

LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	SEP	SALF	FOSRICH	ISP	ELITE
Current Price (\$)	50.55	31.50	4.85	32.90	5.32
Trailing EPS (\$)	1.30	1.89	0.18	0.55	0.19
P/E (times)	38.99	16.62	26.27	59.78	28.20
Projected P/E	15.48	16.74	24.23	62.10	26.68
Projected EPS (\$) [*]	3.27	1.88	0.20	0.53	0.20
Book Value per share (\$)	20.66	9.14	1.53	3.44	1.32
Price/Book Value (times)	2.45	3.45	3.18	9.57	4.02
Dividend Yield (2018 %)	3.17%	9.33%	N/A	N/A	N/A
Volumes	48,617	NIL	35,045	NIL	1,000
Recommendation	BUY	HOLD	HOLD	SELL	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	140.000	101.400	134.4818	142.890	110.245	136.2891
CAN	104.000	81.340	98.7647	106.500	86.154	102.3123
GBP	181.073	136.207	173.7887	182.500	158.300	174.5905
EURO	154.615	112.504	143.8920	156.000	142.500	150.8106

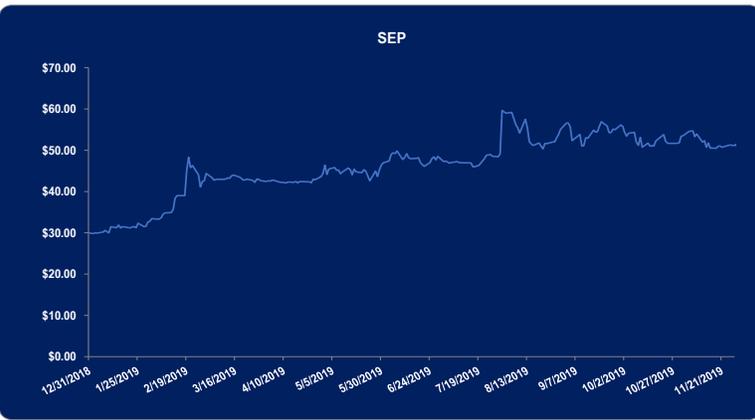
*Rates as at November 28, 2019

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 29, 2019) trading session. The overnight rate stood at 0.30% while the 30-day rate was 1.40%.

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: 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. 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).

Other operating income totalled \$175.03 million compared to \$676.66 million in 2018, a 74% reduction year over year.

Other operating expense closed the period under review at \$6.99 billion (2018: \$3.60 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.

Finance costs totalled \$866.66 million (2018: \$433.98 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).

Net Profit attributable to shareholders amounted to \$895.08 million, a year over year decline from the \$1.13 billion recorded a year earlier.

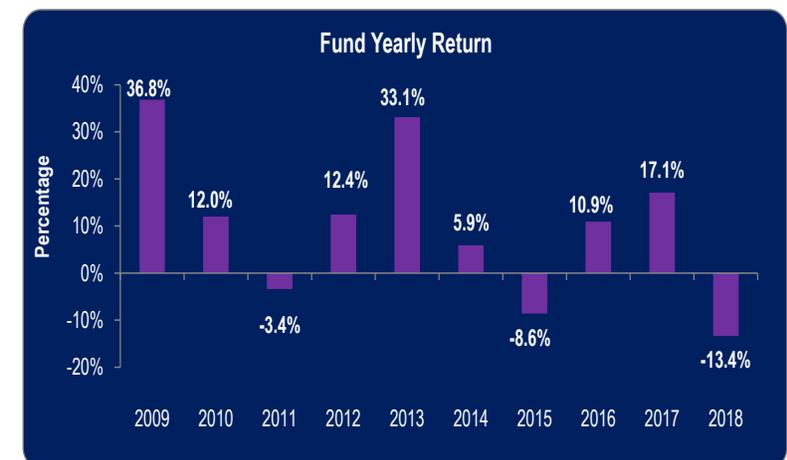
Consequently, Earnings per share (EPS) for the nine months ended September 30, 2019 amounted to \$1.22 relative to \$1.54 for the corresponding period in 2018. The twelve months trailing EPS is \$1.30.

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.



⁺Prices are as at November 29, 2019 ^{*}Projections are made to the company's financial year end

U.S: Markets Show U.S. Gaining Upper Hand Over China in Trade War

“The U.S. is starting to overtake China in the trade war, at least in financial markets. Treasuries have held on to this year’s rally, the dollar remains strong despite three interest-rate cuts and U.S. stocks have been notching a string of records. Meanwhile, Chinese shares, the yuan and the country’s government bonds have recently struggled to find momentum. An equities sell-off accelerated on Friday, when a sudden tumble in Hong Kong stocks spilled over to the mainland market, where investors took profits in crowd favorites like Kweichow Moutai Co.”

<https://www.bloomberg.com/news/articles/2019-11-28/markets-show-u-s-gaining-upper-hand-over-china-in-trade-war>

Europe: Euro-Area Inflation Quickens, But Remains Far Below ECB’s Goal

“Euro-area inflation accelerated in November, offering some comfort for the European Central Bank whose monetary stimulus has attracted increased scrutiny over potentially detrimental side effects. The rate picked up to 1% from a three-year low of 0.7% in October, beating expectations for a 0.9% reading. More importantly, a measure stripping out volatile components quickened to 1.3%, the highest in seven months. The headline rate is still well below the ECB’s goal of just under 2%. Recent shifts in inflation have been driven by energy, and the central bank has warned that underlying price pressures are “muted.” The ECB has been struggling to lift inflation despite years of ultra-loose policy.”

<https://www.bloomberg.com/news/articles/2019-11-29/euro-area-inflation-quickens-but-remains-far-below-ecb-s-goal>

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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