

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

Stock Symbol	GK	WIG	KREMI	SVL	JBG
Current Price (\$)	67.03	0.94	4.43	25.57	35.77
Trailing EPS (\$)	4.89	0.07	0.08	0.89	1.95
P/E (times)	13.71	13.86	56.43	28.80	18.37
Projected P/E	13.29	10.72	35.75	20.42	17.07
Projected EPS (\$) <sup>*</sup>	5.04	0.09	0.12	1.25	2.10
Book Value per share (\$)	51.03	0.30	1.96	1.31	12.67
Price/Book Value (times)	1.31	3.17	2.26	19.48	2.82
Dividend Yield (2018 %)	3.08%	N/A	1.00%	7.03%	0.95%
Volumes	6,821	2,221,365	NIL	85,262	5,714
Recommendation	HOLD	BUY	SELL	BUY	HOLD

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

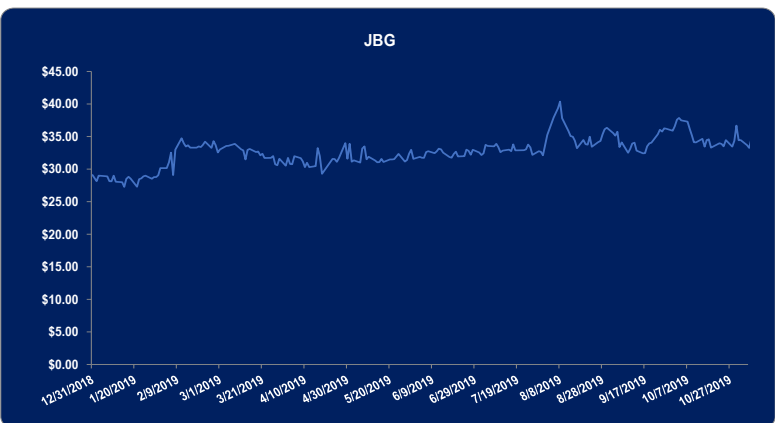
Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	142.850	105.700	139.4723	148.086	106.080	141.5864
CAN	108.000	83.968	102.9587	111.024	98.000	106.4728
GBP	183.350	143.037	179.6315	188.784	163.000	182.9290
EURO	154.500	117.286	148.8142	161.000	149.100	159.9882

\*Rates as at November 06, 2019

## MONEY MARKET

The Jamaica dollar fixed income market was liquid in today's (November 07, 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 (November 07, 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: Jamaica Broilers Group (JBG)

For the three months ended July 31 ,2019:

Jamaica Broilers Group (JBG) reported total revenues of \$13.26 billion, a 9% increase on the \$12.16 billion reported in 2018. Total revenue was broken down as follows. Of total revenues:

The Jamaica Operations contributed \$8.38 billion, a 2% increase compared to \$8.24 billion for the same period of 2018.

US Operations recorded an increase of 31% to total \$4.34 billion relative to \$3.32 billion last year. According to the company, "Our US Operations reported a segment result of \$333 million, which was an 11% increase over the prior year's result of \$300 million. This increase was primarily attributable to earnings from the feed mill, which was acquired after the first quarter in the previous year. Total revenue for this segment increased by 29% over the prior year driven by sales of feed."

Haiti Operating contributed \$530.70 million, a decline of 11% when compared to \$594.99 million.

Cost of Sales grew by 11% to \$9.94 billion from \$8.98 billion in 2018. As such, gross profit for the first quarter reflected an increase of 5% to close at \$3.32 billion versus \$3.18 billion booked for the corresponding period in 2018.

Other income fell 60% from \$192.56 million for the first quarter of 2018 to \$76.38 million in 2018. Distribution costs increased 2% to close at \$445.29 million relative to \$436.09 million recorded for the prior year's comparable period, while administration and other expenses grew marginally by 0.3% to \$2.28 billion (2018: \$2.27 billion). Operating profit for the period thus increased by 2%, totalling \$679.35 million relative to \$664.70 million last year.

JBG reported finance income of \$36.46 million (2018: \$300.06 million) a decline of 88% "from reduced foreign exchange gains and reduction in interest income from the WIP loan, which was sold during this first quarter", while finance costs declined by 7% to \$299.39 million relative to \$323.65 million in 2018.

Profit before taxation increased for the period amounting to \$416.42 million (2018: \$641.11 million). Tax charges for the quarter totalled \$55.41 million (2018: \$227.73 million). As such, net profit amounted to \$361.01 million (2018: \$413.38 million). Net profit attributable to shareholders amounted to \$368.40 million relative to \$398.84 million booking for the comparable period in 2018.

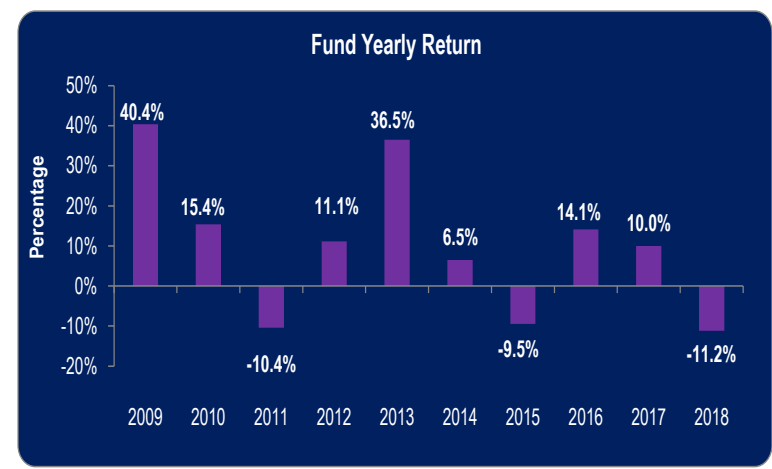
Consequently, earnings per share totalled \$0.31 relative to \$0.33 booked for the first quarter of 2018. The trailing twelve months EPS amounted to \$1.95. The total shares used in our calculation amounted to 1,199,276,400 units.

## OVER THE COUNTER FUNDS (CI FUNDS)

### CI American Equity Corporate Class

This fund invests primarily in equity and equity-related securities of companies in the United States.

The fund has a 3 year return of 6.9% and a 5 year return of 4.5%. The Fund also has a 10 year return of 7.8%. Rates are as at September 30, 2019.



**U.S: Fed's Evans Says Rate Cuts Leave U.S. Economy in Good Place**

“Federal Reserve Bank of Chicago President Charles Evans said the central bank’s three interest-rate cuts this year have left the U.S. economy in a good place. “We’ve made a nice adjustment that takes account of risk management concerns,” Evans told reporters Wednesday after a talk at the Council on Foreign Relations in New York. “The setting of policy is good for the real risks that the economy is facing,” Evans said. “It’s good for getting inflation to 2%.” Fed officials last week cut interest rates by a quarter-percentage point for a third time this year, the first reductions since the financial crisis.”

<https://www.bloomberg.com/news/articles/2019-11-06/fed-s-evans-says-rate-cuts-leave-u-s-economy-in-a-good-place?srnd=economics-vp>

**Europe: Two BOE Members Unexpectedly Vote for Rate Cut as Outlook Sours**

“The Bank of England is growing increasingly concerned about Brexit uncertainty and the global slowdown, pushing two policy makers to unexpectedly vote for an interest rate cut. Michael Saunders and Jonathan Haskel wanted to lower the benchmark by a quarter point -- the first votes for looser policy since 2016 -- citing threats to the outlook and signs of a turn in the labor market. While the majority, including Governor Mark Carney, voted to keep the rate at 0.75%, they signaled that a further deterioration could see more policy makers support easing. “If global growth fails to stabilize, or if Brexit uncertainty remains entrenched, monetary policy may need to reinforce the expected recovery,” officials said in the summary of the meeting, published Thursday.

<https://www.bloomberg.com/news/articles/2019-11-07/two-boe-members-unexpectedly-vote-for-rate-cut-as-outlook-sours?srnd=premium-europe>

**PLATINUM PORTFOLIO**

**Platinum Portfolio Yield Measures as at November 04, 2019**

	Percentage (%)
<b>Yield to Maturity</b>	5.24
<b>Weighted Average Coupon</b>	5.442
<b>Current Yield</b>	4.32

The platinum portfolio has an effective maturity of 13.08 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, www.bloomberg.com, www.investopedia.com, www.tradewire.com



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