

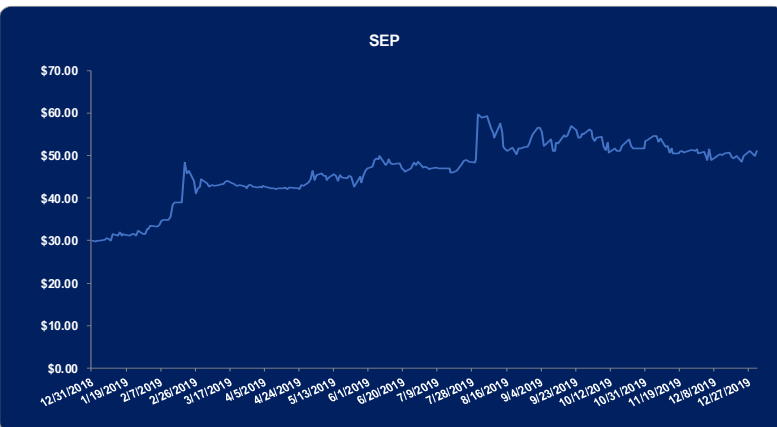
DAILY MARKET SUMMARY



VOLUME 3 January 2, 2020

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	SVL	SEP	BRG	GK	BIL
Current Price (\$)	25.43	50.96	18.01	71.15	73.25
Trailing EPS (\$)	0.89	1.30	0.80	5.09	2.08
P/E (times)	28.64	39.31	22.64	13.99	35.28
Projected P/E	20.31	15.61	23.69	13.80	69.40
Projected EPS (\$) [*]	1.25	3.27	0.76	5.15	1.06
Book Value per share (\$)	1.31	20.66	5.20	52.53	16.57
Price/Book Value (times)	19.37	2.47	3.46	1.35	4.42
Dividend Yield (2019 %)	4.46%	1.67%	1.40%	2.44%	4.13%
Volumes	11,197	4,817	450	3,535	38,799
Recommendation	BUY	BUY	HOLD	HOLD	SELL



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. Seprod 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 income totalled \$175.03 million compared to \$676.66 million in 2018, a 74% reduction year over year. For the quarter, other operating loss closed at \$149 million versus other operating income of \$451.92 million in the prior corresponding 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).

Profit before taxation declined to \$1.39 billion in 2019, a 12% reduction on the \$1.57 billion reported a year prior. Profit before taxation for the third quarter amounted to \$310.07 million (2018: \$489.37 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. "The decline in profits from continuing operations was due in large part to one-off expenses (inclusive of redundancy payments) related to the consolidation of the dairy business and closure of the sugar factory during the period," Management stated.

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).

⁺Prices are as at January 02, 2020 ^{*}Projections are made to the company's financial year end

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	129.7847	138.019	100.330	132.5690
CAN	104.000	79.431	98.8086	106.066	93.000	100.1539
GBP	178.000	135.630	167.1232	182.920	163.000	171.6232
EURO	148.000	109.525	141.2174	154.300	140.000	154.1874

^{*}Rates as at December 31, 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 (January 02, 2020) trading session. The over night rate stood at 0.30% to 0.50% while the 30-day rate was 1.50% to 1.70%.

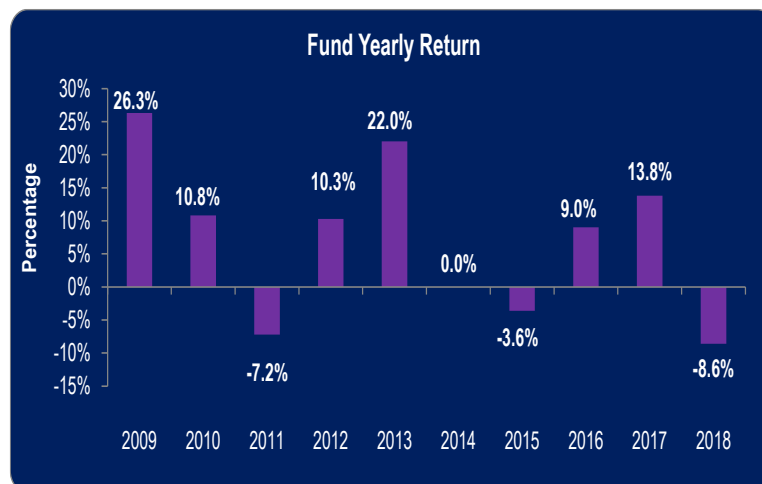
The US dollar fixed income market was also liquid during today's (January 02, 2020) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI Global Value Corporate Class

This fund invests primarily in equity and equity-related securities of companies around the world.

The fund has a 3 year return of 7.1% and a 5 year return of 4.6%. The Fund also has a 10 year return of 6.1%. Rates are as at November 30, 2019.



U.S: U.S. Job Cuts at Lowest Since July 2018 as Labor Market Holds Up

“U.S. employers last month announced the fewest job cuts since July 2018 as the labor market remained tight, though 2019 still turned out to be one of the decade’s worst years for firings. Job cuts totaled 32,843 in December, down 26% from November and 25% lower than a year earlier, according to a report Thursday from staffing firm Challenger, Gray & Christmas Inc. “Confidence was high heading into the last month of the year,” Andrew Challenger, vice president of the Chicago-based firm, said in a statement. “With some resolutions occurring in the trade war and strong consumer spending in the fourth quarter, companies appear to be taking a wait-and-see approach as we head into 2020.”

<https://www.bloomberg.com/news/articles/2020-01-02/u-s-job-cuts-at-lowest-since-july-2018-as-labor-market-holds-up?srnd=premium>

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.

Europe: European Factories End 2019 in a Funk as Orders, Jobs Fade

“Europe’s manufacturing downturn deepened in December despite an easing of tensions over Brexit and international trade, damping hopes that the slump has bottomed out. In the euro zone, IHS Markit’s gauge of factory activity weakened and posted an 11th consecutive month below 50, signaling contraction. U.K. manufacturing output matched its sharpest deterioration in more than seven years and orders for new work from domestic and overseas clients plunged. The reports will come as a disappointment after optimism that the economy might get a lift from an easing of tensions that have heightened uncertainty and damped investment. The euro and pound both weakened against the dollar.”

<https://www.bloomberg.com/news/articles/2020-01-02/euro-zone-factories-end-2019-in-a-funk-as-output-and-orders-fade?>

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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