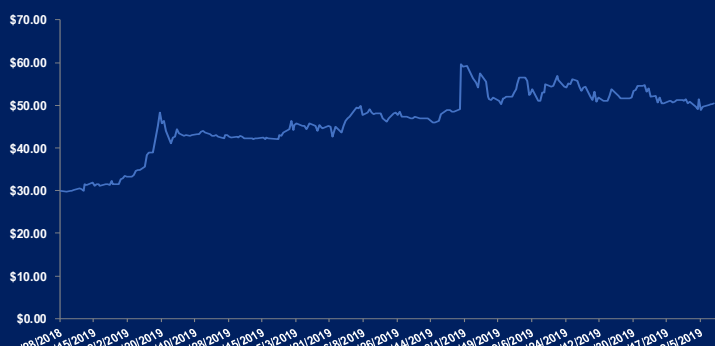


## LOCAL STOCK MARKET: (J\$) <sup>+</sup>

Stock Symbol	CAR	SEP	PJAM	BIL	VMIL
Current Price (\$)	8.32	50.45	101.06	71.05	8.67
Trailing EPS (\$)	0.70	1.30	7.54	2.08	0.44
P/E (times)	11.92	38.92	13.40	34.17	19.89
Projected P/E	11.49	15.45	15.46	68.75	29.84
Projected EPS (\$) <sup>*</sup>	0.72	3.27	6.54	1.03	0.29
Book Value per share (\$)	0.31	20.66	38.78	16.45	2.94
Price/Book Value (times)	26.44	2.44	2.61	4.32	2.95
Dividend Yield (2018 %)	7.63%	3.17%	2.33%	13.39%	4.32%
Volumes	1,424,239	10,720	1,068,431	103,188	33,673
Recommendation	BUY	BUY	HOLD	SELL	SELL

SEP



## 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 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).

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).

## FOREIGN EXCHANGE MARKET TRADING SUMMARY <sup>\*</sup>

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	138.500	101.673	132.8988	139.318	108.680	134.5142
CAN	103.400	79.680	102.0859	104.965	94.000	103.0567
GBP	178.500	138.141	169.7247	183.342	164.000	175.0885
EURO	150.226	110.544	142.0975	152.280	120.250	149.3269

<sup>\*</sup>Rates as at December 12, 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 13, 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 13, 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%.

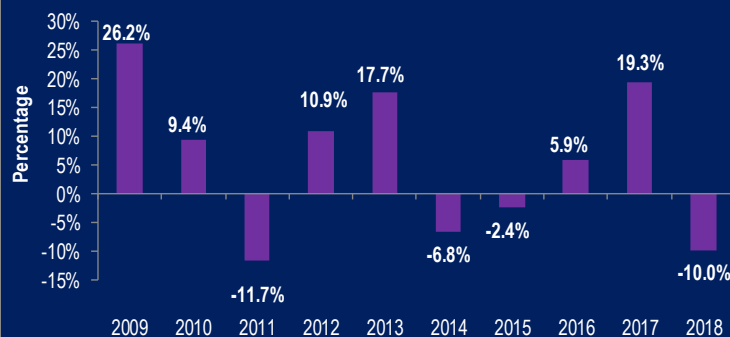
## OVER THE COUNTER FUNDS (CI FUNDS)

### CI International Value Corporate Class

This fund invests primarily in equity and equity-related securities of companies whose primary operations are outside of North America.

The fund has a 3 year return of 7.5% and a 5 year return of 4.2%. The Fund also has a 10 year return of 4.1%. Rates are as at November 30, 2019.

Fund Yearly Return



## U.S: U.S. and China Agree to 'Phase-One' Deal Easing Trade Tensions

"The U.S. and China said they agreed to the details of the first phase of a broader trade agreement in a move that will see the U.S. reduce tariffs and at least temporarily calm fears of an escalating trade war between the world's two largest economies. The deal announced hinges on China increasing purchases of American farm goods such as soybeans and pork, and making new commitments on intellectual property and currency. Speaking to reporters in Washington, President Donald Trump said he expects China's agriculture buying to hit \$50 billion annually "pretty soon," without specifying a timetable. In return, Trump agreed to reduce some existing U.S. tariffs, halving 15% duties on \$120 billion of imports but maintaining a 25% levy on some \$250 billion of Chinese goods."

<https://www.bloomberg.com/news/articles/2019-12-13/u-s-and-china-agree-to-phase-one-deal-easing-trade-tensions?srnd=economics-vp>

## Asia: China Economists See Stability, Not Stimulus Push in 2020

"The Chinese government's annual economic policy meeting which concluded Thursday signals a continuation of the current moderate stimulus strategy with only fine-tuning likely, economists said. Policy makers pledged to keep next year's economic growth "within a reasonable range," highlighting the need to achieve its goal of "building a moderately prosperous society" in 2020. Economists including Lu Ting at Nomura International Ltd in Hong Kong expect that the annual economic growth target will be trimmed to "about 6%" when it is released early next year. "We expect China's 2020 policy stance to resemble that of 2019, with a significant focus on fiscal policy to prevent a sharper economic slowdown," said Marie Diron at Moody's Investors Service in Singapore."

<https://www.bloomberg.com/news/articles/2019-12-13/china-economists-see-stability-not-stimulus-push-in-2020>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at December 09, 2019

	Percentage (%)
<b>Yield to Maturity</b>	5.20
<b>Weighted Average Coupon</b>	5.427
<b>Current Yield</b>	4.04

The platinum portfolio has an effective maturity of 13.12 years and duration of 4.58 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](http://www.jamstockex.com), [www.bloomberg.com](http://www.bloomberg.com), [www.investopedia.com](http://www.investopedia.com), [www.tradewire.com](http://www.tradewire.com)



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