

## LOCAL STOCK MARKET: (JS) +

Stock Symbol	SVL	ISP	LASM*	CAR	SEP
Current Price (\$)	13.71	14.59	3.61	6.50	54.00
Trailing EPS (\$)	0.81	0.23	0.25	0.68	2.21
P/E (times)	16.88	62.54	14.30	9.53	24.44
Projected P/E	13.89	55.65	12.78	10.41	17.34
Projected EPS (\$)*	0.99	0.26	0.28	0.62	3.11
Book Value per share (\$)	1.31	3.56	1.72	0.30	22.18
Price/Book Value (times)	10.47	4.10	2.10	21.71	2.43
Dividend Yield (2019 %)	4.46%	N/A	1.65%	7.07%	1.67%
Volumes	56,476	NIL	300,713	114,496	100
Recommendation	BUY	SELL	HOLD	BUY	BUY

\*-Long Term Buy



## STOCK OF THE DAY: Seprod Limited (SEP)

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

Seprod Limited (SEP), for the six months ended June 30, 2020, revenue totalled \$18.61 billion compared to the \$16.60 billion recorded for the same period of the prior financial year; this represents a 12% increase year over year. Revenue for the quarter totalled \$9.47 billion an 18% increase relative to \$8.01 billion the prior year.

Cost of Sales rose 14% from \$10.62 billion in 2019 to \$12.10 billion for the six months ended June 30, 2020. Consequently, gross profit increased 9% to close at \$6.51 billion (2019: \$5.98 billion), while the second quarter gross profit amounted to \$3.76 billion (2019: \$3.70 billion).

However, other operating income for the period totalled \$217.33 million relative to \$324.06 million in 2019, a 33% decline year over year while other operating expenses decreased by 3% to close the six months period at \$4.61 billion (2019: \$4.74 billion).

Consequently, operating profit increased by 36% to \$2.12 billion (2019: \$1.56 billion) for the six months ended June 2020. While for the quarter, operating profit increased by 41% to \$1.02 billion (2019: \$723.48 million).

Finance costs totalled \$595.22 million (2019: \$552.05 million), an increase of 8% when compared to the same period last year. The company reported share of results of Joint Venture amounting to \$4.97 million relative to \$54.54 million reported in 2019.

As a result, pre-tax profits rose 45% to \$1.53 billion in comparison to profit of \$1.06 billion booked in the same period last year. However, for the quarter, pre-tax profit amounted to \$677.95 million relative to \$494.79 million booked in 2019.

Taxation of \$316.05 million was reported for the six months period relative to \$198.36 million booked in 2019. Consequently, SEP, for the period under review, booked net profit from continuing operation of \$1.22 billion (2019: \$862.44 million) and net loss from discontinued operations closed at \$16.13 million (2019: \$309.33 million). As a result, overall net profit was \$1.20 billion (2019: \$553.12 million) for the period under review, while for the quarter, net profit closed at \$568.10 million (2019: \$241.16 million). SEP noted, "the increase in profits from continuing operations was due largely to efforts made in prior years to strengthen the business fundamentals. These efforts included consolidating the dairy factories, increasing exports and expanding the distribution footprint through the acquisition of the Facey Consumer Business."

## FOREIGN EXCHANGE MARKET TRADING SUMMARY

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	151.074	118.868	148.9419	159.030	121.863	150.4132
CAN	115.400	92.652	114.0906	116.900	102.000	114.2801
GBP	198.500	176.000	191.6794	204.273	189.000	199.4712
EURO	185.185	150.000	181.5090	187.000	160.000	181.0598

\*Rates as at August 26, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (August 27, 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%.

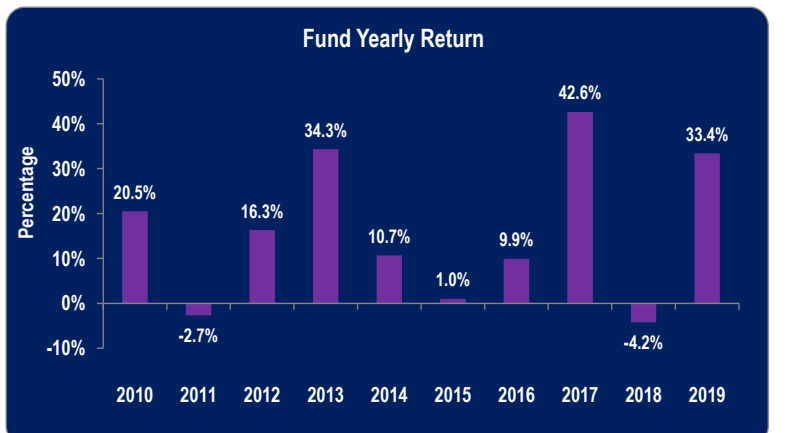
The US dollar fixed income market was also liquid during today's (August 27, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.

## 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.



\*Prices are as at August 27, 2020 \*Projections are made to the company's financial year end

“Applications for state U.S. unemployment benefits decreased last week following an unexpected jump, indicating the labor market’s gradual recovery is back on track as Covid-19 infections ease from a surge in the prior two months. Initial jobless claims in regular state programs fell by 98,000 to 1.01 million in the week ended Aug. 22, Labor Department data showed Thursday. Continuing claims -- the total number of Americans claiming ongoing unemployment assistance in those programs -- also dropped in the week ended Aug. 15, though remained extremely elevated at 14.5 million.”

“Germany extended another crisis tool to prevent corporate bankruptcies, a move that critics say will store up bigger problems later for Europe’s largest economy. The longer suspension on insolvency filings has raised alarm bells that it’s masking a growing credit risk that could explode into a wave of bankruptcies when the moratorium ends. It may also be creating a cohort of zombie companies that hold back investment and innovation and act as a drain on the economy.”

<https://www.bloomberg.com/news/articles/2020-08-27/u-s-jobless-claims-decline-to-1-million-after-prior-week-s-rise?srnd=premium>

<https://www.bloomberg.com/news/articles/2020-08-27/german-economic-crisis-response-could-have-a-sting-in-the-tail?srnd=premium-europe>

**PLATINUM PORTFOLIO**

**STRUCTURED PRODUCT**

**Platinum Portfolio Yield Measures as at August 24, 2020**

	Percentage (%)
<b>Yield to Maturity</b>	4.04
<b>Weighted Average Coupon</b>	4.924
<b>Current Yield</b>	5.02

**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.

The platinum portfolio has an effective maturity of 13.11 years and duration of 4.75 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, www.bloomberg.com, www.investopedia.com, www.tradewire.com



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