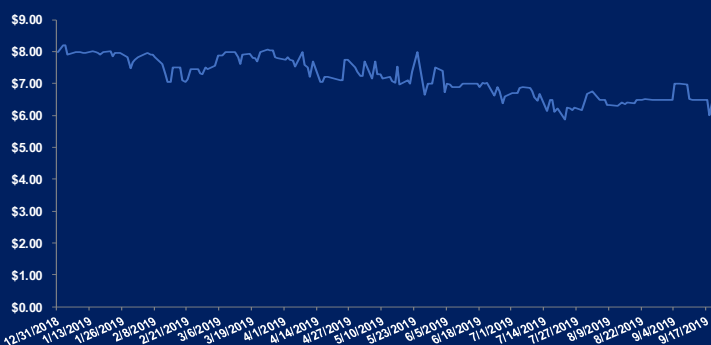


VOLUME 3 September 23, 2019

## LOCAL STOCK MARKET: (JS) <sup>+</sup>

Stock Symbol	CAR	ECL	FOSRICH	DCOVE	KREMI
Current Price (\$)	8.27	5.60	4.87	11.75	5.25
Trailing EPS (\$)	0.72	0.30	0.18	0.68	0.14
P/E (time)	11.44	18.50	26.76	17.33	36.86
Projected P/E	10.69	17.73	23.51	17.68	27.24
Projected EPS (\$) <sup>*</sup>	0.77	0.32	0.21	0.66	0.19
Book Value per share (\$)	0.33	0.26	1.50	9.80	1.92
Price/Book Value (times)	25.42	21.48	3.24	1.20	2.73
Dividend Yield (2018 %)	8%	13%	N/A	4%	N/A
Volumes	558,200	1,000	99,251	NIL	100
Recommendation	BUY	BUY	HOLD	HOLD	SELL

ECL



## STOCK OF THE DAY: Express Catering Limited (ECL)

For the year ended May 31, 2019:

Express Catering Limited (ECL) for the year ended May 31, 2019 reported a 10% increase in revenue to US\$17.32 million (2018: US\$15.71 million). Revenue for the quarter advanced 17% to close at US\$5.21 million relative to US\$4.44 million reported the previous year.

Cost of sales (COS) increased by 10% for the period to US\$5.07 million (2018: US\$4.60 million). As a result gross profit increased year-on-year by 10%, from US\$11.10 million in 2018 to US\$12.25 million in 2019. Gross profit for the fourth quarter improved from US\$1.62 million in 2018 to US\$1.82 million, a 20% increase year over year.

Total expenses increased by 15% for the period in review to US\$8.23 million for 2019, up from US\$7.15 million booked for 2018's year end. The rise was associated with a 15% increase in administrative expenses to US\$7.63 million from US\$6.61 million. Depreciation and Amortization saw an 8% increase to US\$554,827 compared to US\$511,804 for the comparable period in 2018. Promotional expenses also saw a 33% increase from US\$35,931 to US\$47,794. Total expenses for the fourth quarter climbed 31% to close at US\$2.19 million (2018: US\$1.67 million).

Consequently, operating profit for the period grossly increased by 2% to US\$4.02 million (2018: US\$3.95 million). Operating profit for the quarter totalled US\$1.21 million, a growth of 5% relative to US\$1.15 booked for the corresponding quarter of 2018.

Finance cost of US\$342,047 (2018: US\$341,131) was incurred for the period, while foreign exchange gain amounted to US\$50,565 relative to the loss of US\$44,379 booked in 2018.

Pre-tax profit for the year totalled US\$3.73 million, a 5% increase above the US\$3.56 million recorded for 2018. The was no tax for the FY2019, however, taxation for the FY2018 totalled US\$114,969. Consequently, net profit for the period amounted to US\$3.73million, an 8% increase above the US\$3.45 million recorded for 2018. For the quarter, net profit amounted to US\$1.18 million versus US\$925,167 booked for the comparable period in 2018, a 28% increase.

Earnings per share (EPS) for the year ended totalled US\$0.23 cents (2018: US\$0.21 cents). Earnings per share for the quarter amounted to US\$0.07 cents (2018: US\$0.06 cents). The number of shares used in the calculation was 1,637,500,000 units.

## FOREIGN EXCHANGE MARKET TRADING SUMMARY <sup>\*</sup>

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	137.900	102.180	134.7469	142.349	103.350	135.6483
CAN	102.930	79.868	102.3555	106.000	96.000	102.9164
GBP	170.500	133.326	164.7740	176.709	160.000	169.0988
EURO	147.500	112.112	142.9745	155.628	119.861	149.8179

<sup>\*</sup>Rates as at September 20, 2019

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (September 23, 2019) trading session. The over night rate stood at 0.30% to 0.50% while the 30-day rate ranged at 1.30% to 1.70%.

The US dollar fixed income market was also liquid during today's (September 23, 2019) trading session; The over-night market rates were quoted at 2.00% to 2.20% while the 30-day market rates stood at 2.40% to 2.60%.

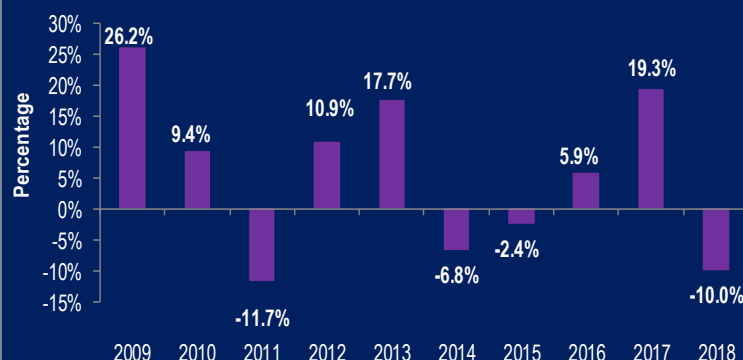
## OVER THE COUNTER FUNDS (CI FUNDS)

### CI International Value Corporate Class

This fund invests primarily in equity and equity-related securities of companies whose primary operations are outside of North America.

The fund has a 3 year return of 4.3% and a 5 year return of 2.1%. The Fund also has a 10 year return of 4.1%. Rates are as at August 31, 2019.

Fund Yearly Return



“The dollar’s strength may be part of reason why the global Purchasing Managers Index, a crucial gauge of sentiment and growth, is languishing near a record low, if research from the Bank for International Settlements is anything to go by. The BIS challenged the widely held idea that a stronger greenback boosts competitiveness of U.S. trade partners, boosting business with the world’s largest economy. Based on the study in its latest quarterly review, the contrary is true. The dollar has gained 3% in the past year in a move that coincided with weakening manufacturing and services around the world as the trade war heated up. “It is when the dollar is strong that PMIs outside the United States are weak,” Hyun Song Shin, economic adviser and head of research at the Basel-based organization, wrote in the report.”

<https://www.bloomberg.com/news/articles/2019-09-22/u-s-trade-partners-get-no-help-from-strong-dollar-says-bis?srd=economics-vp>

“Germany’s economy is suffering its worst downturn in almost seven years as a manufacturing slump deepens, raising pressure on the government to add fiscal stimulus. Factory activity shrank at the fastest pace in a decade in September and growth in services softened, according to a monthly report by IHS Markit. There were also further signs that the labor market is taking a hit. That could have an adverse impact on demand and set off a negative spiral for Europe’s biggest economy. The euro fell 0.3%, dropping below \$1.10. European stocks declined, with the Stoxx 600 slipping more than 1% as of 10:50 a.m. Frankfurt time. Adding to the gloom, the nation’s VDMA engineering industry group said Monday there’s no turnaround in sight. It predicts production will drop 2% in 2020 after a similar decline this year.”

<https://www.bloomberg.com/news/articles/2019-09-23/germany-may-see-no-growth-this-year-as-manufacturing-slumps?srd=premium-europe>

## ■ PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at September 23, 2019

	Percentage (%)
<b>Yield to Maturity</b>	5.43
<b>Weighted Average Coupon</b>	5.442
<b>Current Yield</b>	4.66

The platinum portfolio has an effective maturity of 12.99 years and duration of 4.61 years.

## ■ STRUCTURED PRODUCT

### Mayberry Gold

This portfolio is ideal for investors, both retail and corporate, seeking a conservative, short-term investment. The securities in the Gold are directly owned by the client and provide them with a safe investment option. Our Gold portfolio can also provide investors with coupon payments that can generate a positive income stream.

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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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