

# DAILY MARKET SUMMARY



VOLUME 3 November 5, 2020

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

Stock Symbol	JAMT	SVL	MAILPAC	HONBUN	ISP
Current Price (\$)	5.42	14.98	2.00	4.82	22.45
Trailing EPS (\$)	0.37	0.85	0.11	0.30	0.23
P/E (times)	14.53	17.68	18.11	15.84	96.24
Projected P/E	14.87	14.74	13.41	15.04	85.62
Projected EPS (\$)*	0.36	1.02	0.15	0.32	0.26
Book Value per share (\$)	2.38	1.46	0.22	1.76	3.56
Price/Book Value (times)	2.27	10.23	9.20	2.74	6.30
Dividend Yield (2019 %)	1.33%	4.46%	N/A	1.54%	N/A
Volumes	41,049	106,679	247,920	23,369	97
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	149.500	115.020	146.4570	153.360	116.889	148.4415
CAN	114.000	90.384	107.9631	114.656	100.000	110.1667
GBP	191.000	152.886	184.1540	198.936	178.550	192.8222
EURO	174.100	138.940	172.1033	176.700	165.300	174.7081

\*Rates as at November 4, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (November 5, 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 (November 5, 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).

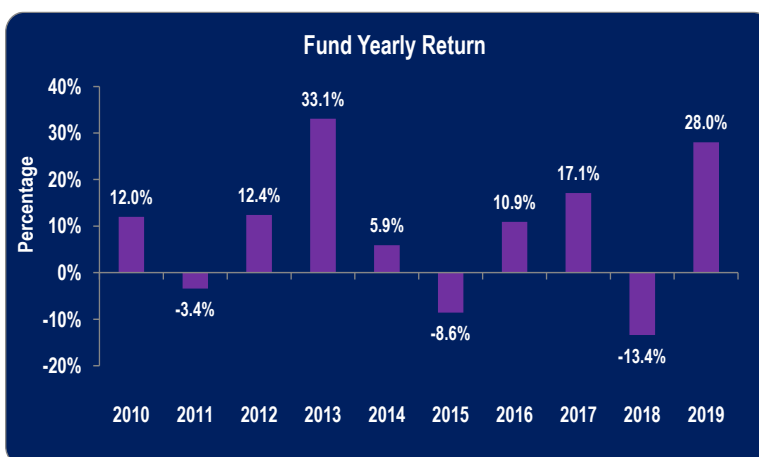
Earnings per share totaled \$0.36 versus \$0.47 in the previous comparable period in 2019, while EPS for the quarter amounted to \$0.08 (2019: \$0.24). The twelve months trailing earnings per share amounted \$0.81. The number of shares used in our calculations 2,637,254,926 units.

## Over The Counter Funds (CI FUNDS)

### CI 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 5.3% and a 5 year return of 8.3%. The Fund also has a 10 year return of 8.5%. Rates are as at September 30, 2020.



\*Prices are as at November 5, 2020 \*Projections are made to the company's financial year end

"Federal Reserve officials kept monetary policy in a holding pattern, leaving interest rates near zero and making no change to asset purchases, as the final results of U.S. presidential and congressional elections remain uncertain. Economic activity and employment have continued to recover but remain well below their levels at the beginning of the year," the Federal Open Market Committee said in a statement Thursday following a two-day meeting, largely repeating language on the economy they've employed since July. That marked only a slight tweak from the previous statement saying the economy and jobs had "picked up in recent months."

<https://www.bloomberg.com/news/articles/2020-11-05/fed-stays-on-sidelines-with-election-results-remaining-uncertain?srd=economics-vp>

"U.K. Chancellor of the Exchequer Rishi Sunak extended payments to furloughed employees until the end of March, as he sought to provide certainty to the country's coronavirus-ravaged economy. The furlough program had been due to run until Dec. 2, when a partial English lockdown is due to end. But the government will continue to pay 80% of wages for the hours employees are unable to work because of the effects of the pandemic for another 4 months, Sunak said on Thursday. "The government's intention is for the new health restrictions to remain only until the start of December," Sunak told the House of Commons. But as we saw from the first lockdown, the economic effects are much longer-lasting for businesses and areas than the duration of any restrictions."

<https://www.bloomberg.com/news/articles/2020-11-05/sunak-extends-80-u-k-furlough-to-end-of-march-for-all-regions?srd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at November 02, 2020

	Percentage (%)
<b>Yield to Maturity</b>	4.13
<b>Weighted Average Coupon</b>	4.917
<b>Current Yield</b>	4.94

The platinum portfolio has an effective maturity of 13.30 years and duration of 4.87 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)

