

# DAILY MARKET SUMMARY



VOLUME 3 April 22, 2020

## LOCAL STOCK MARKET: (J\$)<sup>+</sup>

Stock Symbol	SALF	SEP	CAR	LASF	JBG
Current Price (\$)	26.96	47.39	6.38	2.90	26.29
Trailing EPS (\$)	1.64	1.74	0.68	0.07	1.81
P/E (times)	16.49	27.27	9.38	40.49	14.55
Projected P/E	15.55	24.32	9.49	31.23	15.40
Projected EPS (\$)	1.73	1.95	0.67	0.09	1.71
Book Value per share (\$)	9.12	20.73	0.29	1.32	13.45
Price/Book Value (times)	2.96	2.29	22.02	2.20	1.95
Dividend Yield (2019 %)	3.29%	1.67%	7.07%	N/A	1.34%
Volumes	151	12,903	194,352	5,700	110,242
Recommendation	BUY	SELL	BUY	SELL	HOLD



## STOCK OF THE DAY: Salada Foods Jamaica Limited (SALF)

### for the three months ended December 31, 2019:

Salada Foods Jamaica Limited (SALF), for the quarter ended December 31, 2019, recorded a 67% increase in turnover to \$288.46 million (2018: \$172.34 million). The company stated that, "Revenue improvements were attributed to increased sales in both domestic and export markets."

Cost of sales for the period increased by 61% to close the quarter at \$223.18 million relative to \$138.33 million in 2018. As such, gross profit for the quarter amounted \$65.28 million, a 92% increase year over year from the \$34.01 million booked in 2018.

Other operating income for the first three months amounted to \$501,000 (2018: nil).

Administrative expenses decreased by 12% to \$31.40 million (2018: \$35.59 million). Selling and promotional expense increased 11% from \$14.14 million in 2018 to \$15.63 million.

Consequently, this resulted in an operating profit of \$18.75 million, this compares with the operating loss of \$15.73 million reported for the corresponding quarter for prior year. Despite the decline in administrative expenses, the company noted that "profitability continues to be impacted by the JACRA cess on green beans, of which \$20.71 million was absorbed into production for the quarter."

The company reported net finance cost of \$11.52 million for the quarter; this compares to the net finance cost of \$3.63 million for the same period in 2018.

Profit before taxation amounted to \$7.23 million for the first quarter ended December 31, 2019. This compares with the pre-tax loss of \$19.36 million booked for the prior corresponding quarter. Net profit totaled \$5.42 million for the period, relative to net loss of \$23.08 million reported in 2018.

Earnings per stock unit for the quarter amounted to \$0.05 (2018: LPS \$0.22). The trailing EPS is \$1.64. The number of shares used in the calculations is 103,883,290.

<sup>+</sup>Prices are as at April 22, 2020 <sup>\*</sup>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	142.900	120.000	138.5333	143.000	121.000	139.6549
CAN	101.000	81.000	100.4108	101.150	86.000	100.8288
GBP	173.000	140.000	167.7920	177.400	158.500	173.7257
EURO	148.000	123.000	144.2443	156.350	141.000	151.6833

\*Rates as at April 21, 2020

## MONEY MARKET

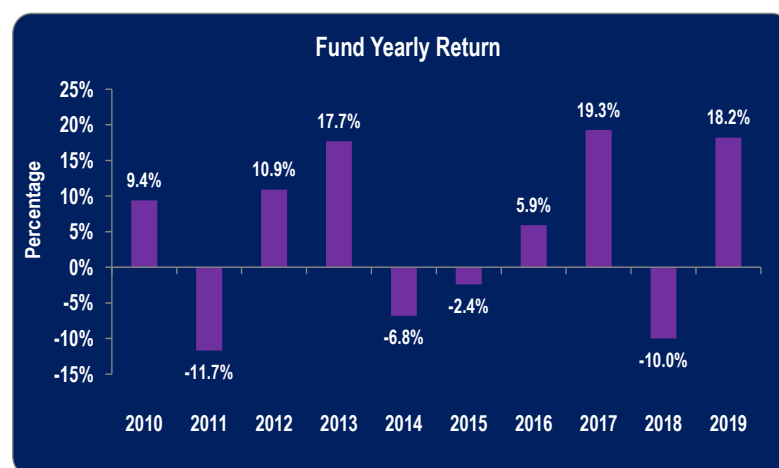
The Jamaican dollar fixed income market was liquid in today's (April 22, 2020) trading session. The over night rate stood at 0.30% to 0.50%, while the 30-day rate was 1.10% to 1.30%.

The US dollar fixed income market was also liquid during today's (April 22, 2020) trading session; The overnight market rates were quoted at 1.80% while the 30-day market rates stood at 2.20% to 2.50%.

## 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 -3.5% and a 5 year return of -1.1%. The Fund also has a 10 year return of 1.2%. Rates are as at March 31, 2020.



"The new year arrived with a new job for Tyler Simon, who had high hopes for 2020. They didn't last long. "Once Covid-19 hit, things went from bad to worse really quick," said Simon, a father of two in Summerfield, North Carolina. A marketing specialist with a sales-training company, Simon lost his job along with several colleagues on April 7 — less than two weeks into a state-wide lockdown to counter the pandemic. He says many who survived the firm's layoffs saw their pay cut by 10%."

<https://www.bloomberg.com/news/articles/2020-04-22/-scary-time-for-american-middle-class-as-office-jobs-disappear?srnd=premium>

"With a series of high-level summits culminating in a visit to Germany in the fall by President Xi Jinping, this was supposed to be the year of Europe-China diplomacy. Instead, Europeans are warning of a damaging rift. Diplomats talk of mounting anger over China's behavior during the coronavirus pandemic including claims of price gouging by Chinese suppliers of medical equipment and a blindness to how its actions are perceived. The upshot is that Beijing's handling of the crisis has eroded trust just when it had a chance to demonstrate global leadership."

<https://www.bloomberg.com/news/articles/2020-04-21/china-s-coronavirus-diplomacy-has-finally-pushed-europe-too-far?srnd=premium-europe>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at April 20, 2020

	Percentage (%)
<b>Yield to Maturity</b>	5.51
<b>Weighted Average Coupon</b>	5.225
<b>Current Yield</b>	5.96

The platinum portfolio has an effective maturity of 13.06 years and duration of 4.51 years.

## STRUCTURED PRODUCT

### Mayberry Platinum

The Mayberry Platinum portfolio is ideal for investors seeking a short to medium-term investment with returns denominated in hard currency. The portfolio comprises Investment Grade corporate and sovereign bonds, which provide strong yield and performance. The primary objective of this product is to provide our clients with income as well as capital appreciation. The Platinum portfolio enables the client to take full advantage of a diversified bond portfolio and is ideal for persons who do not have the time to actively manage their own portfolio.

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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)



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