

# DAILY MARKET SUMMARY



VOLUME 3 November 30, 2020

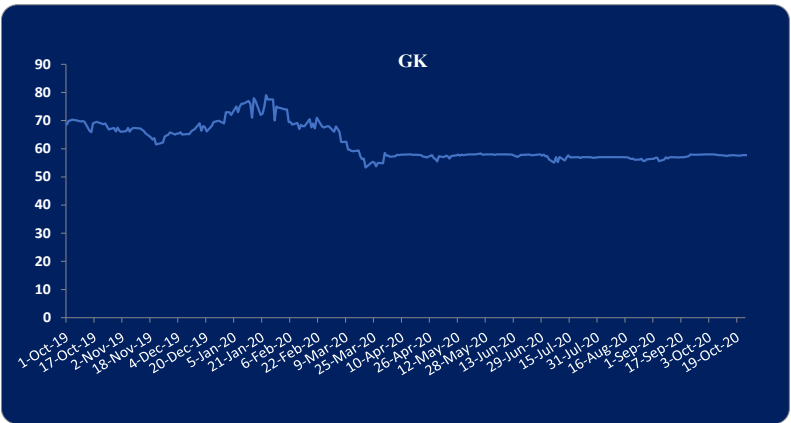
## LOCAL STOCK MARKET: (JS) +

Stock Symbol	GK	SVL	CAR	DTL	CPFV
Current Price (\$)	66.52	17.04	6.44	2.36	40.00
Trailing EPS (\$)	5.67	0.85	0.700	0.13	0.98
P/E (times)	11.73	20.12	9.20	18.65	40.78
Projected P/E	11.01	16.77	9.74	17.22	46.46
Projected EPS (\$)*	6.04	1.02	0.661	0.14	0.86
Book Value per share (\$)	56.78	1.46	0.37	0.58	49.19
Price/Book Value (times)	1.17	11.64	17.55	4.05	0.81
Dividend Yield (2019 %)	2.44%	4.46%	7.07%	0.40%	N/A
Volumes	63,330	23,840	394,454	3,778,850	62,793
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	148.500	115.830	145.7763	154.440	118.008	146.9856
CAN	113.000	90.000	111.8085	117.936	91.000	112.8446
GBP	200.500	169.000	189.5857	202.908	183.000	196.3739
EURO	171.400	150.000	169.1892	178.800	169.000	178.2577

\*Rates as at November 27, 2020



## STOCK OF THE DAY: Grace Kennedy Limited (GK)

For the nine months ended September 30, 2020:

Grace Kennedy Limited (GK) recorded total revenue of \$86.13 billion for period (2019: \$77.03 billion), a year over year increase of 12%. Of this, Revenue from products and services amounted to \$82.88 billion (2019: \$73.93 billion) and interest revenue totalled \$3.25 billion (2019: \$3.11 billion).

The biggest contributor to the Group's overall revenue for the nine-month period came from the 'Food Trading' segment which contributed a total of \$67.90 billion (2019: \$61.15 billion), an increase of 11% relative to the prior year's corresponding period. :

'Banking & Investments' went up 2% year over year to total \$4.68 billion (2019: \$4.56 billion). Revenue from 'Insurance' amounted to \$7.07 billion, a year over year increase of 28% over last year's corresponding period of \$5.54 billion.

'Money Services' brought in \$6.48 billion, 12% more than the \$5.78 billion reported in September 2019. Direct and operating expenses amounted to \$80.38 billion relative to \$73.79 billion booked in 2019, indicating a 9% growth compared to twelve months earlier. Net impairment losses on financial assets totalled \$629.79 million (2019: \$362.28 million).

As such, gross profit for the nine months amounted to \$5.12 billion relative to \$2.88 billion booked for the similar period of 2019, a 78% increase. Interest income from non-financial services rose 9% to total \$351.31 million compared to \$322.78 million reported in the prior year's corresponding period. Interest expenses from non-financial services amounted to \$843.87 million versus \$761.38 million a year earlier, an 11% increase.

Share of results of associated companies fell by 10% amounting to \$409.68 million, versus \$453.43 million reported for September 2019. Pre-tax profits increased 52% to \$7.31 billion, compared to pre-tax profit of \$4.82 billion documented for the nine-month ended September 2019. Additionally, GK incurred taxation expenses amounting to \$2.37 billion compared to \$1.11 billion in September 2019.

Consequently, net profit rose 33% to \$4.93 billion from \$3.71 billion booked for the corresponding period of 2019. Net profit attributable to shareholders amounted to \$4.42 billion compared to \$3.27 billion in the previous year's corresponding period, showing a 35% increase.

Total comprehensive income closed the nine months at \$5.82 billion (2019: \$9.26 billion). Earnings per share for the nine months GK booked an EPS of \$4.45 (2019: \$3.29). GK's trailing EPS amounted to \$5.67. The number of shares used in our calculations is 995,012,431 units.

\*Prices are as at November 30, 2020 \*Projections are made to the company's financial year end

## MONEY MARKET

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

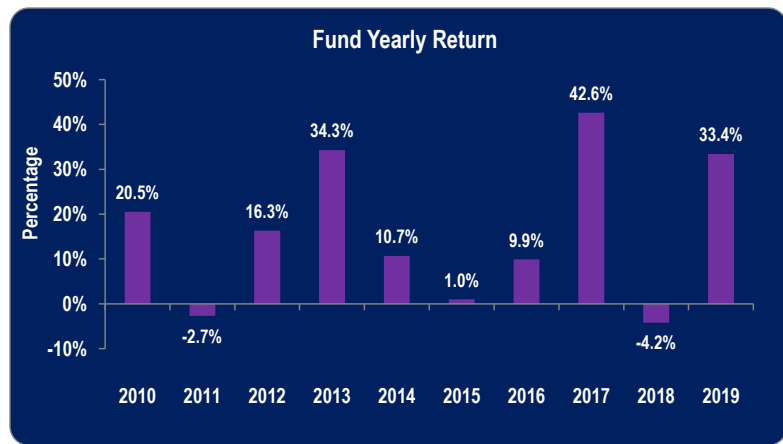
The US dollar fixed income market was also liquid during today's (November 30, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.

## Over The Counter Funds (CI FUNDS)

### Signature Global 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 21.4% and a 5 year return of 22.9%. The Fund also has a 10 year return of 17.6%. Rates are as at October 31, 2020.



“President-elect Joe Biden will take a significant step this week toward addressing the damage to the U.S. economy inflicted by the coronavirus pandemic, as he names an economic team led by his choice for Treasury secretary, former Federal Reserve Chair Janet Yellen. In Yellen, Biden will have a battle-tested policy maker who can draw on her nearly two decades at the Fed to help rebuild an economy in dire need of government cash and confidence.”

“The Bank of England is seeing old fault lines open up as officials lock horns on whether to take interest rates below zero for the first time. That’s what the math on the nine-member Monetary Policy Committee is starting to look like, as the so-called “internals” on the panel with full-time operational roles at the central bank show the greatest signs of resistance to the measure. The minority of part-time “external” officials tend to be more open to subzero policy.”

<https://www.bloomberg.com/news/articles/2020-11-30/yellen-to-forge-u-s-economic-comeback-as-biden-s-treasury-pick?srd=economics-vp>

<https://www.bloomberg.com/news/articles/2020-11-30/boe-splits-between-insiders-and-outsiders-over-subzero-rates?srd=economics-vp>

PLATINUM PORTFOLIO

STRUCTURED PRODUCT

Platinum Portfolio Yield Measures as at November 30, 2020

	Percentage (%)
Yield to Maturity	3.98
Weighted Average Coupon	4.907
Current Yield	4.84

Mayberry Individual Retirement Plan (IRP)

IRP is a Retirement Scheme for all persons who are self employed or are employed in non-pensionable positions and do not otherwise contribute to an approved Superannuation Fund or an-other approved Retirement Scheme. The IRP will help some people make substantially greater contributions than they might otherwise do.

The platinum portfolio has an effective maturity of 13.31 years and duration of 4.90 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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