

## LOCAL STOCK MARKET: (J\$) <sup>+</sup>

Stock Symbol	SALF	SEP	JP	LASD	JBG
Current Price (\$)	29.00	50.51	23.55	3.41	34.04
Trailing EPS (\$)	1.89	1.30	1.07	0.15	1.95
P/E (times)	15.30	38.96	22.09	23.02	17.48
Projected P/E	15.41	15.02	21.98	21.05	16.24
Projected EPS (\$) <sup>+</sup>	1.88	3.36	1.07	0.16	2.10
Book Value per share (\$)	9.14	20.66	12.39	1.55	12.67
Price/Book Value (times)	3.17	2.45	1.90	2.20	2.69
Dividend Yield (2018 %)	N/A	N/A	0.72%	3.03%	0.95%
Volumes	NIL	113,922	54,395	19,163	2,264,273
Recommendation	BUY	BUY	SELL	HOLD	HOLD

SEP



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

### For the nine months ended September 30, 2019:

Seprod Limited (SEP) posted revenue totalling \$24.80 billion compared to \$14.70 billion recorded for the same period of the prior financial year, representing a 69% increase year over year.

Cost of sales increased by 61% from \$9.79 billion in 2018 to \$15.77 billion in 2019, resulting in gross profit increasing by 84% to close at \$9.02 billion (2018: \$4.91 billion). For the quarter, gross profit closed the period at \$2.88 billion relative to \$1.54 billion in the previous comparable period.

Other operating income totalled \$175.03 million compared to \$676.66 million in 2018, a 74% reduction year over year. For the quarter, other operating loss closed at \$149 million versus other operating income of \$451.92 million in the prior corresponding period.

As such, Operating Profit grew 11%, moving from \$1.99 billion in 2018 to \$2.21 billion to close the nine months period of 2019. For the quarter, operating profit went up 2% to total \$650.89 million (2018: \$639.34 million).

Profit before taxation declined to \$1.39 billion in 2019, a 12% reduction on the \$1.57 billion reported a year prior. Profit before taxation for the third quarter amounted to \$310.07 million (2018: \$489.37 million).

Seprod reported net profit of \$1.16 billion, a decline of 6% relative to last year's corresponding period of \$1.24 billion, after incurring taxes of \$223.81 million (2018: \$327.66 million). For the quarter, net profit declined by 33% to \$284.61 million compared to \$423.30 million in 2018. Net Profit attributable to shareholders amounted to \$895.08 million, a year over year decline from the \$1.13 billion recorded a year earlier. For the third quarter, Net Profit attributable to shareholders totalled \$206.92 million (2018: \$454.86 million).

<sup>+</sup>Prices are as at November 18, 2019 \*Projections are made to the company's financial year end

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	142.800	106.080	138.6434	147.220	107.016	140.3981
CAN	107.000	82.574	106.2100	109.512	98.700	105.9873
GBP	181.500	142.379	177.8866	187.380	168.500	180.3179
EURO	152.500	116.189	145.7716	160.164	147.300	155.0479

\*Rates as at November 15, 2019

On November 14, 2019, the Bank of Jamaica sold US\$20 million via B-FXITT, following two consecutive intervention of a total of US\$70 million on November 12&13, 2019, to authorized dealers and Cambios to augment supply in the market.

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (November 18, 2019) trading session. The over night 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 18, 2019) trading session; The over-night market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.

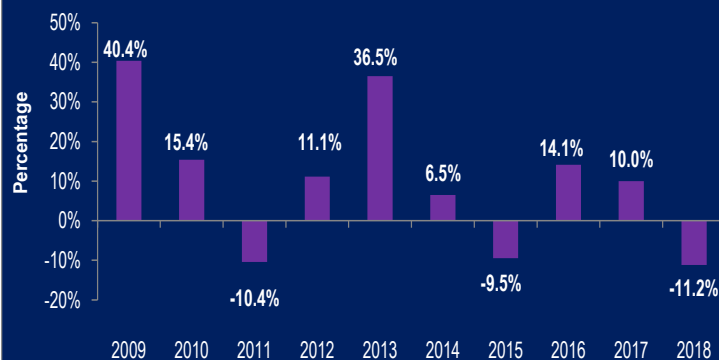
## OVER THE COUNTER FUNDS (CI FUNDS)

### 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 8.7% and a 5 year return of 4.3%. The Fund also has a 10 year return of 8.3%. Rates are as at October 31, 2019.

Fund Yearly Return



“U.S. and Chinese trade negotiators held “constructive discussions” in a phone call on Saturday to address each side’s core concerns of phase one of the trade deal. China’s Vice Premier Liu He, the country’s key negotiator in the trade talks with the U.S., spoke with Treasury Secretary Steven Mnuchin and Trade Representative Robert Lighthizer, according to the Chinese Commerce Ministry. The call was held at the request of the U.S. negotiators, and the two sides agreed to remain in close communication, it said in a statement. The phone call came after President Donald Trump’s administration signaled talks with China over the first phase of a broad trade agreement are entering the final stages. That’s when the most contentious and complex issues are debated, with no guarantee that another breakdown will be averted.”

<https://www.bloomberg.com/news/articles/2019-11-17/u-s-china-chief-trade-negotiators-hold-calls-saturday-xinhua>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at November 18, 2019

	Percentage (%)
<b>Yield to Maturity</b>	5.25
<b>Weighted Average Coupon</b>	5.427
<b>Current Yield</b>	4.36

The platinum portfolio has an effective maturity of 13.13 years and duration of 4.60 years.

“The pound rallied to a six-month high against the euro as the Conservatives threw their weight behind the prime minister’s Brexit plan, raising hopes for a smooth departure from the European Union. Sterling strengthened versus all of its Group-of-10 peers after Boris Johnson said every Conservative candidate has signed a pledge to vote for his Brexit deal if elected next month. This, together with opinion polls showing the Tories in the lead and Jeremy Corbyn’s Labour Party struggling, boosted confidence the Conservatives could get a Brexit deal through Parliament in time for Jan. 31 and end the U.K.’s political stalemate. “Both culminate in the same outcome, which is that the withdrawal agreement has a higher chance of going through,” said Jane Foley, head of currency strategy at Rabobank.

<https://www.bloomberg.com/news/articles/2019-11-18/pound-gains-as-traders-dare-to-believe-brexit-deadlock-will-end>

## 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.

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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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