

LOCAL STOCK MARKET: (JS) +

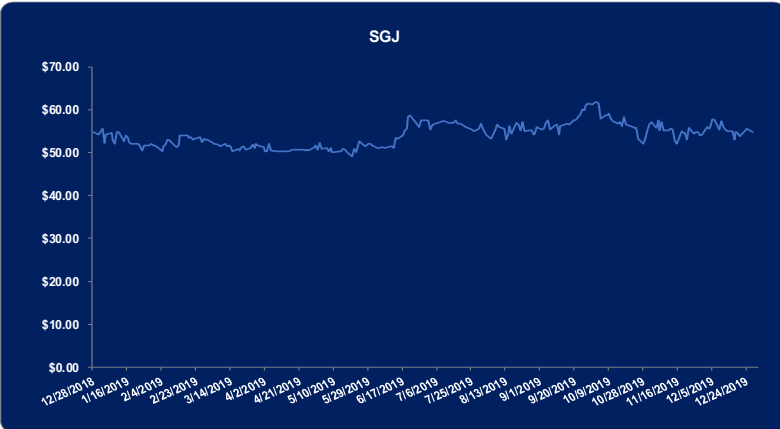
Stock Symbol	CAR	WIG	SGJ	BRG	JP
Current Price (\$)	8.16	0.97	54.88	18.01	27.07
Trailing EPS (\$)	0.70	0.07	4.24	0.80	1.07
P/E (times)	11.69	13.34	12.95	22.64	25.39
Projected P/E	11.27	10.79	12.95	23.69	25.27
Projected EPS (\$)*	0.72	0.09	4.24	0.76	1.07
Book Value per share (\$)	0.31	0.31	37.96	5.20	12.39
Price/Book Value (times)	25.93	3.11	1.45	3.46	2.18
Dividend Yield (2018 %)	7.63%	N/A	3.70%	2.87%	0.72%
Volumes	43,845	7,796,383	6,888	60	14,597
Recommendation	BUY	BUY	HOLD	HOLD	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	131.2813	137.478	100.330	132.4463
CAN	103.850	79.348	100.1915	105.563	93.000	102.4721
GBP	177.670	134.725	169.8438	181.574	160.800	170.4391
EURO	147.000	109.525	138.7832	152.500	138.850	146.1583

*Rates as at December 27, 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.



STOCK OF THE DAY: Scotia Group Jamaica Limited (SGJ)

For the year ended October 31, 2019:-

For the year ended October 31, 2019, Scotia Group Jamaica Limited's (SGJ) net interest income marginally declined amounting to \$25.12 billion, relative to \$25.21 billion for the corresponding period in 2018, while interest expenses declined by 19% to total \$2.61 billion (2018:\$3.20 billion). Interest income for the year decreased from \$28.41 billion in 2018 to \$27.73 billion. Net interest income for the fourth quarter rose 6% to \$6.43 billion relative to \$6.09 billion for the corresponding quarter of 2018.

The company reported an Expected credit loss of \$2.60 billion compared to the loss of \$1.92 billion for the comparable period in 2018. As such, Net interest income after expected credit losses for the year fell 3% to \$22.52 billion relative to the \$23.29 billion recorded for the corresponding period in 2018.

Total other revenue increased by 18% to \$20.06 billion (2018: \$17.00 billion).

As such, total operating income for the year increased 6% to total \$42.58 billion versus \$40.29 billion for the corresponding period in 2018. Total operating income for the quarter amounted to \$10.68 billion, 27% higher than the \$8.43 billion booked for the same quarter of 2018.

Total operating expenses for the year amounted to \$24.10 billion, a 10% growth from the \$22.00 billion booked for the corresponding period in the prior financial year.

Profit before taxation for the period totaled \$18.48 billion; this represents an increase of 1% from the \$18.29 billion recorded in 2018.

Net Profit for the year totaled \$13.19 billion, 3% more than the \$12.77 million posted for the same period in 2018. Profit for the quarter amounted to \$3.40 billion, 111% more than the total of \$1.61 billion a year earlier.

Profit attributable to shareholders for the period totaled \$13.19 billion, a 3% increase on the \$12.77 billion recorded in 2018. Profit attributable to shareholders for the fourth quarter totaled \$3.40 billion compared to \$1.61 billion booked for the comparable period of 2018.

MONEY MARKET

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

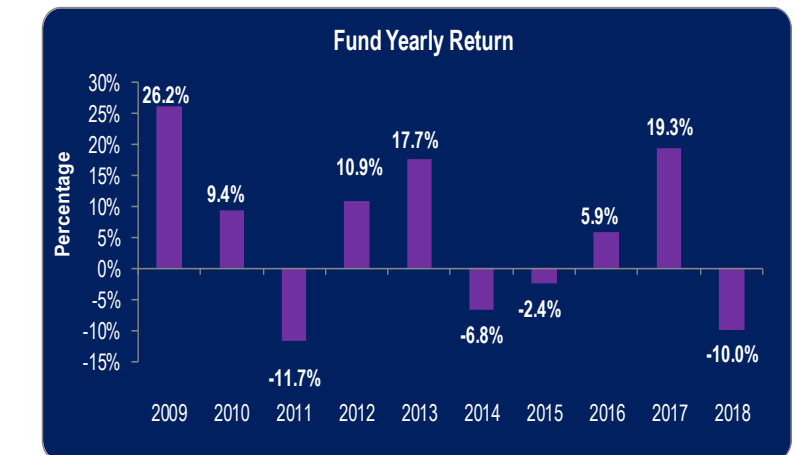
The US dollar fixed income market was also liquid during today's (December 30, 2019) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.

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.



■ U.S: Trump Impeachment Trial Tests Incumbents Key to Senate Control

“The Senate’s historic impeachment trial of President Donald Trump will be especially momentous for a small group of vulnerable incumbent senators whose 2020 re-election bids are central to determining control of the chamber. Trump is all but certain to be acquitted on two articles of impeachment since the Constitution requires 67 votes to convict. But for just over half a dozen senators locked in the closest races, and a few others whose contests could tip competitive, their votes on whether to remove him from office will trigger inevitable political fallout. Senators Cory Gardner of Colorado and Susan Collins of Maine, two of the most at-risk Republican incumbents, are particularly boxed in. Both represent Democratic-leaning states where a vote to acquit Trump could spark a voter backlash in the fall. But a vote to convict would be bait for a GOP primary challenge that could damage or end their re-election campaigns.”

<https://www.bloomberg.com/news/articles/2019-12-30/trump-impeachment-trial-tests-incumbents-key-to-senate-control?srnd=premium>

■ Europe: Euro’s Year-End Rally Sees Cross Currency Swaps Climb to Record

“The battered euro is finishing the year strongly and setting up the case for better performance next year. The common currency rose to its strongest level versus the dollar since August on Monday and cross-currency basis swaps -- a measure of demand for funding purposes -- climbed to the highest on record, Bloomberg Generic Prices show. While both moves mirrored a strong end to 2018, this time around options traders have also turned positive for coming months, in contrast to a weaker outlook a year ago. Thanks to the dollar’s enduring strength, the euro has lost more than 2% in 2019 to be one of the worst-performing major currencies. Still, it’s rallied nearly 1% in recent days to touch \$1.12 amid thin holiday liquidity and funding strains. While this can be seen as a non-lasting side effect of the normal year-end dynamics, it alters the medium-term outlook for the currency.”

<https://www.bloomberg.com/news/articles/2019-12-30/euro-s-year-end-rally-sees-cross-currency-swaps-climb-to-record?srnd=premium-europe>

■ PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at December 30, 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

MANAGED FUNDS SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS