

## LOCAL STOCK MARKET: (J\$) +

| Stock Symbol              | ECL    | MDS    | FOS RICH | ISP   | ELITE  |
|---------------------------|--------|--------|----------|-------|--------|
| Current Price (\$)        | 5.70   | 7.49   | 4.59     | 31.99 | 5.33   |
| Trailing EPS (\$)         | 0.32   | 0.38   | 0.18     | 0.55  | 0.19   |
| P/E (times)               | 17.69  | 19.59  | 24.87    | 58.13 | 28.25  |
| Projected P/E             | 16.92  | 21.80  | 22.93    | 60.39 | 26.73  |
| Projected EPS (\$)*       | 0.34   | 0.34   | 0.20     | 0.53  | 0.20   |
| Book Value per share (\$) | 0.36   | 2.86   | 1.53     | 3.44  | 1.32   |
| Price/Book Value (times)  | 15.94  | 2.62   | 3.01     | 9.31  | 4.03   |
| Dividend Yield (2018 %)   | 13.14% | 2.10%  | N/A      | N/A   | N/A    |
| Volumes                   | 51,680 | 10,000 | 25,042   | NIL   | 57,675 |
| 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      | 139.500       | 102.305 | 133.9858              | 140.725    | 110.368 | 135.0660              |
| CAN      | 102.200       | 80.095  | 100.6946              | 105.950    | 95.000  | 100.9226              |
| GBP      | 181.390       | 137.688 | 173.0835              | 180.900    | 164.000 | 172.9680              |
| EURO     | 147.050       | 111.328 | 145.1634              | 155.000    | 141.700 | 148.6709              |

\*Rates as at December 03, 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 (December 04, 2019) trading session. The overnight rate stood at 0.30% while the 30-day rate was 1.40%.

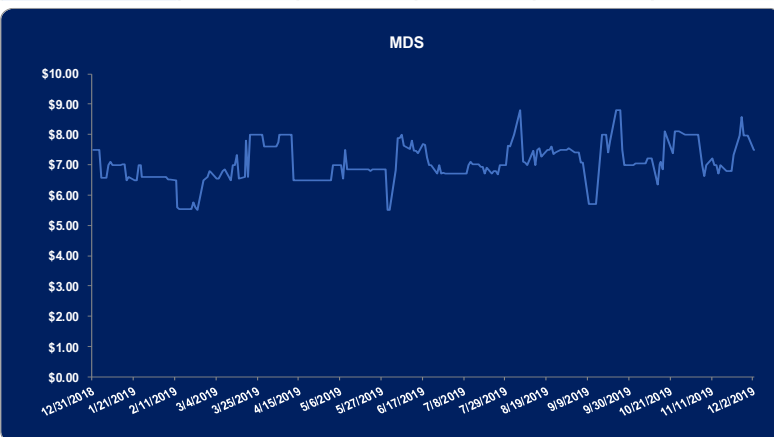
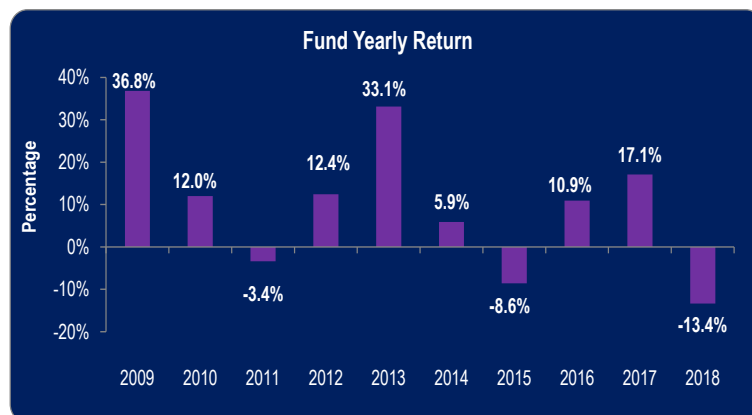
The US dollar fixed income market was also liquid during today's (December 04, 2019) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.

## OVER THE COUNTER FUNDS (CI FUNDS)

### CI American 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.



## STOCK OF THE DAY: Medical Disposables & Supplies Limited (MDS)

### For the six months ended September 2019:-

Medical Disposables & Supplies Limited, for the six months ended September 2019 reported Revenue amounting \$1.12 billion, an increase of 8%, relative to \$1.04 billion booked the previous year. For the second quarter revenues totalled \$565.04 million up 13% year over year (2018: \$500.85 million).

Cost of sales went up 6% to close the period at \$847.99 million relative to the \$800.44 million reported for the same period last year. This resulted in gross profit which increased 14% to a total of \$274.29 million relative to the \$241.52 million for the corresponding period in 2018. Gross profit for the second quarter amounted to \$133.11 million, a 7% improvement compared to the \$124.59 million reported in 2018.

Total operating cost closed the period at \$207.44 million, up 23% (2018: \$169.24 million). Of this, selling and promotional costs went up 34% to \$86.95 million (2018: \$64.79 million). In addition, administrative expenses increased by 13% to \$109.38 million from \$96.76 million last year. Notably, the company booked other operating income of \$2.87 million for the period ended September 30, 2019 relative an income of \$2.68 million of the same period in 2018.

The company's loss on foreign exchange was reported at \$19.91 million compared a loss of \$20.11 million in 2018. Finance cost increased by 25% to total \$21.74 million (2018: \$17.37 million). Furthermore, Gain on disposal of property, plant and equipment was \$1.15 million (2018: nil).

As a result, MDS reported profit before tax of \$26.37 million, a 24% decrease relative to the \$34.80 million in 2018.

Consequently, net profit for the period amounted to \$22.64 million relative to \$34.77 million in 2018, a 35% increase year over year, after a tax charge of \$3.74 million for the period. Net profit for the quarter amounted to \$6.55 million (2018: \$15.68 million).

**U.S.: U.S., China Move Closer to Trade Deal Despite Harsh**

“The U.S. and China are moving closer to agreeing on the amount of tariffs that would be rolled back in a phase-one trade deal despite tensions over Hong Kong and Xinjiang, people familiar with the talks said. The people, who asked not to be identified, said that U.S. President Donald Trump’s comments Tuesday downplaying the urgency of a deal shouldn’t be understood to mean the talks were stalling, as he was speaking off the cuff. Recent U.S. legislation seeking to sanction Chinese officials over human-rights issues in Hong Kong and Xinjiang are unlikely to impact the talks, one person familiar with Beijing’s thinking said. U.S. negotiators expect a phase-one deal with China to be completed before American tariffs are set to rise on Dec. 15, the people said.”

<https://www.bloomberg.com/news/articles/2019-12-04/u-s-china-move-closer-to-trade-deal-despite-heated-rhetoric?srnd=premium>

**Asia: Foreign Direct Investment Into China Jumps Despite Trade War**

“Foreign direct investment into China jumped last year to \$139 billion even as trade tensions escalated, bucking a trend that saw global flows sink 13% from 2017 levels. While global foreign direct investment declined to \$1.3 trillion last year, inflows into China rose 3.7% from 2017, according to a report Wednesday from the United Nations Economic and Social Commission for Asia and the Pacific. The report also showed that for the first time, Asia-Pacific was both the largest destination and source of foreign direct investment globally, with China remaining the biggest recipient of inflows despite the trade war with the U.S. Foreign direct investment into China jumped last year to \$139 billion even as trade tensions escalated, bucking a trend that saw global flows sink 13% from 2017 levels.”

<https://www.bloomberg.com/news/articles/2019-12-04/foreign-direct-investment-into-china-jumps-despite-trade-war?srnd=premium-asia>

**PLATINUM PORTFOLIO**

**Platinum Portfolio Yield Measures as at December 02, 2019**

|                                | Percentage (%) |
|--------------------------------|----------------|
| <b>Yield to Maturity</b>       | 5.22           |
| <b>Weighted Average Coupon</b> | 5.427          |
| <b>Current Yield</b>           | 4.09           |

The platinum portfolio has an effective maturity of 13.08 years and duration of 4.59 years.

**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, www.bloomberg.com, www.investopedia.com, www.tradewire.com



**OVER 30 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH**

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MANAGED FUNDS SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS