

# DAILY MARKET SUMMARY



VOLUME 1 January 7, 2021

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

Stock Symbol	CAR	CFF	SEP	GK	SOS
Current Price (\$)	7.21	1.63	64.58	65.02	4.23
Trailing EPS (\$)	0.70	0.05	4.196	5.67	0.20
P/E(times)	10.30	34.96	15.39	11.47	21.51
Projected P/E	10.90	20.66	14.89	10.76	32.10
Projected EPS (\$)*	0.66	0.08	4.336	6.04	0.13
Book Value per share (\$)	0.37	0.52	22.55	56.78	2.50
Price/Book Value (times)	19.65	3.14	2.86	1.15	1.69
Dividend Yield (2019 %)	8.86%	15.53%	1.23%	2.55%	1.76%
Volumes	105,225	217,986	13,722	52,367	13,176
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	147.000	110.160	142.1917	147.000	112.743	143.4535
CAN	113.800	89.712	109.7610	116.580	101.000	114.1924
GBP	193.300	169.500	189.9924	198.600	180.000	194.8379
EURO	173.300	142.500	169.8218	179.010	155.000	176.3630

\*Rates as at January 06, 2021

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 07, 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 07, 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: 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. The other segments contributing to revenue are as follows:

'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. Other Income during the nine-month period, rose 18% to total \$2.27 billion (2019: \$1.93 billion). 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.

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. 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) per share for the nine months GK booked an EPS of \$4.45 (2019: \$3.29). GK's trailing EPS amounted to \$5.67. number of shares used in our calculations is 995,012,431 units

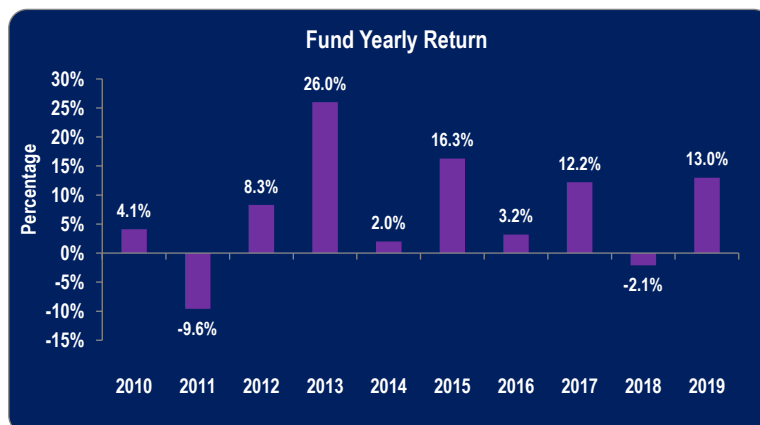
\*Prices are as at January 07, 2021\*Projections are made to the company's financial year end

## Over The Counter Funds (CI FUNDS)

### CI International Value Fund

This fund invests primarily in equity and equity-related securities of companies whose primary operations are outside of North America.

The fund has a 3 year return of 1.6% and a 5 year return of 4.6%. The Fund also has a 10 year return of 6.6%. Rates are as at November 30, 2020.



“The number of employees at U.S. businesses unexpectedly declined in December for the first time since April, underscoring the immediate economic impact of mounting coronavirus cases across the country. Company payrolls decreased by 123,000 during the month, concentrated in leisure and hospitality and retail, according to ADP Research Institute data released Wednesday. The prior month was revised down slightly to a 304,000 gain.”

<https://www.bloomberg.com/news/articles/2021-01-06/u-s-private-jobs-post-first-decline-since-april-adp-data-show?srnd=economics-vp>

“Economic confidence in the euro area picked up in December, with manufacturers in particular showing resilience against a resurgent pandemic that’s triggered tougher restrictions across the region. A European Commission sentiment index rose by 2.7 points to 90.4 from the previous month, mainly driven by optimism among consumers and in the industrial sector. An indicator for employment expectations also recovered from a drop in November.”

<https://www.bloomberg.com/news/articles/2021-01-07/german-factory-orders-unexpectedly-extend-rebound-pre-lockdown?srnd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at January 04, 2021

	Percentage (%)
<b>Yield to Maturity</b>	3.96
<b>Weighted Average Coupon</b>	4.903
<b>Current Yield</b>	4.83

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