

## LOCAL STOCK MARKET: (JS) +

Stock Symbol	GK	MEEG	ECL	LAS D	KREMI
Current Price (\$)	72.01	6.40	6.60	3.15	3.61
Trailing EPS (\$)	5.09	0.32	0.32	0.15	0.10
P/E (times)	14.16	19.73	20.70	21.26	37.89
Projected P/E	13.97	14.31	19.31	19.45	22.69
Projected EPS (\$)*	5.15	0.45	0.34	0.16	0.16
Book Value per share (\$)	52.53	1.93	0.39	1.55	1.94
Price/Book Value (times)	1.37	3.32	16.77	2.03	1.86
Dividend Yield (2019 %)	2.44%	0.86%	N/A	1.11%	0.82%
Volumes	1,248,922	2,740	250	79,999	NIL
Recommendation	HOLD	BUY	BUY	HOLD	SELL

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

Currency	PURCHASERATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	141.500	104.122	136.9856	143.640	106.187	138.6711
CAN	108.250	83.580	105.8611	109.188	85.712	107.5514
GBP	181.818	140.934	173.3179	185.329	164.000	183.3071
EURO	151.500	116.000	145.3542	158.544	142.000	157.2132

\*Rates as at January 17, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 20, 2020) trading session. The over night rate stood at 0.50% to 0.75% while the 30-day rate was 1.60% to 1.80%.

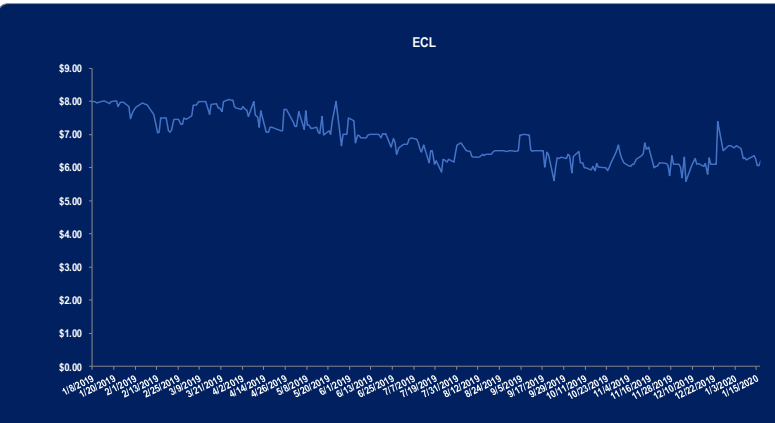
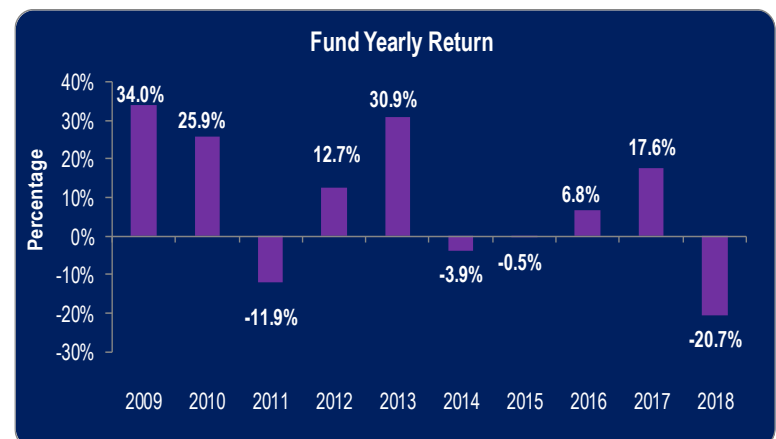
The US dollar fixed income market was also liquid during today's (January 20, 2020) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.

## OVER THE COUNTER FUNDS (CI FUNDS)

### CI Global Small Companies Corporate Class

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

The fund has a 3 year return of 2.4% and a 5 year return of 2.7%. The Fund also has a 10 year return of 6.0%. Rates are as at December 31, 2019.



## STOCK OF THE DAY: Express Catering Limited (ECL)

### For the six months ended November 30, 2019:-

Express Catering Limited (ECL) for the six months ended November 30, 2019 reported a 9% increase in revenue to US\$7.81 million (2018: US\$7.18 million). Revenue for the quarter advanced 5% to close at \$3.28 million relative to \$3.12 million reported the previous year. According to Management, "This is quite favourable, with the airport operators reporting flat departing passenger number for the quarter when compared to the prior year. We constantly benchmark our minimum growth target to be within the rate of passenger growth." The company added, "Departing passenger numbers for the 6 months increased by just over 1%."

Cost of sales (COS) increased by 10% for the period to US\$2.13 million (2018: US\$1.93 million). As a result gross profit increased year-on-year for the six month period by 8%, from US\$5.25 million in 2018 to US\$5.68 million in 2019. Gross profit for the second quarter improved from US\$2.28 million in 2018 to US\$2.38 million for the six months ended November 30, 2019.

Other income grew by 27% to close the period at US\$173 versus \$136 booked in the previous corresponding period. For the quarter, ECL posted other loss of US\$7,364 versus other income of US\$33 recorded in the prior comparable quarter.

Total expenses increased by 9% for the period in review to US\$3.97 million for 2019, up from US\$3.64 million booked for the six months ended November 30, 2018. This increase was associated with a 9% increase in administrative expenses to US\$3.63 million from US\$3.33 million in the six months ended November 30, 2018. Depreciation and Amortization saw an 8% jump to US\$306,929 compared to US\$285,454 for 2018. Promotional expenses saw a 33% increase from US\$23,017 in 2018 to US\$30,668 documented in the period under review. Total expenses for the quarter rose 4% to close at US\$1.77 million (2018: \$1.70 million).

Consequently, operating profit increased by 7% to US\$1.71 million (2018: US\$1.61 million). Operating profit for the quarter totalled US\$602,996 a 4% rise relative to US\$579,119 booked for the corresponding quarter of 2018.

There was no tax incurred, as such, profit for the period amounted to US\$1.53 million, 8% above the US\$1.42 million recorded for the first six months of 2018. For the quarter, net profit amounted to US\$493,415 versus US\$481,317 booked for the comparable period in 2018.

■ U.S.: Trump's Former Economic Chief Gary Cohn Predicts No Recession

“Former White House economic director Gary Cohn said he sees no recession on the horizon and predicted that the economy will continue to grow as the U.S. heads into this year’s presidential election. The ex-Goldman Sachs Group Inc. president, appearing on CBS’s “Face the Nation,” also praised the Federal Reserve, saying it has U.S. interest rates “in a good place.” That opinion isn’t shared by his old boss, President Donald Trump, who has relentlessly criticized the central bank for not cutting rates more aggressively. “We are actually growing interest rates at a level right now where activity is growing,” Cohn said on Sunday.

<https://www.bloomberg.com/news/articles/2020-01-19/trump-s-former-economic-chief-gary-cohn-predicts-no-recession?srnd=premium>

■ Europe: As EU Raises Brexit Trade Hurdles, Boris Johnson Looks to Africa

“Prime Minister Boris Johnson hailed the U.K.’s burgeoning trade links with Africa as “the future” in a thinly disguised warning to the European Union ahead of the start of new negotiations with the bloc. In recent days, EU officials have told Johnson they won’t give him the sweeping free trade deal he wants unless he extends his deadline beyond the end of this year and agrees to strict conditions to retain key single market rules. Johnson’s response has been blunt: the U.K. isn’t interested in closely aligning with EU market regulations, won’t extend the negotiations beyond Dec. 31, and has already made “extensive preparations” for negotiations on a post-Brexit trade deal with the U.S.”

<https://www.bloomberg.com/news/articles/2020-01-20/as-eu-raises-brexit-trade-hurdles-boris-johnson-looks-to-africa?srnd=premium-asia>

■ PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at January 20, 2020

	Percentage (%)
Yield to Maturity	5.04
Weighted Average Coupon	5.40
Current Yield	4.04

The platinum portfolio has an effective maturity of 13.14 years and duration of 4.61 years.

■ STRUCTURED PRODUCT

USD Money Market

This portfolio is a full discretionary managed bond portfolio, ideal for clients who have short-term USD liquidity needs. Assets within the portfolio can be used as collateral for loans. The product provides a solid short-term investment option in hard currency and allows the individual to hedge against the prevailing devaluation in the local currency.

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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

