

## LOCAL STOCK MARKET: (JS) +

Stock Symbol	MAILPAC	VMIL	LASM*	GK	SEP
Current Price (\$)	2.02	6.73	3.96	57.14	55.16
Trailing EPS (\$)	0.11	0.34	0.25	5.25	2.21
P/E (times)	18.30	19.56	15.68	10.89	24.96
Projected P/E	13.55	22.44	14.02	9.73	17.71
Projected EPS (\$)*	0.15	0.30	0.28	5.88	3.11
Book Value per share (\$)	0.22	2.81	1.72	55.19	22.18
Price/Book Value (times)	9.29	2.40	2.31	1.04	2.49
Dividend Yield (2019 %)	N/A	5.05%	1.65%	2.44%	1.67%
Volumes	719,506	38,139	26,000	290,987	7,744
Recommendation	BUY	SELL	HOLD	HOLD	BUY

\*-Long Term Buy



## STOCK OF THE DAY: Grace Kennedy Limited (GK)

### For the six months ended June 30, 2020:

Grace Kennedy Limited (GK), for the six months ended June 30, 2020, recorded revenue of \$56.53 billion for period (2019: \$51.49 billion), a year over year increase of 10%. The biggest contributor to the group's overall revenue for the six month period came from the 'Food Trading' segment which contributed a total of \$44.94 billion (2019: \$41.03 billion), an increase of 10% relative to the prior year's corresponding period.

Direct and operating Expenses amounted to \$52.96 billion relative to \$49.64 billion booked for the previous period, indicating a 6% increase. The company booked a net impairment losses on financial assets of \$501.99 million (2019: \$199.90 million) and for the six months period.

As such, gross profit for the six months climbed 86% to \$3.07 billion relative to \$1.65 billion booked for the similar period of 2019. Other Income during the first six months ended June 30, 2020, rose 26% to total \$1.50 billion (2019: \$1.19 billion). Consequently, profit from operations closed the six months period at \$4.56 billion (2019: \$2.84 billion).

Interest income from non-financial services grew 6% to total \$223.46 million compared to \$211.41 million reported in the prior year's corresponding period. Interest expenses from non-financial services amounted to \$553.44 million versus \$473.30 million a year earlier, a 66% increase. Additionally, share of results of associated companies declined by 22% amounting to \$286.93 million, versus \$368.26 million reported for June 2019.

As such, pre-tax profits increased 53% to approximately \$4.52 billion, compared to pre-tax profit of \$2.95 billion documented for the first six months of 2019. Additionally, GK incurred taxation expenses amounting to approximately \$1.47 billion compared to \$678.58 million in June 2019.

Consequently, net profit climbed 34% to \$3.05 billion from \$2.27 billion booked for the first six months of 2019. Net Profits attributable to shareholders amounted to \$2.75 billion compared to \$2.01 billion in the previous year's corresponding period, showing a 37% increase.

Earnings per share for six months amounted to \$2.76 (2019: \$2.02). GK's trailing EPS amounted to \$5.25. The number of shares used in our calculations is 995,004,356 units 2019. The number of shares used in the calculations amounted to 4,091,163,151 units.

\*Prices are as at August 14, 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	151.000	117.855	147.9334	157.680	118.260	150.3602
CAN	114.650	90.594	113.4974	116.400	100.000	114.4113
GBP	197.000	155.833	192.8914	199.320	179.000	195.1337
EURO	172.600	139.000	170.7982	180.300	171.000	178.8769

\*Rates as at August 13, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (August 14, 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%.

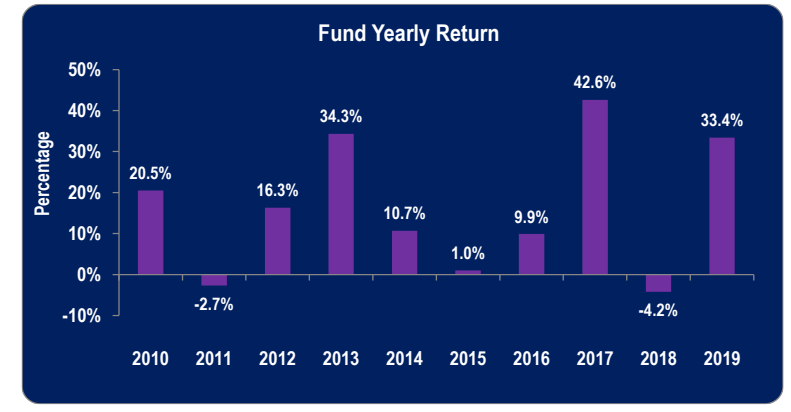
The US dollar fixed income market was also liquid during today's (August 14, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.

## Over The Counter Funds (CI FUNDS)

### Signature Global Science & Technology Corporate Class

This fund invests primarily in equity and equity-related securities of companies around the world that have developed or are developing technological products, processes or services.

The fund has a 3 year return of 23.1% and a 5 year return of 20.2%. The Fund also has a 10 year return of 18.3%. Rates are as at July 31, 2020



“On the surface the rebound in U.S. retail sales is a V-shaped recovery, but the overall figure obscures lingering economic pain across many of America’s businesses. After a third straight monthly increase, albeit a weaker gain than expected, the total value of U.S. retail sales has rebounded above pre-pandemic levels. But the composition of spending looks substantially different than it did at the start of the year. Gains in online sales and at grocery stores mask the fact that certain sectors -- like restaurants and bars and clothing outlets -- are far from fully recovered .”

“The U.K. government’s plan to get people back to work to fuel the economic recovery is under threat from a rising childcare problem. Financial difficulties are putting the survival of many childcare facilities at risk, potentially forcing parents to drop out of the labor force to stay at home. Not only does that hit household incomes and consumer spending, it could also undo years of progress in getting more women into work -- with long-term consequences for growth.”

<https://www.bloomberg.com/news/articles/2020-08-14/rebound-in-u-s-retail-sales-slowed-in-july-amid-virus-s-surge?srnd=economics-vp>

<https://www.bloomberg.com/news/articles/2020-08-14/u-k-s-return-to-work-risks-being-stumped-by-childcare-closures>

**PLATINUM PORTFOLIO**

**STRUCTURED PRODUCT**

**Platinum Portfolio Yield Measures as at August 10, 2020**

	Percentage (%)
<b>Yield to Maturity</b>	4.42
<b>Weighted Average Coupon</b>	4.944
<b>Current Yield</b>	5.20

**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.

The platinum portfolio has an effective maturity of 12.93 years and duration of 4.65 years.

**DISCLAIMER**

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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**

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