

LOCAL STOCK MARKET: (J\$) +

Stock Symbol	GK	SALF	MDS	KREMI	FTNA
Current Price (\$)	67.63	30.95	7.40	4.25	6.48
Trailing EPS (\$)	5.09	1.89	0.38	0.08	0.23
P/E (times)	13.30	16.33	19.35	54.14	28.65
Projected P/E	13.12	16.45	21.54	34.30	25.75
Projected EPS (\$)*	5.15	1.88	0.34	0.12	0.25
Book Value per share (\$)	52.53	9.14	2.86	1.96	1.03
Price/Book Value (times)	1.29	3.39	2.59	2.16	6.30
Dividend Yield (2018 %)	3.08%	9.33%	2.10%	1.00%	N/A
Volumes	2,050	NIL	675	NIL	90,161
Recommendation	HOLD	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	136.500	101.120	132.3735	139.643	101.910	133.5251
CAN	102.500	80.095	96.5389	105.250	94.000	100.4331
GBP	179.300	136.783	174.4792	183.200	163.000	178.1133
EURO	153.615	110.544	151.1112	154.615	140.200	152.3210

*Rates as at December 20, 2019

For December 2019, the Bank of Jamaica projects that the value of currency issued by the Bank will increase by approximately \$22.4 billion (17.2%), relative to end-November 2019. This forecast is generally in line with the five-year average growth rate of 17.6% for the month of December.

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (December 23, 2019) trading session. The overnight rate stood at 0.30% to 0.50% while the 30-day rate was 1.50% to 1.70%.

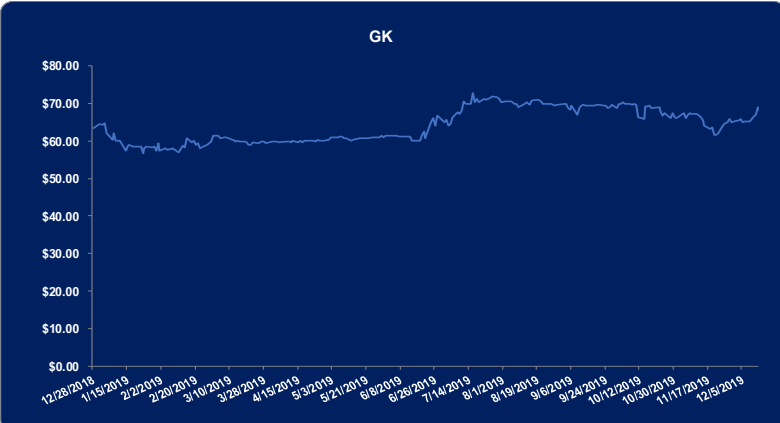
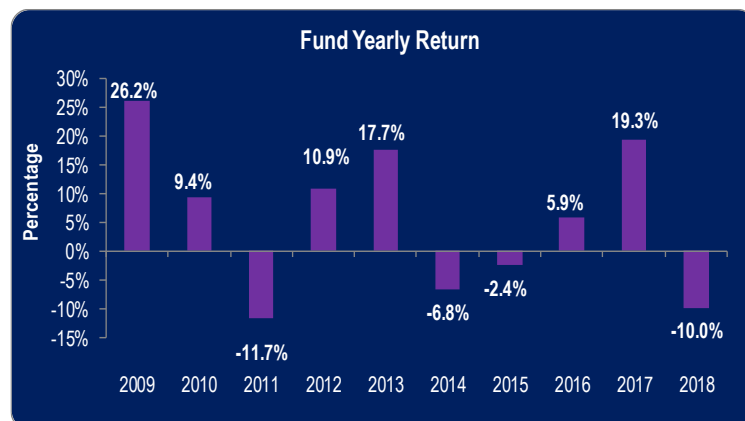
The US dollar fixed income market was also liquid during today's (December 23, 2019) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI 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.



STOCK OF THE DAY: GraceKennedy Limited (GK)

For the nine months ended September 30, 2019:-

Grace Kennedy Limited (GK) recorded revenue of \$77.03 billion for period (2018: \$73.83 billion), a year over year increase of 4%. Revenue for the third quarter of 2019 marginally climbed to \$25.54 billion (2018: \$25.46 million). The biggest contributor to the Group's overall revenue for the nine month period came from the 'Food Trading' segment which contributed a total of \$61.15 billion (2018: \$58.54 billion), an increase of 4% relative to the prior year's corresponding period.

The other segments contributing to revenue are as follows:

'Banking & Investments' went up 5% year over year to total \$4.56 billion (2018: \$4.35 billion).

'Revenue from 'Insurance' amounted to \$5.54 billion, a year over year increase of 10% over last year's corresponding period of \$5.05 billion.

'Money Services' brought in \$5.78 billion, 2% less than the \$5.88 billion reported in September 2018.

Total Expenses amounted to \$74.15 billion relative to \$71.62 billion booked in 2018, indicating a 4% growth year over year. Expenses for the third quarter amounted to \$24.32 billion, down from \$24.68 billion for the same quarter of 2018. As such, gross profit for the nine months amounted to \$2.88 billion relative to \$2.21 billion booked for the similar period of 2018.

Consequently, net profit slightly improved to \$3.713 billion from \$3.711 billion booked for the corresponding period of 2018. Net profit for the third quarter surged 14% to \$1.44 billion (2018: \$1.26 billion).

Net Profits attributable to shareholders amounted to \$3.27 billion compared to \$3.22 billion for the prior year's corresponding period, showing a 2% increase. Net profit attributable to shareholders for the third quarter amounted to \$1.26 billion, down from the \$1.06 billion booked for the same quarter of 2018.

■ U.S: U.S. New-Home Sales Rise to Cap Best Three Months Since 2007

“Sales of new U.S. homes increased in November, capping the best three months for demand since 2007 and reflecting sustained momentum in a residential real estate market that’s helping to underpin the economy. Single-family home sales rose 1.3% to a 719,000 annualized pace from a downwardly revised October, government data showed Monday. In the three months through November, purchases averaged a 720,000 pace, the strongest in 12 years. An index of U.S. homebuilder stocks pared losses following the report.”

<https://www.bloomberg.com/news/articles/2019-12-23/u-s-new-home-sales-rise-capping-best-three-months-since-2007?srnd=economics-vp>

■ Asia: China’s Li Vows More Funding with Targeted Reserve-Ratio Cuts

“Chinese Premier Li Keqiang said the government will continue to lower the amount of money banks put aside as reserves to reduce overall borrowing costs for small firms, according to China Central Television. Li said the government will continue to cut the reserve ratio for banks and look into measures including increasing quotas for relending and rediscounting to reduce overall borrowing costs for small firms and increase the amount of cheap funding to commercial lenders. He made the remarks during a visit to local commercial lenders in Chengdu on Monday.”

<https://www.bloomberg.com/news/articles/2019-12-23/china-s-li-vows-more-funding-with-targeted-reserve-ratio-cuts?srnd=economics-vp>

■ PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at December 23, 2019

	Percentage (%)
Yield to Maturity	5.18
Weighted Average Coupon	5.403
Current Yield	3.99

The platinum portfolio has an effective maturity of 13.12 years and duration of 4.61 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

POSITIVE TRANSFORMATION FOR OUR CLIENTS

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