

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

Stock Symbol	GK	JP	SVL	WIG	ELITE
Current Price (\$)	69.14	24.79	26.05	0.92	5.52
Trailing EPS (\$)	4.89	0.92	0.80	0.07	0.15
P/E (times)	14.14	27.00	32.70	13.56	37.64
Projected P/E	13.71	25.19	20.62	10.49	32.15
Projected EPS (\$) <sup>+</sup>	5.04	0.98	1.26	0.09	0.17
Book Value per share (\$)	51.03	12.02	1.31	0.30	1.28
Price/Book Value (times)	1.35	2.06	19.87	3.10	4.32
Dividend Yield (2018 %)	3.08%	0.72%	7.03%	N/A	N/A
Volumes	34,590	8,063	26,155	6,332,508	31,884
Recommendation	HOLD	SELL	BUY	BUY	SELL

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	139.100	102.804	136.0760	143.215	102.180	137.8016
CAN	103.000	80.606	98.7592	107.840	96.000	107.1732
GBP	176.450	136.207	172.5063	178.740	159.000	174.0619
EURO	153.000	116.310	151.6169	154.656	141.800	152.5979

\*Rates as at October 15, 2019

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (October 15, 2019) trading session. The overnight rate stood at 0.30% while the 30-day rate ranged at 1.30% to 1.50%.

The US dollar fixed income market was also liquid during today's (October 15, 2019) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.



## STOCK OF THE DAY: Supreme Ventures Limited (SVL)

For the six months ended June 30, 2019:

Supreme Ventures Limited (SVL), for the six months ended June 30, 2019, reported a 15% increase in 'Total Gaming Revenue' from \$16.12 billion in 2018 to \$18.62 billion in 2019. For the quarter, 'Total Gaming Revenue' closed at \$9.31 billion (2018: \$8.06 billion). "Lotteries, PINs, Sports Betting and Horseracing recorded double digit increases whereas VLTs showed a marginal decline when compared to Q2, 2018."

Cost of sales recorded an increase to close the period at \$14.74 billion when compared to \$12.91 billion for the same period in 2018. As such, gross profit for the period improved 21% to \$3.88 billion (2018: \$3.21 billion). For the quarter, gross profit closed at \$1.97 billion (2018: \$1.55 billion). SVL noted that, "this was attributed to the higher net sales of Cash Pot, Pick 4, Money Time, Super Lotto, PIN codes, horseracing and sports betting."

Operating expenses grew 8% for the period to \$2.01 billion (2018: \$1.86 billion), while recording 'Other losses' of \$16.03 million relative to 'Other income' of \$91.51 million for the prior period in 2018. The Company highlighted that, "the increase is attributed to the activities associated with the launch of Mobile Gaming in March 2019. This expenditure is expected to have a positive return overtime in the form of sales from new segments on the platform."

Consequently, operating profit for the period increase 28% to \$1.85 billion relative to \$1.44 billion reported in 2018. While, for the quarter, operating profit closed at \$907.77 million (2018: \$613.47 million). Finance costs fell to \$43.06 million (2018: \$44.02 million). As such, profit before taxation amounted to \$1.81 billion, up from \$1.40 billion in 2018.

Taxation for the period rose 61% to close at \$562.70 million compared to \$349 million in 2018, thus resulting in net profit of \$1.25 billion, a 19% increase from the \$1.05 billion recorded in the prior comparable period.

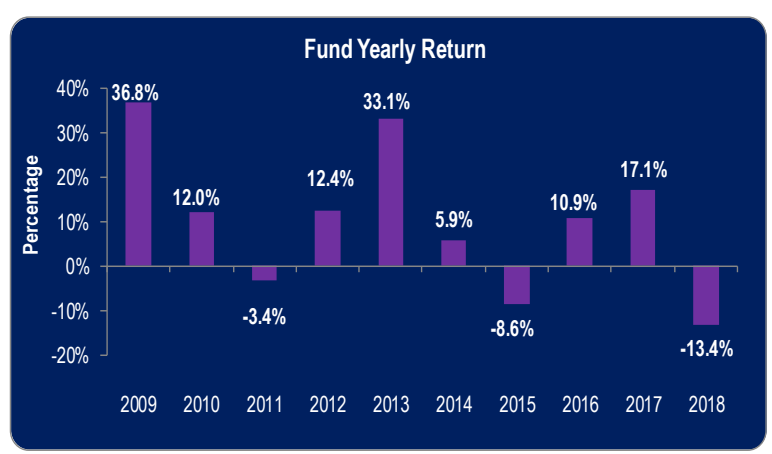
Earnings per share totaled \$0.47 versus \$0.40 in the previous period in 2018. The twelve months trailing earnings per share amounted \$0.87. The number of shares used in our calculations 2,637,254,926 units.

## OVER THE COUNTER FUNDS (CI FUNDS)

### CI American Managers Corporate Class

This fund invests primarily in equity and equity-related securities of companies that are located in countries that have signed the North American Free Trade Agreement (NAFTA) (or its successor).

The fund has a 3 year return of 7.3% and a 5 year return of 3.8%. The Fund also has a 10 year return of 8.8%. Rates are as at August 31, 2019.



<sup>+</sup>Prices are as at October 15, 2019 <sup>+</sup>Projections are made to the company's financial year end

■ **U.S: Fed's Bullard Wants Rate Cuts Considered Amid Downside Risks**

“U.S. retail sales unexpectedly posted the first decline in seven months, suggesting consumers are starting to become shaky as the main pillar of economic growth and potentially bolstering the case for a third straight Federal Reserve interest-rate cut. Treasuries rose and U.S. stock futures fell. The value of overall sales fell 0.3% in September from the prior month after an upwardly revised 0.6% increase in August, Commerce Department figures showed Wednesday. The median estimate in a Bloomberg survey called for a 0.3% advance. Sales in the “control group” subset, which some analysts view as a more reliable gauge of underlying consumer demand, were little changed, missing projections for a 0.3% increase.”

<https://www.bloomberg.com/news/articles/2019-10-16/u-s-retail-sales-unexpectedly-drop-in-sign-of-shaky-consumer?srnd=premium>

■ **Asia: Brexit Deal in Sight as Negotiators Wrestle With the Details**

“The U.K. and European Union signaled a Brexit deal is in sight, with negotiators heading into intensive talks in Brussels as a potential compromise over the Irish border starts to emerge. With EU officials saying Boris Johnson had indicated a possible path to detailed talks, the U.K. prime minister planned to update his Cabinet on Sunday on progress toward a Brexit deal. Speculation that Britain will avoid dropping out of the EU without a divorce accord lifted the pound last week to its biggest two-day gain in a decade, though both sides cautioned that much work remains to be done for Britain to leave by Johnson’s Oct. 31 deadline. At issue are the prime minister’s plans to take Northern Ireland out of Europe’s customs union and give Stormont, its power-sharing assembly, a veto over the arrangement.”

<https://www.bloomberg.com/news/articles/2019-10-11/brexit-deal-in-sight-as-negotiators-start-to-thrash-out-details?srnd=premium-europe>

■ **PLATINUM PORTFOLIO**

**Platinum Portfolio Yield Measures as at October 14, 2019**

	Percentage (%)
<b>Yield to Maturity</b>	5.34
<b>Weighted Average Coupon</b>	5.442
<b>Current Yield</b>	4.60

The platinum portfolio has an effective maturity of 13.04 years and duration of 4.63 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.

**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



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