

DAILY MARKET SUMMARY



VOLUME 1 January 18, 2021

LOCAL STOCK MARKET: (J\$)⁺

| Stock Symbol | SVL | CFF | SEP | FOSRICH | BPOW |
|---------------------------------|--------|--------|--------|---------|--------|
| Current Price (\$) | 17.51 | 1.62 | 63.80 | 4.40 | 3.00 |
| Trailing EPS (\$) | 0.85 | 0.05 | 4.196 | 0.20 | 0.10 |
| P/E (times) | 20.67 | 34.75 | 15.20 | 21.93 | 29.43 |
| Projected P/E | 17.23 | 20.53 | 14.71 | 21.14 | 26.08 |
| Projected EPS (\$) ⁺ | 1.02 | 0.08 | 4.336 | 0.21 | 0.12 |
| Book Value per share (\$) | 1.46 | 0.52 | 22.55 | 1.73 | 1.77 |
| Price/Book Value (times) | 11.96 | 3.12 | 2.83 | 2.54 | 1.69 |
| Dividend Yield (2019 %) | 4.09% | 15.53% | 1.23% | N/A | 0.36% |
| Volumes | 57,009 | 24,204 | 10,198 | 11,033 | 15,922 |
| 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 | 148.800 | 113.400 | 143.9811 | 152.280 | 131.000 | 144.8183 |
| CAN | 113.000 | 90.000 | 110.5818 | 119.700 | 91.000 | 118.4459 |
| GBP | 200.000 | 157.700 | 193.3007 | 205.308 | 171.000 | 198.3419 |
| EURO | 190.100 | 137.924 | 169.6876 | 183.000 | 168.200 | 179.3203 |

*Rates as at January 15, 2021

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 18, 2021) trading session. The over night rate stood at 0.35% to 0.50%, while the 30-day rate was 1.60% to 1.90%.

The US dollar fixed income market was also liquid during today's (January 18, 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: Caribbean Flavours and Fragrances (CFF)

For the nine months ended September 30, 2020:

Caribbean Flavours and Fragrances, for the nine months ended September 30, 2020, reported revenues of \$451.90 million (2019: \$358.44 million). For the quarter, revenue amounted to \$141.31 million, an increase of 7%, when compared with the \$132.11 million booked last year.

Cost of sales amounted to \$308.02 million (2019: \$233.70 million), this resulted in gross profit increasing by 15% to \$143.88 million for the nine months, relative to \$124.74 million booked last year. Gross profit for the quarter closed at \$45.12 million (2019: \$40.24 million).

Administrative expenses increased by 14% to close the period under review at \$86.82 million (2019: \$76.21 million); whereas, selling and distribution costs totalled \$2.19 million (2019: \$1.31 million). While for the quarter, administrative expenses increased 9% to \$29.58 million (2019: \$27.17 million), while selling and distribution costs decreased to \$74,000 compared to \$618,000 for the nine months ended September 2019. Also, Finance income closed the nine months at \$11.51 million relative to \$7.97 million in 2019.

Profit before taxation totalled \$66.38 million compared to \$55.19 million in the prior year. For the quarter, profit before taxation amounted to \$16.90 million (2019: \$14.95 million), an increase of 13%. Taxation of \$8.30 million was booked for the period under review (2019: \$7.54 million), resulting in net profit of \$58.08 million versus net profit of \$47.66 million in 2019. However, for the quarter, net profit closed at \$14.73 million (2019: \$12.44 million).

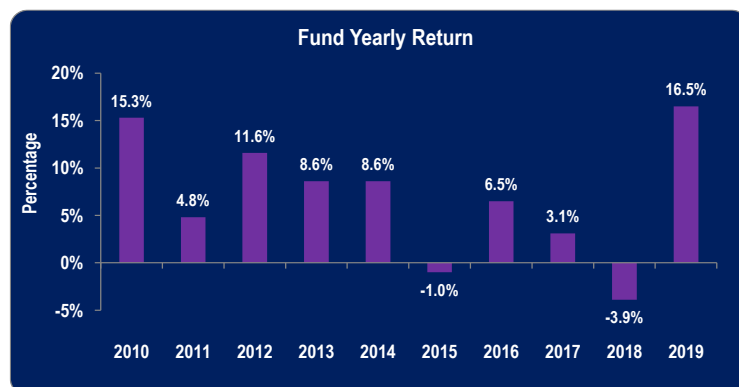
Earnings per share for the period amounted to \$0.065 (2019: \$0.053). While, for the quarter, EPS totalled \$0.016 (2019: \$0.014). The twelve months trailing EPS is \$0.047. The number of shares used in the calculation was 899,200,330 units.

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 18, 2021*Projections are made to the company's financial year end

“Treasury Secretary nominee Janet Yellen on Tuesday steps into a new role following more than a quarter-century in government: salesperson for economic policy after years of defending Federal Reserve thinking and actions. The Senate Finance Committee’s 10 a.m. hearing Tuesday is likely to feature topics from foreign-exchange policy to taxes, but it will also serve as the first congressional forum where lawmakers will vet President-elect Joe Biden’s \$1.9 trillion Covid-19 relief plan. Yellen will tell them that low borrowing costs mean it’s time to “act big,” according to her prepared remarks.”

<https://www.bloomberg.com/news/articles/2021-01-18/yellen-to-enter-firing-line-on-biden-aid-plan-as-recovery-fades?smd=economics-vp>

“Price growth in Europe’s largest economy is likely to be “clearly positive” this month for the first time in half a year, according to the Bundesbank. After the phasing-out of a temporary sales-tax cut and the introduction of an emissions-pricing scheme, the cost of many goods and services in Germany is likely to have risen on an annual basis, the country’s central bank said in a monthly report published Monday. A return to positive inflation rates would mark a noticeable shift compared to the last five months, when the index was negative. That was largely a result of tax cuts introduced to stimulate consumption during the pandemic crisis, weighing on price growth in the wider euro area.”

<https://www.bloomberg.com/news/articles/2021-01-18/german-inflation-will-turn-positive-in-january-bundesbank-says?smd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at January 18, 2021

| | Percentage (%) |
|--------------------------------|----------------|
| Yield to Maturity | 3.94 |
| Weighted Average Coupon | 4.903 |
| Current Yield | 4.80 |

The platinum portfolio has an effective maturity of 13.30 years and duration of 4.91 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



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