

LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	CAR	SEP	JP	LASD	JBG
Current Price (\$)	8.34	51.05	24.07	3.91	36.09
Trailing EPS (\$)	0.70	1.30	1.07	0.15	1.95
P/E (times)	11.95	39.38	22.58	26.39	18.54
Projected P/E	11.51	15.63	22.47	24.14	17.22
Projected EPS (\$) [*]	0.72	3.27	1.07	0.16	2.10
Book Value per share (\$)	0.31	20.66	12.39	1.55	12.67
Price/Book Value (times)	26.50	2.47	1.94	2.52	2.85
Dividend Yield (2018 %)	N/A	N/A	0.72%	3.03%	0.95%
Volumes	6,499	20,373	2,535	15,626	37,716,100
Recommendation	BUY	BUY	SELL	HOLD	HOLD

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	144.415	105.144	137.7230	146.462	105.534	139.5008
CAN	106.900	82.574	104.9622	109.000	88.057	105.6314
GBP	183.000	141.968	174.4968	187.380	168.000	181.0639
EURO	151.200	115.718	147.8940	159.624	146.750	155.8677

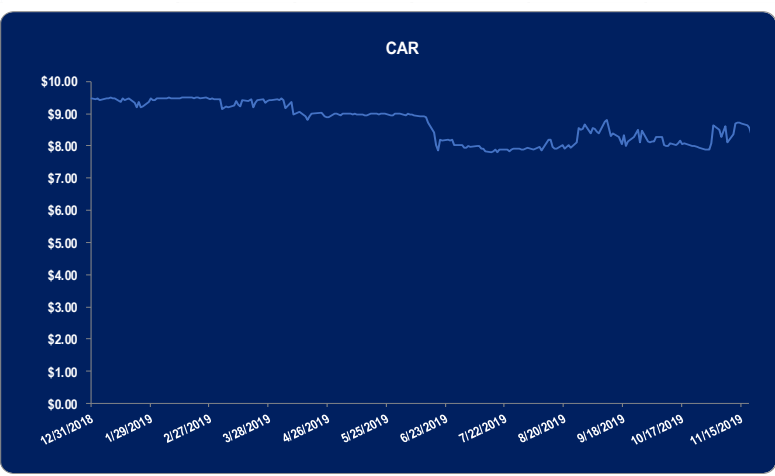
*Rates as at November 19, 2019

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 20, 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 20, 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: Carreras Limited (CAR)

For the six months ended September 30, 2019:

Carreras Limited, for the six months ended September 30, 2019, reported Operating Revenue of \$6.64 billion, 5% increase relative to \$6.31 billion booked in 2018. The company highlighted that, "Our volume performance was negatively impacted, primarily in the month of September, by adverse weather conditions. The persistent rains affected the selling in cigarettes resulting in lost consumption moments." Revenue for the quarter closed at \$3.19 billion, compared to \$3.16 billion reported for the second quarter of 2018.

Cost of Operating Revenue also climbed year over year by 6%, amounting to \$3.34 billion from \$3.16 billion. As such, Gross Operating Profit rose by 5% to total \$3.31 billion relative to the \$3.15 billion in 2018. Operating profit for the quarter amounted to \$1.58 billion relative to \$1.57 billion booked for the same quarter of 2018. Other Operating Income fell 26% moving from \$43.82 million in 2018 to \$32.24 million.

Administrative, distribution and marketing expenses increased 14% to total \$1.03 billion (2018: \$905.38 million). Investments in the Company's new route to market structure and upgrading of the Matterhorn portfolio were related to the lion share of the increase. According to management, "heightened investments in our brands as well as increased route to market costs, both of which have begun to positively impact business performance."

Interest income for the period amounted to \$34.21 million, slightly up from the \$33.44 million booked in 2018. Interest expense for the six month period closed at \$5.64 million relative to nil in 2018.

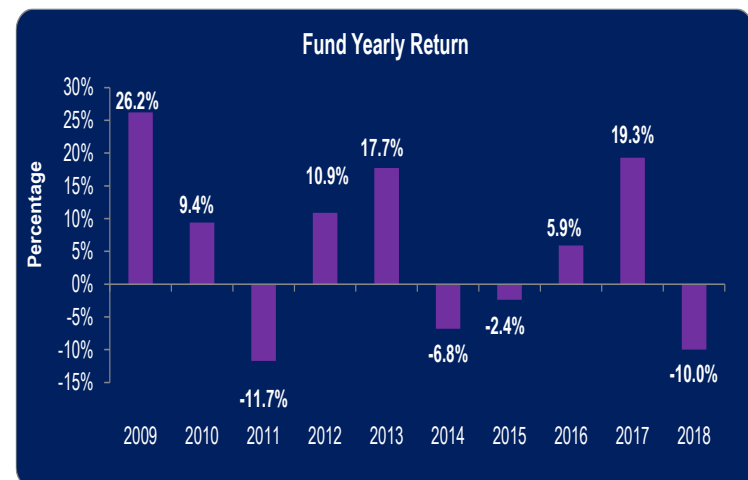
Profit before Income Tax closed the quarter at \$2.34 billion relative to \$2.32 billion in 2018. Taxation of \$590.60 million was incurred for the period (2018: \$579.80 million). Consequently, Net Profit for the six months increased to \$1.745 billion relative to \$1.742 billion booked in 2018. Net profit for the quarter declined to \$822.41 million versus \$921.54 million booked for the second quarter of 2018.

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 out-side of North America.

The fund has a 3 year return of 6.6% and a 5 year return of 4.3%. The Fund also has a 10 year return of 4.3%. Rates are as at October 31, 2019.



■ U.S: Fed Minutes Seen Reinforcing Message of Rates on Prolonged Hold

“Federal Reserve Chairman Jerome Powell and his colleagues have been especially chatty since cutting interest rates last month, yet a record of that meeting may still shed light on the strength of conviction among officials that monetary policy is probably poised for a long pause. Powell addressed Congress twice last week. He maintained his view that rates are in a good place following this year’s third cut on Oct. 30, provided the outlook doesn’t suffer a “material reassessment.” Minutes of that Federal Open Market Committee meeting will be released at 2 p.m. Wednesday. This year’s final gathering is set for Dec. 10-11. “We don’t believe the minutes will meaningfully alter expectations for the near-term policy outlook,” economists Kevin Cummins and Michelle Girard of NatWest Markets wrote in a note this week.

<https://www.bloomberg.com/news/articles/2019-11-20/fed-minutes-seen-reinforcing-message-of-rates-on-prolonged-hold?srnd=economics-vp>

■ Europe: EU Warns France, Italy on Debt in Qualification to ECB’s Message

“The European Union issued a fresh warning about debt levels in some countries, qualifying the message from the European Central Bank that the euro area needs a bigger fiscal boost. While it echoed the ECB in saying that governments with fiscal space should spend more, the European Commission is growing increasingly worried about high-debt countries that aren’t doing enough to get their house in order. The problem it identified is that “some of those euro-area member states with no fiscal space plan either no meaningful fiscal adjustment or a fiscal expansion in 2020.” In an assessment of governments’ spending plans, the bloc’s executive arm said eight countries are “at risk of non-compliance” with its rules. They include France, Italy and Spain -- the three largest economies after Germany.”

<https://www.bloomberg.com/news/articles/2019-11-20/france-italy-get-eu-warning-about-risk-of-breaking-fiscal-rules?srnd=premium-europe>

■ PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at November 18, 2019

	Percentage (%)
Yield to Maturity	5.25
Weighted Average Coupon	5.427
Current Yield	4.36

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