

LOCAL STOCK MARKET: (J\$) +

Stock Symbol	WIG	SEP	JP	MDS	LASM
Current Price (\$)	0.98	50.72	23.44	6.79	5.20
Trailing EPS (\$)	0.07	1.30	1.07	0.38	0.28
P/E (times)	13.48	39.12	21.98	17.76	18.80
Projected P/E	10.90	15.53	21.88	19.76	17.82
Projected EPS (\$)	0.09	3.27	1.07	0.34	0.29
Book Value per share (\$)	0.31	20.66	12.39	2.86	1.51
Price/Book Value (times)	3.14	2.46	1.89	2.37	3.44
Dividend Yield (2018 %)	N/A	N/A	0.72%	2.10%	1.01%
Volumes	7,700,032	14,998	3,079	NIL	35,100
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	139.500	105.144	137.3605	147.220	107.010	138.8211
CAN	106.500	82.492	103.7074	108.750	98.000	104.5691
GBP	183.500	141.556	173.2610	186.300	168.000	181.2303
EURO	152.500	115.640	145.6744	160.160	125.530	155.1070

*Rates as at November 20, 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 21, 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 21, 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%.

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.



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. Seprod noted, "This was driven primarily by the acquisition of the Facey Consumer Division in Q4 2018 and by an increase in the export business." The Manufacturing Division recorded a 21% decline for the period while the Distribution Division recorded a significant increase closing at \$18.07 billion (2018: \$5.24 billion).

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.

Other operating expense closed the period under review at \$6.99 billion (2018: \$3.60 billion). However, for the quarter, other operating expenses amounted to \$2.08 billion (2018: \$1.35 billion).

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).

■ U.S: Fed Fretted About Economic Risk While Shifting From Cuts to Hold

“Federal Reserve officials stressed that risks to the U.S. economy remained elevated as they agreed to put interest rates on hold following their third cut this year. Many participants saw downside risks to the economic outlook as elevated, “further underscoring the case for a rate cut at this meeting,” according to minutes of the Oct. 29-30 Federal Open Market Committee session released Wednesday in Washington. “In particular, risks to the outlook associated with global economic growth and international trade were still seen as significant,” the minutes said. “The risk that a global growth slowdown would further weigh on the domestic economy remained prominent.” The FOMC lowered rates by a quarter percentage point at its October gathering, the third such move in three months.”

<https://www.bloomberg.com/news/articles/2019-11-20/fed-saw-elevated-risks-in-october-while-deciding-to-go-on-hold?srnd=economics-vp>

■ Asia: China’s Top Negotiator ‘Cautiously Optimistic’ About Reaching Trade Deal

“China’s chief trade negotiator indicated he was “cautiously optimistic” about reaching a phase one deal with the U.S., as two titans of American diplomacy in Asia warned of the dangers of escalating the tariff war. Vice Premier Liu He made the comments in a speech in Beijing on Wednesday ahead of the Bloomberg New Economy Forum, according to people who attended the dinner and asked not to be identified. He has also reportedly asked the top U.S. trade negotiator to travel to China to continue talks this month, an invitation that so far hasn’t been accepted. Speaking at the Forum on Thursday, former U.S. Secretary of State Henry Kissinger said America and China were in the “foothills of a Cold War,” and warned that the conflict could be worse than World War I if left to run unconstrained.”

<https://www.bloomberg.com/news/articles/2019-11-21/china-s-liu-cautiously-optimistic-about-reaching-phase-1-deal?srnd=premium>

■ 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 Platinum

The Mayberry Platinum portfolio is ideal for investors seeking a short to medium-term investment with returns denominated in hard currency. The portfolio comprises Investment Grade corporate and sovereign bonds, which provide strong yield and performance. The primary objective of this product is to provide our clients with income as well as capital appreciation. The Platinum portfolio enables the client to take full advantage of a diversified bond portfolio and is ideal for persons who do not have the time to actively manage their own portfolio.

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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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