

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

Stock Symbol	SEP	SVL	JBG	ISP	KREMI
Current Price (\$)	51.39	26.06	37.36	32.90	4.07
Trailing EPS (\$)	1.30	0.89	1.95	0.55	0.08
P/E (times)	39.64	29.35	19.19	59.78	51.85
Projected P/E	15.74	20.81	17.83	62.10	32.85
Projected EPS (\$) <sup>*</sup>	3.27	1.25	2.10	0.53	0.12
Book Value per share (\$)	20.66	1.31	12.67	3.44	1.96
Price/Book Value (times)	2.49	19.85	2.95	9.57	2.07
Dividend Yield (2018 %)	N/A	N/A	0.95%	N/A	1.00%
Volumes	9,715	118,411	35,432	NIL	NIL
Recommendation	BUY	BUY	HOLD	SELL	SELL

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	138.500	104.280	135.4434	143.973	105.465	136.7905
CAN	102.925	81.920	102.0993	106.596	96.500	102.4740
GBP	176.500	138.429	169.6085	183.060	165.000	175.6852
EURO	154.615	112.504	143.7085	154.980	138.950	151.7603

\*Rates as at November 27, 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 28, 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 28, 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 nine months ended September 30, 2019:-

Supreme Ventures Limited (SVL), for the nine months ended September 30, 2019, reported a 16% increase in 'Total Gaming Revenue' from \$24.25 billion in 2018 to \$28.06 billion in 2019. Revenues from the Company's segments were as follows:

Revenue from 'Non fixed odd wagering games, horse racing and pin codes' amounted to \$16.70 billion (2018: \$14.44 billion), a 16% increase.

Income from fixed odd wagering games, net of prizes totaled \$11.36 billion (2018: \$9.81 billion), a 16% rise.

Direct expenses recorded an increase to close the period at \$22.31 billion when compared to \$19.44 billion for the same period in 2018. As such, gross profit for the period improved 20% to \$5.75 billion (2018: \$4.81 billion). For the quarter, gross profit closed at \$1.87 billion (2018: \$1.60 billion).

Operating expenses grew 10% for the period to \$3.11 billion (2018: \$2.83 billion), while recording 'Other losses' of \$52.27 million relative to 'Other income' of \$127.22 million for the prior period in 2018.

Consequently, operating profit for the period increase 23% to \$2.59 billion relative to \$2.11 billion reported in 2018. While, for the quarter, operating profit closed at \$748.23 million (2018: \$672.24 million).

Finance costs rose to \$81.86 million (2018: \$57.46 million). As such, profit before taxation amounted to \$2.50 billion, up from \$2.05 billion in 2018. For the quarter, profit before taxation totaled \$706.04 million (2018: \$651.91 million).

Taxation for the period rose 40% to close at \$742.22 million compared to \$532.04 million in 2018, thus resulting in net profit of \$1.76 billion, a 16% increase from the \$1.52 billion recorded in the prior comparable period. For the quarter, net profit closed at \$526.53 million (2018: \$468.87 million).

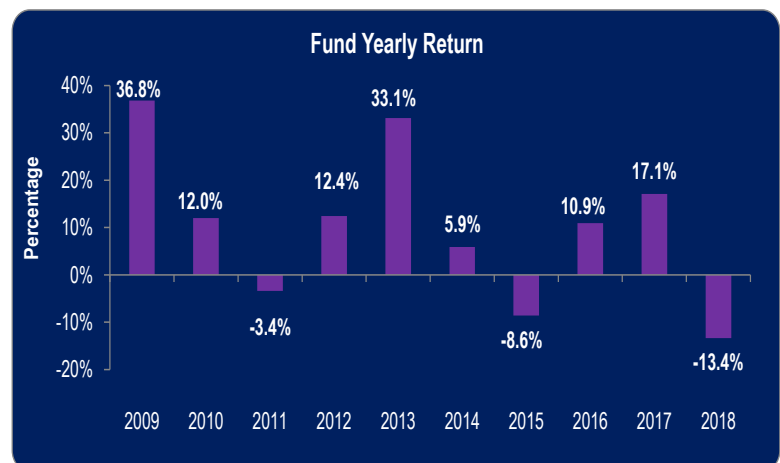
Earnings per share totaled \$0.67 versus \$0.58 in the previous period in 2018, while EPS for the quarter amounted to \$0.20 (2018: \$0.18). The twelve months trailing earnings per share amounted \$0.89.

## 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 9.2% and a 5 year return of 4.9%. The Fund also has a 10 year return of 8.9%. Rates are as at October 31, 2019.



U.S: U.S., Canada, Mexico Meet to Push for Final Agreement on USMCA

“The White House pushed Wednesday to wrap final negotiations with Democrats on President Donald Trump’s top legislative priority, the U.S.-Mexico-Canada Agreement, in meetings with top Mexican and Canadian officials. The administration and House Democrats have been locked in tense negotiations for months to secure a potential vote before the end of the year on USMCA and this week managed to narrow their differences. Wednesdays meeting broke up without a USMCA deal announcement but with Mexico and Canada citing progress. Mexican deputy foreign minister Jesus Seade met first with Trump’s trade chief Robert Lighthizer to discuss the fixes that Lighthizer offered House Speaker Nancy Pelosi verbally earlier this week. Lighthizer, the U.S. Trade Representative, needs Mexico and Canada’s sign-off before Democrats will support USMCA.”

<https://www.bloomberg.com/news/articles/2019-11-27/white-house-in-pre-thanksgiving-push-to-get-usmca-to-finish-line?srnd=premium>

Europe: Euro-Area Sentiment Brightens in Sign Economy Reached Trough

“Economic confidence in the euro area improved more than forecast this month, adding to signs the region might be through the worst of its recent slump. The European Commission survey is the latest to suggest growth prospects in the 19-nation region have at least stopped deteriorating after the European Central Bank unleashed new monetary support in September. Sentiment improved in industry, services, retail and among consumers in November, with forward-looking sub-components faring particularly well. The euro-area economy expanded a mere 0.2% in the third quarter as manufacturing suffered from weaker global momentum, the U.S.-China trade war and geopolitical uncertainty. While domestic demand has held up reasonably well and Germany, the bloc’s largest economy, narrowly avoided a technical recession, policy makers still see risks to the outlook on the downside and have called for fiscal stimulus.”

<https://www.bloomberg.com/news/articles/2019-11-28/euro-area-confidence-brightens-in-sign-economy-reached-trough>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at November 25, 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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