

DAILY MARKET SUMMARY



VOLUME 3 September 11, 2020

LOCAL STOCK MARKET: (JS) +

FOREIGN EXCHANGE MARKET TRADING SUMMARY

Stock Symbol	SEP	DTL*	CAR	VMIL	JBG
Current Price (\$)	53.98	2.82	6.49	6.20	24.68
Trailing EPS (\$)	2.21	0.11	0.68	0.34	1.21
P/E (times)	24.43	25.94	9.51	18.02	20.47
Projected P/E	17.33	22.66	10.40	20.68	22.50
Projected EPS (\$)†	3.11	0.12	0.62	0.30	1.10
Book Value per share (\$)	22.18	0.55	0.30	2.81	13.81
Price/Book Value (times)	2.43	5.11	21.68	2.21	1.79
Dividend Yield (2019 %)	1.67%	0.40%	7.07%	5.05%	1.34%
Volumes	24,995	18,707	39,216	47,347	14,625
Recommendation	BUY	HOLD	BUY	SELL	HOLD

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	147.250	113.400	143.3635	152.280	130.000	144.4801
CAN	109.900	96.740	109.5049	114.480	100.980	110.0342
GBP	195.000	151.143	187.1665	196.668	179.800	189.6450
EURO	168.500	137.000	165.1747	175.300	165.000	173.8743

*- Long-Term Buy

*Rates as at September 10, 2020



MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (September 11, 2020) trading session. The overnight 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 (September 11, 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%.

STOCK OF THE DAY: Seprod Limited (SEP)

Over The Counter Funds (CI FUNDS)

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.

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.

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.

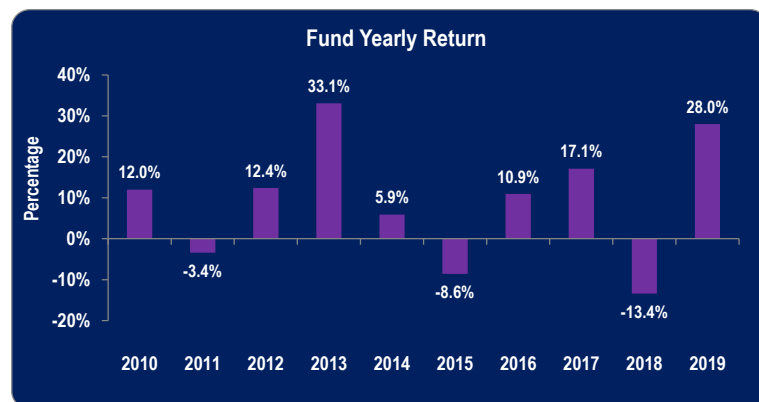
Taxation of \$316.05 million was reported for the six months period relative to \$198.36 million booked in 2019. Consequently, SEP, for the period under review, booked net profit from continuing operation of \$1.22 billion (2019: \$862.44 million) and net loss from discontinued operations closed at \$16.13 million (2019: \$309.33 million). As a result, overall net profit was \$1.20 billion (2019: \$553.12 million) for the period under review,

Earnings per share (EPS) for the quarter closed the period at \$0.03 (2019: \$0.03), while EPS year to date amounted to \$0.059 (2019: \$0.056). The twelve months trailing earnings per share amounted to \$0.11. The total number of shares used in the computation amounted to 2,733,360,670 units. Notably, DTL closed the trading period on August 14, 2020 at a price of \$2.60.

CI American Managers Corporate Class

This fund invests primarily in equity and equity-related securities of companies that are located in countries that have signed the North American Free Trade Agreement (NAFTA) (or its successor).

The fund has a 3 year return of 5.1% and a 5 year return of 5.6%. The Fund also has a 10 year return of 8.6%. Rates are as at July 31, 2020.



†Prices are as at September 11, 2020 *Projections are made to the company's financial year

U.S.: U.S. Consumer Prices Rose in August on Sharp Gain in Used Cars

“U.S. consumer prices rose for a third month in August, driven by the sharpest gain in used-vehicles since 1969, consistent with a gradual pickup in inflation as the economy recovers from the pandemic-induced downturn. The consumer price index rose 0.4% from the prior month, following a 0.6% gain in July, Labor Department figures showed Friday. The median forecast in a Bloomberg survey of economists called for a 0.3% increase. Compared with a year earlier, the gauge increased 1.3%, after July’s 1% rise.”

<https://www.bloomberg.com/news/articles/2020-09-11/u-s-consumer-prices-rose-in-august-on-further-gain-in-used-cars?srnd=premium>

Europe: U.K. Economy Surges in July But Clouds Gather Over Brexit

“Britain recorded strong economic growth in July as coronavirus restrictions eased, but mounting job losses and the risk of a messy Brexit are threatening a turbulent end to the year. Gross domestic product rose 6.6% from June, when it gained a record 8.7%, with activity being boosted by the reopening of restaurants and bars in early July. However, the country has clawed back little more than half of the output lost during the lockdown, and recovering the rest may prove difficult.”

<https://www.bloomberg.com/news/articles/2020-09-11/u-k-economy-surges-in-july-but-clouds-gather-over-jobs-brex-it?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at September 07, 2020

	Percentage (%)
Yield to Maturity	4.66
Weighted Average Coupon	4.924
Current Yield	5.09

The platinum portfolio has an effective maturity of 13.20 years and duration of 4.75 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, www.bloomberg.com, www.investopedia.com, www.tradewire.com



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