

# DAILY MARKET SUMMARY



VOLUME 3 November 6, 2020

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

Stock Symbol	SEP	CCC	MAILPAC	HONBUN	CHL
Current Price (\$)	61.00	52.39	2.00	4.84	7.75
Trailing EPS (\$)	4.20	2.99	0.11	0.30	0.29
P/E (times)	14.54	17.53	18.11	15.90	26.68
Projected P/E	18.15	13.31	13.41	15.11	29.09
Projected EPS (\$)*	3.36	3.94	0.15	0.32	0.27
Book Value per share (\$)	22.55	12.43	0.22	1.76	1.25
Price/Book Value (times)	2.71	4.22	9.20	2.75	6.21
Dividend Yield (2019 %)	3.34%	N/A	N/A	1.54%	1.60%
Volumes	17,581	1,809	690,324	66,255	5
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	149.674	115.020	145.4247	153.900	136.000	146.8276
CAN	113.100	90.636	109.2423	116.150	100.000	113.9645
GBP	192.000	153.426	186.1574	197.960	171.000	192.8951
EURO	174.000	156.350	171.0634	177.000	168.500	176.3811

\*Rates as at November 5, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (November 6, 2020) trading session. The over night 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 6, 2020) trading session; The over-night 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)

### For the nine months ended September 30, 2020:

Revenue, for the nine months ended September 30, 2020, totalled \$28.66 billion compared to the \$24.80 billion recorded for the same period of the prior financial year; this represents a 16% increase year over year.

Cost of Sales rose by 15% from \$15.77 billion to \$18.06 billion. Consequently, Gross Profit increased 17% to close at \$ \$10.60 billion (2019: \$9.02 billion).

Finance and Other Income for the period totalled \$997.70 million relative to \$175.03 million in 2019 a 470% increase year over year.

Other operating expenses increased by 11% to close the nine months at \$7.78 billion (2019: \$6.99 billion). Operating Profit increased by 73% to total \$3.81 billion (2019: \$2.21 billion) for the nine months.

Finance Costs totalled \$866.09 million; a negligible decrease of 0.1% compared \$866.67 million in 2019. Pre-tax Profits more than doubled to end at \$2.93 billion in comparison to profits of \$1.39 billion last year, representing a 111% increase. Taxation of \$401.17 million was booked for the period relative to \$233.81 million in 2019 to result in a Net Profit from continuing operations of \$2.53 billion (2019: \$1.16 billion).

The Company also reported loss from discontinued operation of \$47.30 million relative to last year's loss from discontinued operations of \$786.50 million. As such, Net Profit for the nine months ended September 2020 totalled \$2.48 billion (2019: \$377.75 million).

Additionally, Seprod, for the nine months ended September 30, 2020, reported Total Comprehensive Income of \$2.61 billion relative to \$469.98 million reported in the corresponding 2019 period.

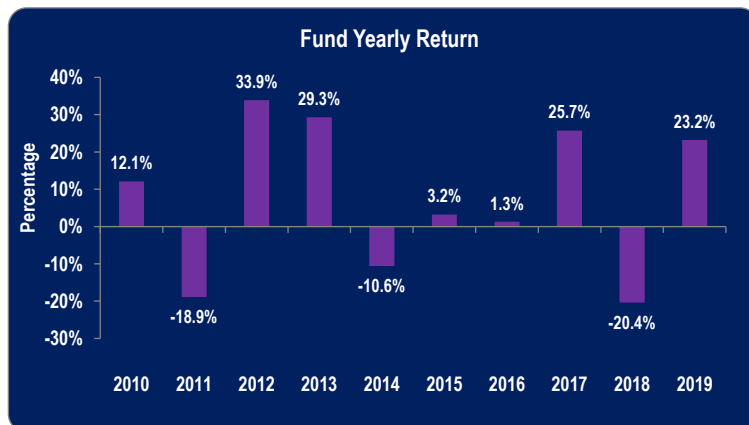
Earnings Per Share for the nine months ended September 30, 2020 amounted to \$3.38 relative to \$0.51 for the corresponding period in 2019. The twelve months trailing EPS is \$4.20. The number of shares used in our calculations is 733,546,855.

## Over The Counter Funds (CI FUNDS)

### Black Creek International Equity Fund

This fund invests primarily in equity securities of companies located outside of Canada and the United States.

The fund has a 5 year return of 1.0%. The Fund also has a 10 year return of 3.7%. Rates are as at September 30, 2020.



\*Prices are as at November 6, 2020 \*Projections are made to the company's financial year end

“The U.S. labor market probably extended its rebound last month, though the outlook for continued job growth is weakening for whichever candidate wins the White House. The Labor Department is set to release its October report tomorrow against the backdrop of a razor-thin election vote. The figures are forecast to show payrolls grew by 585,000 in October. That would be the weakest pace since pandemic lockdowns vaporized nearly 21 million jobs in April.”

<https://www.bloomberg.com/news/articles/2020-11-05/u-s-jobs-market-set-to-extend-rebound-at-softening-pace?srnd=economics-vp>

“If the coronavirus crisis was the making of Chancellor of the Exchequer Rishi Sunak, the most popular member of the British government is trying to make sure it doesn’t end up being his undoing. The U.K.’s finance minister made a dramatic intervention in the economy again on Thursday by extending a furlough program until March, ripping up his plans of just a few days earlier. While the nation may be desperate for aid as England went into another lockdown, the U-turn also follows a series of missteps.”

<https://www.bloomberg.com/news/articles/2020-11-06/sunak-tries-to-rescue-britain-again-and-his-political-fortunes?srnd=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)



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