

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	GK	SALF	MDS	KREMI	FTNA
Current Price (\$)	69.20	30.95	7.40	4.28	6.69
Trailing EPS (\$)	5.09	1.89	0.38	0.08	0.23
P/E (times)	13.61	16.33	19.35	54.52	29.57
Projected P/E	13.43	16.45	21.54	34.54	26.59
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)	1.32	3.39	2.59	2.18	6.51
Dividend Yield (2018 %)	3.08%	9.33%	2.10%	1.00%	N/A
Volumes	1,455,867	NIL	1,000	321,508	387,160
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	101.000	132.5873	138.560	105.974	134.0920
CAN	103.600	80.095	102.5303	108.000	81.060	103.0571
GBP	177.000	136.783	168.7489	180.513	146.999	172.3436
EURO	147.600	110.544	138.8695	152.280	118.577	149.7453

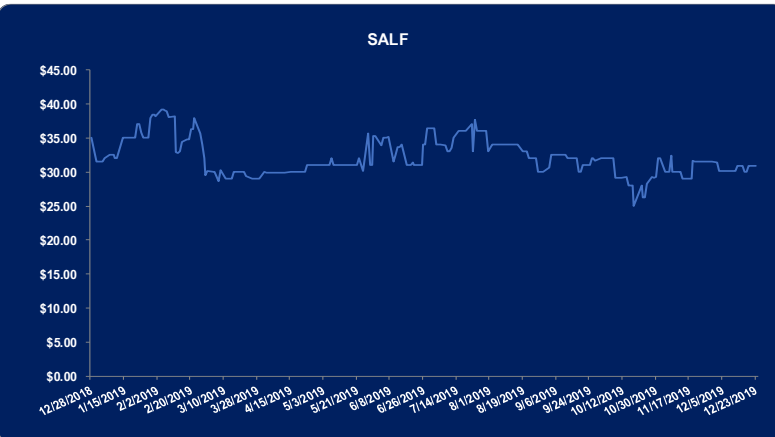
^{*}Rates as at December 23, 2019

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 24, 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 24, 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: Salada Foods Jamaica Limited (SALF)

For the year ended September 30, 2019:-

Salada Foods Jamaica Limited (SALF), for the year ended September 30, 2019 recorded a 7% increase in turnover to close at \$1.11 billion (2018: \$1.04 billion). The movement occurred, "despite a challenging first quarter as operations were impacted due to a boiler accident," as noted by the SALF. For the fourth quarter, revenue amounted to \$344.01 million (2018: \$292.79 million), a 17% rise year over year.

Cost of sales for the year increased by 17% to close the period at \$752.09 million relative to \$641.54 million in 2018. As such, gross profit amounted to \$361.57 million, a 10% decline year over year from the \$399.96 million booked in the prior year. Gross profit for the quarter posted an 11% decrease to close at \$94.90 million relative to \$107.16 million booked for the comparable quarter in 2018.

Administrative expenses rose by 63% to \$138.80 million (2018: \$84.98 million). Also, selling and promotional expenses increased by 39% from \$44.90 million in 2018 to \$62.46 million.

Consequently, this resulted in an operating profit before other income, net finance cost and taxation of \$164.25 million, down 39% compared with the \$270.07 million reported for the prior year.

Profit before taxation decreased by 42% to \$167.51 million versus \$290.71 million booked for the previous year.

Net profit declined by 36%, from \$219.18 million in 2018 to \$141.37 million following taxation of \$26.15 million (2018: \$71.53 million). Net profit for the quarter fell to \$27.22 million in 2019 relative to \$82.32 million in 2018.

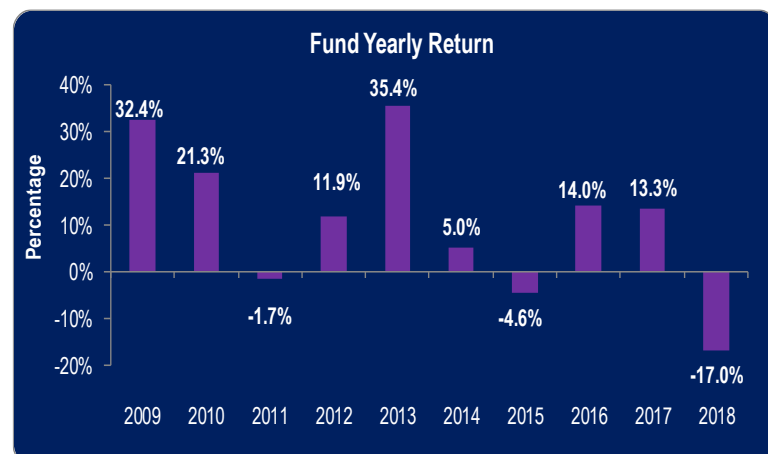
Net profit attributable to shareholders amounted to \$141.92 million relative to \$219.68 million booked twelve months earlier. Total comprehensive income for the year amounted to \$183.84 million versus \$240.69 million in 2018.

OVER THE COUNTER FUNDS (CI FUNDS)

CI American Small Companies Fund

This fund invests primarily in equity and equity-related securities of small to mid-capitalization North American companies.

The fund has a 3 year return of 4.3% and a 5 year return of 4.3%. The Fund also has a 10 year return of 9.3%. Rates are as at November 30, 2019.



■ U.S: Trump Promotes Aide Who Defied House Impeachment Subpoena

“President Donald Trump has promoted a White House aide who was subpoenaed in the House impeachment investigation but declined to testify. The aide, Robert Blair, has been named a special representative for international telecommunications policy, the White House said in a statement on Monday evening. Blair, according to the statement, will “coordinate interagency efforts and serve as a liaison to industry, non-governmental, and international stakeholders to promote the development, deployment, and operation of the next-generation telecommunications infrastructure” and support the administration’s policies regarding 5G technology.

<https://www.bloomberg.com/news/articles/2019-12-24/trump-promotes-aide-who-defied-house-impeachment-subpoena?srnd=premium-asia>

■ Asia: India Should Avoid Fiscal Stimulus as Debt Surges, IMF Says

“India’s government should avoid a fiscal stimulus to spur the economy, and focus instead on cutting public debt so that financial resources can be freed up for investment, the International Monetary Fund said. While the national government has a budget deficit target of 3.3% of gross domestic product in the year through March, a better reflection of the fiscal position is the public sector borrowing requirement, which the IMF estimates has increased to about 8.5% of GDP. “Economic development projects and enhanced social initiatives in India will be vital in the coming years,” the IMF said in a statement accompanying its annual Article IV report on the economy.

<https://www.bloomberg.com/news/articles/2019-12-23/india-needs-fiscal-consolidation-path-to-reduce-debt-imf-says?srnd=premium-asia>

■ 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 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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