

DAILY MARKET SUMMARY



VOLUME 1 January 4, 2021

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	LASM	KREMI	JAMT	SML	PBS
Current Price (\$)	3.89	4.17	1.98	5.48	0.79
Trailing EPS (\$)	0.28	0.25	0.105	0.35	0.01
P/E (times)	13.87	16.92	18.84	15.76	111.30
Projected P/E	12.48	15.01	12.45	18.95	156.53
Projected EPS (\$) [*]	0.31	0.28	0.159	0.29	0.01
Book Value per share (\$)	1.75	2.16	0.81	5.52	0.26
Price/Book Value (times)	2.22	1.93	2.43	0.99	3.04
Dividend Yield (2019 %)	1.56%	0.69%	3.05%	3.45%	1.08%
Volumes	14,242	8,221	443,603	1,554	1,500
Recommendation	BUY	HOLD	BUY	HOLD	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	144.000	109.755	140.7687	150.000	112.329	142.6493
CAN	114.943	89.418	106.1233	115.623	101.000	111.4117
GBP	196.000	153.675	186.9661	202.348	180.000	193.6657
EURO	175.500	137.186	170.4625	178.443	167.000	176.8258

*Rates as at December 31, 2020

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 04, 2021) 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 (January 04, 2021) 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: Stanley Motta Limited (SML)

For the nine months ended September 30, 2020

Stanley Motta Limited (SML) for the nine months ended September 30, 2020, booked a 10% increase in revenue to total \$344 million compared to \$312.44 million for the same period in 2019. For the third quarter revenue increased 11% to \$117.82 million in 2020 compared to \$106.24 million the previous year.

Administrative expenses amounted to \$163.17 million (2019: \$109.94 million), while other operating income totalled \$5.27 million (2019: \$747,000).

This translated into operating profit declining to \$186.09 million when compared to last period's \$203.25 million. For the quarter, operating profit went up by 8% to close the period at \$67.95 million (2019: \$62.95 million).

Finance costs of \$32.66 million (2019: 34.81 million) was recorded for the period. For the quarter, finance cost amounted to \$11.07 million (2019: \$11.52 million).

As such, profit before tax fell to \$153.43 million for the period ended September 30, 2020 relative to \$168.44 million in 2019. As for the quarter, profit before tax closed the period at \$56.88 million versus \$51.43 million in the prior corresponding quarter.

Net profit for the period totalled \$148.18 million (2019: \$165.49 billion) after incurring taxes of \$5.24 million (2019: \$2.95 million). While for the quarter, net profit of \$55.15 million was recorded (2019: \$49.66 million).

Total comprehensive income of \$224.06 million (2019: \$192.53 million) while for the quarter, SML reported total comprehensive income of \$80.79 million in 2020 relative to \$76.69 million in 2019.

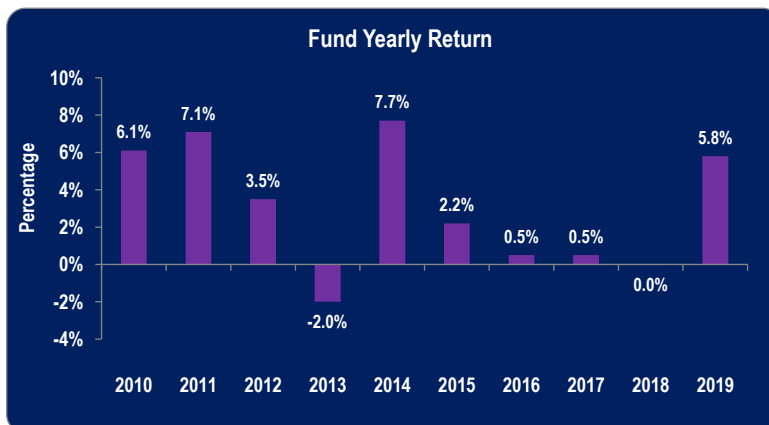
Earnings per share (EPS) for the period totalled \$0.20 (2019: \$0.22). EPS for the third quarter amounted to \$0.07 (2019: \$0.07). The twelve months trailing EPS amounted to \$0.35. The number of shares used in our calculations amounted to 757,828,490 units.

Over The Counter Funds (CI FUNDS)

Signature Canadian Bond Fund

This fund invests primarily in fixed income securities of Canadian governments and companies. It is currently expected that investments in foreign securities will generally be no more than 49% of the fund's assets.

The fund has a 3 year return of 4.5% and a 5 year return of 3.2%. The Fund also has a 10 year return of 3.3%. Rates are as at November 30, 2020.



⁺Prices are as at January 04, 2021*Projections are made to the company's financial year end

“U.K. mortgage approvals reached the highest since 2007 in November as housing continued to boom in spite of a broader economic downturn. The housing market is surging largely because of a tax cut on house purchases that is worth as much as 15,000 pounds (\$20,000) to buyers. That’s pushed prices higher in a nation where demand has outstripped supply for decades, while measures to control the pandemic have also led to a change in working habits, boosting interest in larger properties and those outside of city centers.”

<https://www.bloomberg.com/news/articles/2021-01-04/u-k-mortgage-approvals-surge-to-13-year-high-during-lockdown?srnd=economics-vp>

“Euro-area manufacturing grew at the fastest pace in more than 2 1/2 years in December, bringing some positive news at the end of an horrific 2020 for the region’s economy. Final readings of IHS Markit’s monthly surveys showed growth led by Germany, where activity expanded the most in almost three years, with all other countries covered also reporting an improvement on November. The euro-area index came in at 55.2, up from 53.8 though slightly lower than an earlier preliminary reading.”

<https://www.bloomberg.com/news/articles/2021-01-04/germany-leads-european-manufacturing-to-best-month-since-2018?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at January 04, 2021

	Percentage (%)
Yield to Maturity	3.96
Weighted Average Coupon	4.903
Current Yield	4.83

The platinum portfolio has an effective maturity of 13.29 years and duration of 4.88 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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