

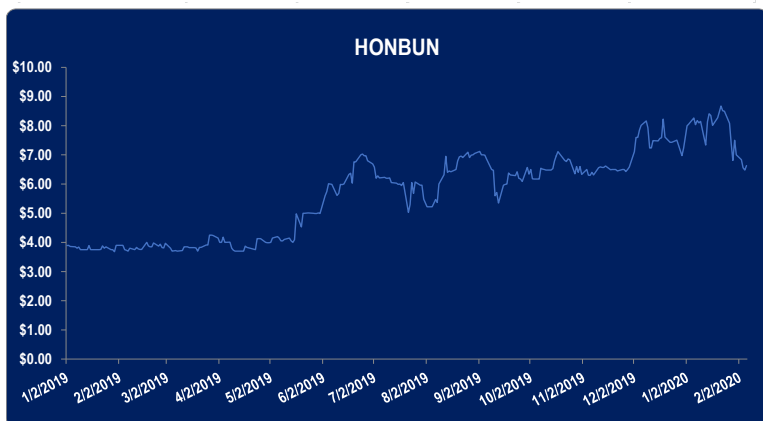
# DAILY MARKET SUMMARY



VOLUME 3 February 6, 2020

## LOCAL STOCK MARKET: (JS) +

Stock Symbol	HONBUN	SVL	SEP	CFF	BPOW
Current Price (\$)	6.63	21.59	45.53	16.00	3.35
Trailing EPS (\$)	0.33	0.89	1.30	0.57	0.16
P/E (times)	19.97	24.32	35.12	28.18	21.31
Projected P/E	18.46	17.24	13.94	20.69	22.53
Projected EPS (\$) *	0.36	1.25	3.27	0.77	0.15
Book Value per share (\$)	1.57	1.31	20.66	5.06	1.70
Price/Book Value (times)	4.22	16.45	2.20	3.16	1.97
Dividend Yield (2019 %)	1.54%	4.46%	1.67%	1.32%	0.40%
Volumes	11,413	33,229	7,098	NIL	41,385
Recommendation	HOLD	BUY	BUY	HOLD	SELL



## STOCK OF THE DAY: HONEY BUN (1982) LIMITED (HONBUN)

### Audited results for the year ended September 30, 2019:

Honey Bun (1982) Limited (HONBUN), booked a 17% increase in revenue to \$1.54 billion, up from \$1.32 billion reported a year ago. For the fourth quarter, revenue climbed by 20% totaling \$374 million (2018: \$310.71 million).

The Company booked an increase in cost of sales to \$799.17 million (2018: \$715.89 million) which consequently led to a 24% increase in gross profit, to close at \$744.81 million (2018: \$601.29 million). For the quarter, gross profit recorded a 22% rise amounting to \$179.27 million compared to \$146.48 million in the prior year's corresponding quarter.

HONBUN reported other income of \$8.99 million, a drastic increase on the \$1.59 million posted in the prior year. Finance income totaled \$1.51 million, down by 17% compared to \$1.83 million reported twelve months earlier.

Total expenses for the year end amounted to \$571.22 million, 16% above the \$493.95 million recorded for the prior year. For the fourth quarter, total expenses increased by 17% to \$149.34 million (2018: \$127.74 million).

Profit from operations expanded by 78% from 103.09 million in 2018 to \$183.69 million for the year in review. Finance costs surged by 41% to close at \$7.03 million (2018: \$5 million). Profit before taxation increased by 86% to \$182.58 million compared to \$98.10 million booked in 2018. Profit before taxation for the fourth quarter amounted to \$38.09 million (2018: \$17.70 million).

The Company incurred taxes of \$26.11 million (2018: \$11.67 million), thus resulting in Net profit after taxation of \$156.47 million, an 81% increase relative to \$86.42 million reported for the prior year's corresponding period. For the quarter, Net profit for the quarter increased to \$30.77 million compared to \$14.32 million recorded for the corresponding quarter of 2018.

Total comprehensive income for the year amounted to \$156.47 million relative to \$90.89 million in 2018.

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	142.750	104.000	139.5979	149.040	107.045	141.8043
CAN	106.300	85.302	103.7682	110.214	98.000	107.1308
GBP	184.500	145.620	180.9237	190.836	168.000	183.4918
EURO	152.500	119.440	149.2849	160.100	140.000	158.4317

\*Rates as at February 5, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (February 6, 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%.

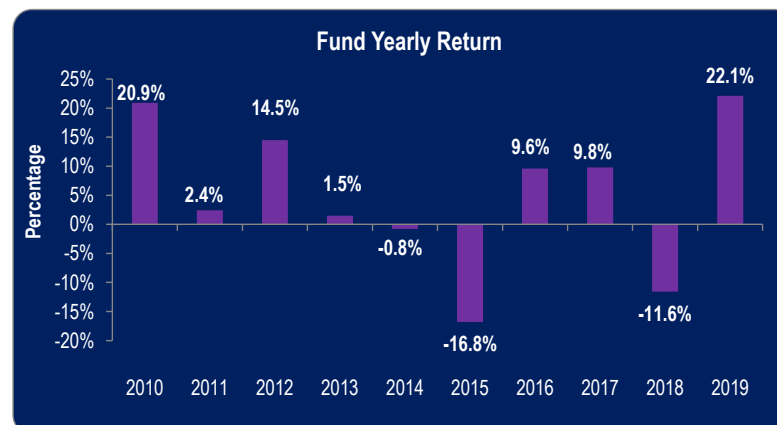
The US dollar fixed income market was also liquid during today's (February 6, 2020) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.

## OVER THE COUNTER FUNDS (CI FUNDS)

### Signature High Income Corporate Class

The fund invests primarily in high yielding equity securities and Canadian corporate bonds. The fund currently achieves its investment objective by investing all of its assets in Signature High Income Fund (the underlying fund), which has the same portfolio adviser and objectives as the fund.

The fund has a 3 year return of 5.8% and a 5 year return of 1.6%. The Fund also has a 10 year return of 4.4%. Rates are as at December 31, 2019.



“President Donald Trump’s policies on trade do not work because imposing tariffs on goods from certain countries will result in product being imported from other nations, former World Trade Organization Director General Pascal Lamy said. Placing duties on Chinese goods to reduce the U.S. trade shortfall “is all wrong, because the trade deficit is not the problem,” Lamy said Thursday in an interview on Bloomberg Television. “What is produced in China and what is imported by the U.S. will be produced elsewhere, mostly outside the U.S. The price for tariffs is being paid by U.S. consumers and this is a negative development for the U.S. economy.””

<https://www.bloomberg.com/news/articles/2020-02-06/trump-s-trade-policies-do-not-work-ex-wto-chief-lamy-says?smd=economics-vp>

“European Union Trade Commissioner Phil Hogan had a “useful and constructive” meeting in Washington on Thursday with his U.S. counterpart, according to an EU official. Hogan’s get-together with U.S. Trade Representative Robert Lighthizer will be followed by “further meetings” between both sides as the EU seeks to defuse transatlantic commercial tensions, the official said on the condition of anonymity.”

<https://www.bloomberg.com/news/articles/2020-02-06/eu-sees-more-u-s-trade-talks-after-constructive-hogan-visit?smd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at February 3, 2020

	Percentage (%)
Yield to Maturity	4.90
Weighted Average Coupon	5.403
Current Yield	3.99

The platinum portfolio has an effective maturity of 13.15 years and duration of 4.64 years.

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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](http://www.jamstockex.com), [www.bloomberg.com](http://www.bloomberg.com), [www.investopedia.com](http://www.investopedia.com), [www.tradewire.com](http://www.tradewire.com)

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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