

DAILY MARKET SUMMARY



VOLUME 3 October 23, 2020

LOCAL STOCK MARKET: (J\$) +

Stock Symbol	HONBUN	LASD	SVL	FTNA	JETCON
Current Price (\$)	4.85	3.04	14.66	4.99	0.89
Trailing EPS (\$)	0.30	0.23	0.81	0.22	0.07
P/E (times)	15.94	13.01	18.05	22.55	13.01
Projected P/E	15.14	10.70	14.86	20.83	19.22
Projected EPS (\$)*	0.32	0.28	0.99	0.24	0.05
Book Value per share (\$)	1.76	1.65	1.31	1.19	0.94
Price/Book Value (times)	2.76	1.84	11.19	4.18	0.94
Dividend Yield (2019 %)	1.54%	1.11%	4.46%	N/A	0.99%
Volumes	81,929	NIL	24,314	231,577	9,000
Recommendation	HOLD	BUY	BUY	HOLD	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	148.900	114.210	145.1792	152.280	116.060	146.6547
CAN	113.300	89.712	111.8483	117.250	91.000	113.1339
GBP	193.500	152.886	184.3753	196.818	176.550	191.4297
EURO	169.650	139.692	168.3486	178.500	168.000	177.7861

*Rates as at October 22, 2020

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (October 23, 2020) trading session. The overnight rate stood at 0.30% to 0.50%, while the 30-day rate was 1.40% to 1.60%.

The US dollar fixed income market was also liquid during today's (October 23, 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: Supreme Ventures Limited (SVL)

For the six months ended June 30, 2020:

Supreme Ventures Limited (SVL), for the six months ended June 30, 2020, reported a 6% decrease in 'Total Gaming Revenue' from \$18.62 billion in 2019 to \$17.54 billion in 2020. For the quarter, 'Total Gaming Revenue' closed at \$7.42 billion (2019: \$9.31 billion).

Revenues from the Company's segments were as follows:

Revenue from 'Non fixed odd wagering games, horse racing and pin codes' amounted to \$9.70 billion (2019: \$10.90 billion), a 11% decrease. Income from fixed odd wagering games, net of prizes totaled \$7.85 billion (2019: \$7.72 billion), a 2% rise.

Direct expenses recorded a decrease to close the period at \$13.74 billion when compared to \$14.74 billion for the same period in 2019. As such, gross profit for the period fell 2% to \$3.80 billion (2019: \$3.88 billion). For the quarter, gross profit closed at \$1.51 billion (2019: \$1.97 billion).

Operating expenses grew 18% for the period to \$2.38 billion (2019: \$2.01 billion), while recording 'Other income' of \$64.18 million relative to 'Other losses' of \$16.03 million for the prior period in 2019. For the quarter, operating expenses amounted to \$1.08 billion versus \$1.06 billion booked in the previous comparable quarter. Consequently, operating profit for the period decreased 20% to \$1.49 billion relative to \$1.85 billion reported in 2019. While, for the quarter, operating profit closed at \$427.09 million (2019: \$907.77 million).

Finance costs climbed to \$81.22 million (2019: \$43.06 million). As such, profit before taxation amounted to \$1.41 billion, down from \$1.81 billion in 2019. For the quarter, profit before taxation totaled \$399.91 million (2019: \$896.01 million).

Taxation for the period fell 15% to close at \$479.76 million compared to \$562.70 million in 2019, thus resulting in net profit of \$928.96 million, a 25% decrease from the \$1.25 billion recorded in the prior comparable period. For the quarter, net profit closed at \$192.17 million (2019: \$624.28 million).

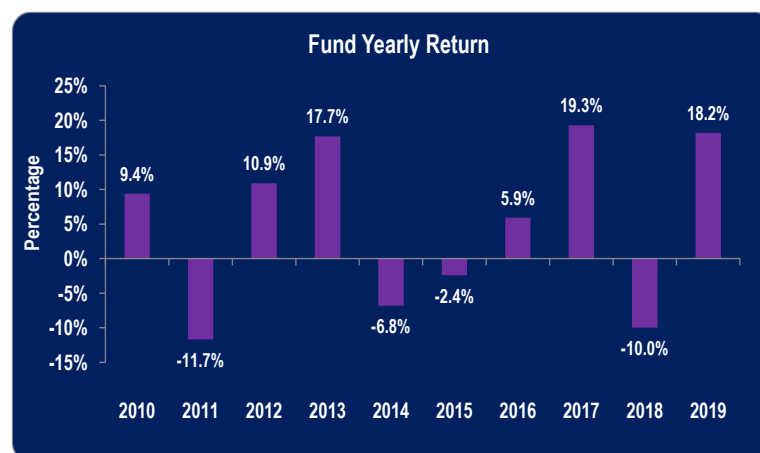
Earnings per share totaled \$0.36 versus \$0.47 in the previous comparable period in 2019, while EPS for the quarter amounted to \$0.08 (2019: \$0.24). The twelve months trailing earnings per share amounted \$0.81. The number of shares used in our calculations 2,637,254,926 units.

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 5 year return of 4.1% and a 10 year return of 3.0%. Rates are as at September 30, 2020



*Prices are as at October 23, 2020 *Projections are made to the company's financial year end

U.S.: Get Ready for an Eye-Popping U.S. GDP Number

“The Covid-19 pandemic caused the deepest U.S. recession since at least World War II. Gross domestic product shrank at an annual rate of 31.4% in the second quarter. Covid-19 is infecting more than 50,000 Americans a day, the most since early August. Somehow, though, the economy has roared back. On Oct. 29, according to economists surveyed by Bloomberg, the government is likely to report that GDP rose an annualized 30% in the third quarter—also a postwar record. These graphics portray a recovery that’s incomplete yet remarkable.”

<https://www.bloomberg.com/news/articles/2020-10-23/economists-say-gdp-will-show-u-s-economy-grew-30-in-3q-a-postwar-record?smd=economics-vp>

Europe: Russia Keeps Rates on Hold But Says More Cuts Are Possible

“Russia’s central bank kept interest rates on hold for a second straight month but left open the possibility of future cuts as an economic recovery falters. The benchmark interest rate was left at 4.25%, the central bank said in a statement on Friday. The decision was forecast by 34 out of 40 economists in a Bloomberg survey, with the rest expecting a 25 basis-point reduction. The prospect of fresh sanctions should Democratic candidate Joe Biden win the U.S. presidential race has contributed to the ruble’s 6.5% slide in the past three months, narrowing Nabiullina’s scope to cut rates and lift the economy from a pandemic-driven slump.”

<https://www.bloomberg.com/news/articles/2020-10-23/russia-keeps-rates-on-hold-for-a-second-month-after-ruble-slump?smd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at October 20, 2020

	Percentage (%)
Yield to Maturity	4.20
Weighted Average Coupon	4.917
Current Yield	4.78

The platinum portfolio has an effective maturity of 13.31 years and duration of 4.86 years.

STRUCTURED PRODUCT

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.

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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



www.mayberryinv.com

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