

DAILY MARKET SUMMARY



VOLUME 1 January 14, 2021

LOCAL STOCK MARKET: (J\$)⁺

| Stock Symbol | MAILPAC | KREMI | WIG | FTNA | CHL |
|---------------------------|-----------|-------|-----------|--------|-------|
| Current Price (\$) | 3.27 | 4.98 | 0.75 | 5.48 | 7.73 |
| Trailing EPS (\$) | 0.17 | 0.25 | 0.052 | 0.24 | 0.26 |
| P/E (times) | 19.23 | 20.21 | 14.30 | 22.57 | 29.89 |
| Projected P/E | 17.20 | 17.93 | 12.07 | 21.01 | 35.58 |
| Projected EPS (\$)* | 0.19 | 0.28 | 0.062 | 0.26 | 0.22 |
| Book Value per share (\$) | 0.19 | 2.16 | 0.35 | 1.15 | 1.22 |
| Price/Book Value (times) | 17.49 | 2.30 | 2.12 | 4.76 | 6.33 |
| Dividend Yield (2019 %) | 3.24% | 0.69% | 0.33% | 2.12% | 2.24% |
| Volumes | 2,472,264 | 5,183 | 4,561,369 | 28,285 | 6,272 |
| 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 | 146.500 | 112.995 | 142.7199 | 151.200 | 112.744 | 144.4818 |
| CAN | 115.000 | 91.098 | 112.5381 | 116.500 | 102.000 | 112.7406 |
| GBP | 204.082 | 169.500 | 190.2223 | 203.816 | 184.000 | 198.6252 |
| EURO | 176.900 | 142.500 | 172.4936 | 179.800 | 161.500 | 178.6401 |

*Rates as at January 13, 2021

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 14, 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 14, 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: Wigton Windfarm Limited (WIG)

For the six months ended September 30, 2020:

Wigton Windfarm Limited, for the six months ended September 30, 2020, reported sales of \$1.36 billion, a 7% decline on the \$1.47 billion reported in the prior year. Revenue for the quarter declined 3% to \$612.85 million (2019: \$632.34 million). WIG noted that, "the decrease in revenue was due to the decrease in sales of electricity which resulted from lower production in the current reporting period."

Cost of sales went up 6% to close the period at \$412.82 million versus \$387.82 million booked in the previous comparable period. As such, gross profit declined to total \$950.92 million (2019: \$1.08 billion). While for the quarter, gross profit amounted to \$407.72 million (2019: \$436.52 million).

Other income amounted to \$108.52 million, a 8% decline when compared to \$118.22 million in the same period last year. General administrative expenses increased for the period amounting to \$201.80 million relative to \$181.34 million documented in the same period in the previous year.

Consequently, operating profit decreased 15%, closing the period under review at \$857.65 million (2019: \$1.01 billion). Operating profit for the quarter totalled \$337.86 million (2019: \$384.68 million).

Finance expense trended downwards from \$301.72 million in 2019 to \$257.98 million in 2020.

As such, profit before taxation went down by 16% to close at \$599.67 million (2019: \$712.50 million). After taxation of \$143.92 million (2019: \$171.00 million), net profit for the period totalled \$455.75 million (2019: \$541.50 million). Net profit for the quarter closed at \$155.04 million versus \$175.10 million booked in the similar period last year.

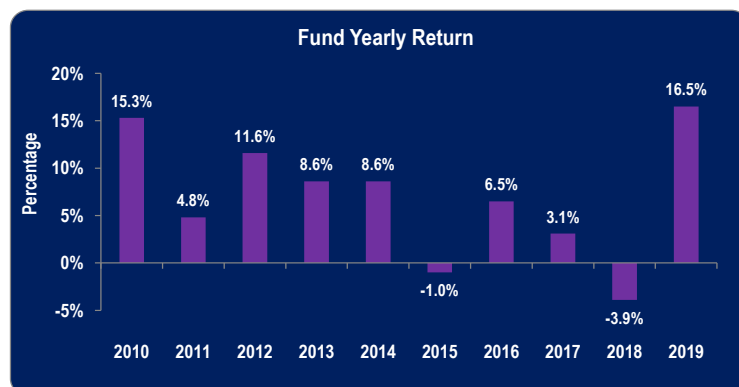
Earnings per share (EPS) was \$0.041 for the period compared to \$0.049 in 2019. EPS for the quarter amounted to \$0.014 (2019: \$0.016). The twelve-month trailing EPS amounted to \$0.052. The number of shares used in the calculations is 11,000,000,000.

Over The Counter Funds (CI FUNDS)

Signature High Income Fund

This fund invests primarily in high-yielding equity securities and Canadian corporate bonds.

The fund has a 3 year return of 4.3% and a 5 year return of 4.5%. The Fund also has a 10 year return of 5.5%. Rates are as at December 31, 2020.



⁺Prices are as at January 14, 2021*Projections are made to the company's financial year end

“Applications for U.S. state unemployment benefits surged last week by the most since late March, pointing to persistent labor-market pain as coronavirus infections continue to soar and potentially adding to momentum for a larger federal stimulus plan. Initial jobless claims in regular state programs rose by 181,000 to 965,000 in the week ended Jan. 9, according to Labor Department data Thursday that showed a broad number of states with large increases. On an unadjusted basis, the figure jumped to 1.15 million.”

<https://www.bloomberg.com/news/articles/2021-01-14/u-s-jobless-claims-jump-by-most-since-march-approach-1-million?srnd=economics-vp>

“The German economy stagnated at the end of last year, probably avoiding a double-dip recession that is engulfing the euro area. The statistics office predicted that the country’s renewed pandemic lockdown won’t have the same severe impact as restrictions earlier in 2020. It estimates output remained flat in the fourth quarter, capping a year that saw an economic contraction of 5%. The government ran a budget deficit of 4.8% of gross domestic product, the biggest since 1995.”

<https://www.bloomberg.com/news/articles/2021-01-14/german-economy-shrank-5-in-2020-as-pandemic-shut-businesses?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at January 11, 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 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.

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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

