

LOCAL STOCK MARKET: (J\$) ⁺

| Stock Symbol | SEP | ECL | LASM | BPOW | BIL |
|---------------------------|-------|--------|--------|--------|---------|
| Current Price (\$) | 48.99 | 5.58 | 5.22 | 6.27 | 70.90 |
| Trailing EPS (\$) | 1.30 | 0.32 | 0.28 | 0.22 | 2.08 |
| P/E (times) | 37.79 | 17.32 | 18.91 | 28.62 | 34.10 |
| Projected P/E | 15.00 | 16.56 | 17.92 | 27.37 | 68.61 |
| Projected EPS (\$)* | 3.27 | 0.34 | 0.29 | 0.23 | 1.03 |
| Book Value per share (\$) | 20.66 | 0.36 | 1.51 | 1.67 | 16.45 |
| Price/Book Value (times) | 2.37 | 15.60 | 3.46 | 3.76 | 4.31 |
| Dividend Yield (2018 %) | 3.17% | 13.14% | 1.01% | 0.45% | N/A |
| Volumes | 5,550 | 72,183 | 19,936 | 41,251 | 131,692 |
| Recommendation | BUY | BUY | HOLD | SELL | SELL |



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). For the third quarter, total revenue climbed by 69% to total \$8.19 billion relative to \$4.86 billion reported the prior year's corresponding quarter.

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.

⁺Prices are as at December 06, 2019 *Projections are made to the company's financial year end

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

| Currency | PURCHASE RATE | | | SALES RATE | | |
|----------|---------------|---------|-----------------------|------------|---------|-----------------------|
| | Highest | Lowest | Weighted Average Rate | Highest | Lowest | Weighted Average Rate |
| USD | 139.200 | 102.068 | 133.0435 | 140.184 | 102.068 | 134.8030 |
| CAN | 103.600 | 80.340 | 101.5445 | 105.000 | 96.000 | 101.7644 |
| GBP | 177.000 | 139.600 | 170.6416 | 182.471 | 145.871 | 176.7317 |
| EURO | 146.500 | 111.720 | 140.9563 | 153.900 | 139.000 | 151.1258 |

*Rates as at December 05, 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 06, 2019) trading session. The over night rate stood at 0.30% while the 30-day rate was 1.40%.

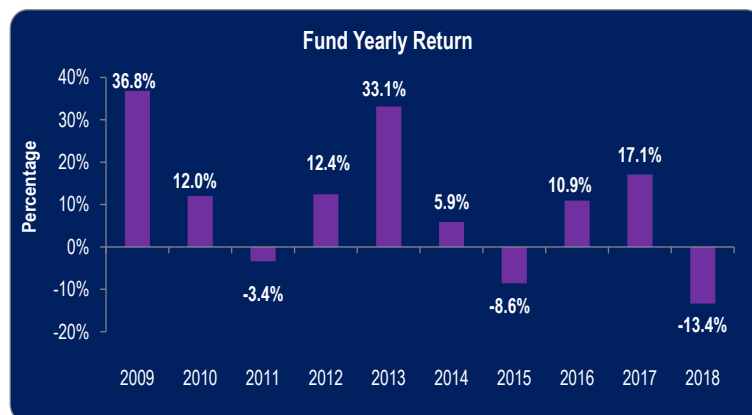
The US dollar fixed income market was also liquid during today's (December 06, 2019) trading session; The over-night market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.

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.



U.S: Trump, Pelosi Both See Benefits in Swift House Impeachment

“Speaker Nancy Pelosi has set her party in motion on a rapid path to the impeachment of Donald Trump, a timetable that fits with both her political imperatives and those of the president. Judiciary Committee Democrats will be working through the weekend and by next Thursday could begin to draft the articles of impeachment that will shape the debate in a Senate trial that likely will be held next year. The next formal step is a hearing on Monday where counsels for both parties on the Intelligence and Judiciary Committees will lay out the findings of the investigations. As Democrats decide what to charge the president with, they could begin voting on specific articles as soon as Thursday, Judiciary committee officials said. The entire House could vote the following week, just before Congress is set to break for the holidays.”

<https://www.bloomberg.com/news/articles/2019-12-06/trump-pelosi-both-see-benefits-in-swift-house-impeachment?srnd=premium>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at December 02, 2019

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

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

Europe: ECB Rate Cuts Seen as Done With Lagarde's Review in Spot-

“The European Central Bank is done with cutting interest rates despite persistent downside risks to growth, according to a Bloomberg survey of economists. With officials increasingly concerned about the impact of negative rates and President Christine Lagarde about to announce a strategic review, most respondents said monetary policy is on autopilot for the next two years. That’s a turnaround from the previous survey which predicted more easing in June. Economists now see the next move as a rate hike by the first quarter of 2022. Lagarde, who holds her first policy meeting on Dec. 12, is facing mounting pressure from banks and politicians who say sub-zero rates are damaging the financial system and hurting savers. It suggests her review will have to investigate other ways of using the ECB’s toolkit to revive inflation.”

<https://www.bloomberg.com/news/articles/2019-12-06/ecb-rate-cuts-seen-as-done-with-lagarde-s-review-in-spotlight?srnd=economics-vp>

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.

DISCLAIMER

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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



www.mayberryinv.com

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