

LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	SJ	SEP	MDS	BPOW	FTNA
Current Price (\$)	66.76	51.02	7.01	5.00	7.16
Trailing EPS (\$)	4.17	1.30	0.38	0.16	0.23
P/E (times)	16.02	39.36	18.33	31.80	31.65
Projected P/E	14.35	15.63	20.40	33.62	28.46
Projected EPS (\$) [*]	4.65	3.27	0.34	0.15	0.25
Book Value per share (\$)	22.63	20.66	2.86	1.70	1.03
Price/Book Value (times)	2.95	2.47	2.45	2.95	6.96
Dividend Yield (2018 %)	3.37%	3.17%	2.10%	0.45%	N/A
Volumes	13,050	8,380	35,328	3,500	125,259
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	100.330	132.9081	138.344	103.800	133.5007
CAN	103.800	80.095	102.6438	105.019	93.000	101.9676
GBP	174.500	134.725	164.8479	178.800	154.000	170.9925
EURO	147.600	109.760	140.1001	153.300	139.000	148.1515

*Rates as at December 24, 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 27, 2019) trading session. The overnight rate stood at 0.30% to 0.50% while the 30-day rate was 1.50% to 1.70%.

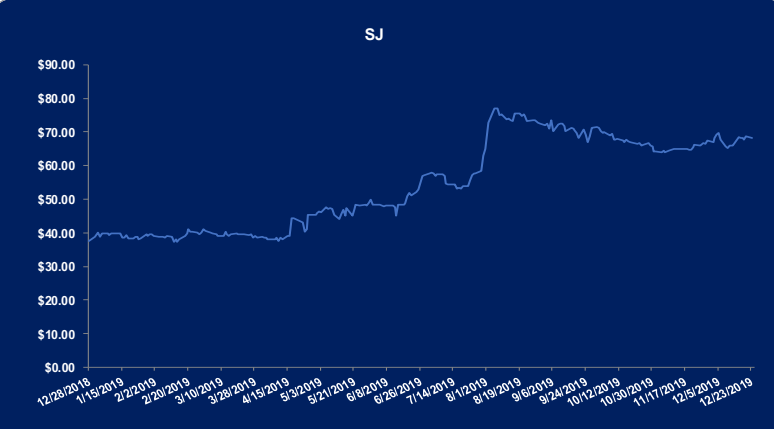
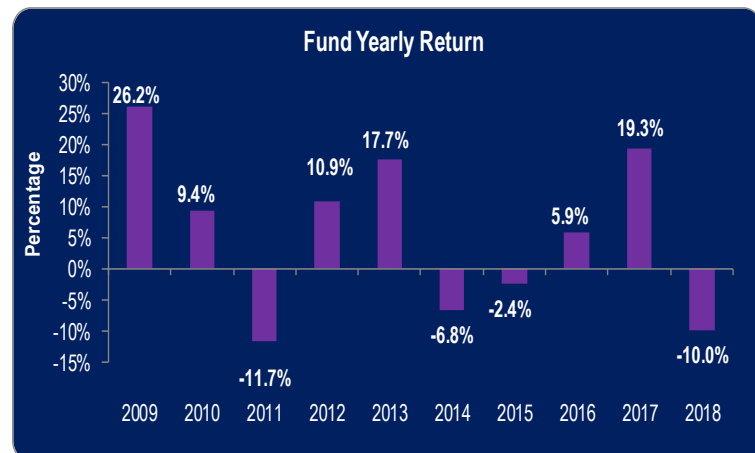
The US dollar fixed income market was also liquid during today's (December 27, 2019) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.

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: Sagcor Group Jamaica (SJ)

For the nine months ended September 30, 2019:-

Sagcor Group Jamaica (SJ), for the nine months ended September 30, 2019 reported a 31% increase total revenues to \$67.51 billion from \$51.48 billion in 2018, while for the third quarter total revenues were up 28% to total \$24.92 billion compared to \$19.46 billion in 2018. Total revenue for the nine months was broken down as follows:

Net premium revenue increased by 18% to a total of \$33.79 billion compared to \$28.75 billion last year.

Net investment income rose to \$19.33 billion from \$13.62 billion in 2018, a 42% increase.

Fees and other revenue increased 16% to \$10.51 billion from \$9.10 billion in 2018.

Hotel Revenue stood at \$3.87 billion for the period under review.

Benefits and expenses totalled \$53.66 billion for the period, a rise of 35% from \$39.87 billion, while for the third quarter benefits and expenses were up 37% to close at \$19.46 billion relative to \$14.24 billion in 2018. Of this:

Commission and related expenses grew by 11% to \$4.24 billion from \$3.83 billion.

Administration expenses increased by 16% to \$15.29 billion (2018: \$13.22 billion).

Net insurance benefits incurred amounted to \$21.18 billion versus \$18.98 billion that was recorded last year.

Hotel Expenses totalled \$3.16 billion for the period under review.

As such, Profit before Taxation amounted to \$14.52 billion, a 27% increase when compared to the \$11.48 billion booked in 2018.

Investment and corporation taxes of \$3.22 billion was reported for the period (2018: \$2.65 billion), as such net profit for the nine months totalled \$11.30 billion (2018: \$8.82 billion), a 28% climb. Profit for the quarter amounted to \$4.17 billion relative to \$3.54 billion in 2018, up 18% year over year.

Net profit attributable to shareholders for the period amounted to \$10.86 billion relative to \$8.82 billion the prior year's period. For the quarter, net profit attributable to shareholders increased 26% to \$4.47 billion (2017: \$3.54 billion).

U.S: U.S. Consumer Comfort Hits Nine-Week High on Economic Optimism

“Confidence among U.S. consumers advanced to a nine-week high on greater optimism about the economy and brighter views of personal finances and the buying climate. Bloomberg’s index of consumer comfort increased to 62.3 in the week ended Dec. 22 from 61.1, according to data released Thursday. A measure of confidence in the economy climbed to the highest since the end of July, while the personal finances gauge also was the strongest in nine weeks. Record stock prices, unemployment at a five-decade low and steady wage gains continue to lift spirits, putting the 2019 average sentiment level on track for the best since the 1999-2000 dot-com boom. Combined with elevated sentiment, this backdrop helps explain the economy’s resilience in the face of business-investment cutbacks and global demand concerns.

<https://www.bloomberg.com/news/articles/2019-12-26/u-s-consumer-comfort-hits-nine-week-high-on-economic-optimism?srnd=economics-vp>

Asia: China’s Government Is Letting a Wave of Bond Defaults Just Happen

“China’s had another record year of corporate bond defaults. That’s not a crisis. It’s a plan. A decade ago, defaults almost never happened, but that wasn’t because companies in China were always healthy. It was a reflection of the tightly controlled financial system, where companies were often linked to the government and bonds were largely bought by state-owned lenders. Authorities have often stepped in to ensure that financially troubled enterprises didn’t crash into default, out of concern over social unrest in the event of job losses or missed payroll payments. This system imposed little discipline on borrowers. Now global investors are coming into China’s bond market. Though many companies are still state-backed, policymakers are getting more comfortable with defaults. Without them, bond buyers would have little incentive to make a careful assessment of a company’s creditworthiness.”

<https://www.bloomberg.com/news/articles/2019-12-26/china-s-government-is-letting-a-wave-of-bond-defaults-just-happen?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



OVER 30 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH

POSITIVE TRANSFORMATION FOR OUR CLIENTS

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