as flights and data flows between the countries are not interrupted.”

<http://www.reuters.com/article/us-usa-britain-trade-idUSKBN1A9274>

**PLATINUM PORTFOLIO**

| Platinum Portfolio Yield Measures as at July 24, 2017 |                |
|-------------------------------------------------------|----------------|
|                                                       | Percentage (%) |
| Yield to Maturity                                     | 4.62           |
| Weighted Average Coupon                               | 4.947          |
| Current Yield                                         | 4.94           |

The platinum portfolio has an effective maturity of 13.22 years and duration of 4.38 years.

**STRUCTURED PRODUCT**

**Mayberry Managed Equity Portfolio (MMEP)**

We offer a managed equity portfolio for both institutions and individuals. The MMEP is a full discretionary managed portfolio of a diversified group of stocks. The stocks included in the portfolio represent Mayberry's top recommended stocks. Persons who find it difficult to manage their equity portfolios on a day to day basis should consider the MMEP. Further, the MMEP is for individuals and institutions who would like to pursue a medium to long term equity strategy.

**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](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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 = POSITIVE TRANSFORMATION FOR OUR CLIENTS  
 MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS

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