

# DAILY MARKET SUMMARY



VOLUME 1 January 20, 2021

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

Stock Symbol	LASD	JBG	LUMBER	LAB	CAC
Current Price (\$)	3.20	27.03	1.62	2.70	10.60
Trailing EPS (\$)	0.24	1.46	0.145	0.13	0.25
P/E (times)	13.56	18.54	11.18	20.09	42.04
Projected P/E	12.40	15.54	10.85	21.51	38.20
Projected EPS (\$)*	0.26	1.74	0.149	0.13	0.28
Book Value per share (\$)	1.72	14.30	0.37	0.49	3.01
Price/Book Value (times)	1.86	1.89	4.43	5.50	3.52
Dividend Yield (2019 %)	1.56%	1.05%	1.30%	3.07%	N/A
Volumes	832,284	2,018,237	421,288	4,426	NIL
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	114.210	143.9779	152.280	121.380	145.4885
CAN	115.000	90.000	114.3639	118.422	91.000	115.0693
GBP	194.550	157.783	191.1210	202.300	185.400	197.4703
EURO	171.927	144.792	170.8083	179.479	169.150	178.8970

\*Rates as at January 19, 2021

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 20, 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 20, 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: JAMAICA BROILERS GROUP (JBG)

For the six months ended October 31, 2020:

JBG reported Total Revenues of \$26.54 billion for the six months ended October 31, 2020, a 1% increase on the \$26.27 billion reported in 2019.

The Jamaica Operations, which accounted for approximately 59% of total revenues, contributed \$15.56 billion, a decline of 8% relative to \$16.85 billion in 2019. US Operations (approximately 37% of total revenues) contributed \$9.94 billion, increasing 18% relative to \$8.43 billion for the prior year's comparable period. Haiti Operations (approximately 4% of total revenue) contributed \$1.05 billion compared to \$989.02 million reported in 2019.

Cost of Sales for the six months period increased by 2% to \$20.09 billion from \$19.77 billion in 2019. Consequently, Gross Profit increased to \$6.45 billion, down 1% relative to \$6.49 billion reported in 2019.

Distribution costs decreased to \$1.10 billion for the period compared to \$1.11 billion for the corresponding period last year, while administration and other expenses fell by 7% to \$3.88 billion (2019: \$4.18 billion).

The Company reported other income of \$228.47 million for the period relative to \$102.53 million reported in 2019, up 123% year on year. Operating Profit increased by 30%, totalling \$1.70 billion for the six-month period relative to \$1.31 billion last year.

JBG reported no Finance Income for the period under review (2019: \$36.46 million), while finance costs fell by 65% to \$179.88 million relative to \$518.15 million in 2019.

Profit before Taxation rose 85% to \$1.52 billion (2019: \$823.40 million). Following taxation for the period of \$415.39 million (2019: \$156.68 million), Net profit went up 66% to a total of \$1.11 billion (2019: \$666.72 million). Net Profits attributable to shareholders amounted to \$1.03 billion, 51% higher than the \$685.63 million reported in 2019.

Total comprehensive income for the six months amounted to \$1.78 billion relative to \$852.74 million. Total comprehensive income for the quarter amounted to \$1.15 billion relative to \$380.03 million book- ing for the comparable period in 2019.

Earnings per share (EPS) for period totalled \$0.86 (2019: \$0.57). The twelve months trailing EPS totalled \$1.46. The total number of shares employed in our calculations amounted to 1,199,276,400 units.

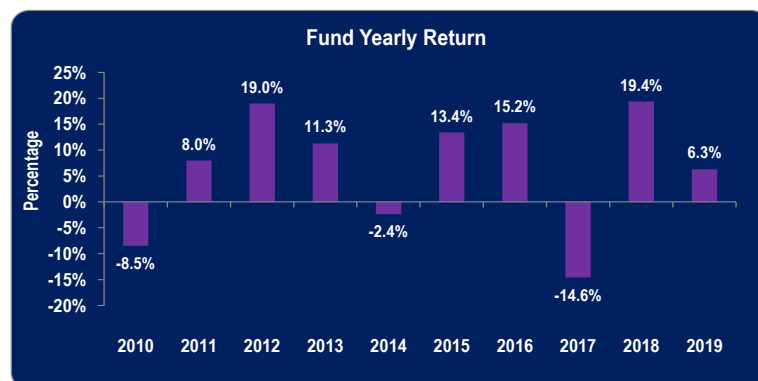
\*Prices are as at January 20, 2021\*Projections are made to the company's financial year end

## Over The Counter Funds (CI FUNDS)

### Signature Select Canadian Corporate Class

This fund invests primarily in common shares and convertible securities of Canadian companies and preferred shares that pay regular income. 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 2.7% and a 5 year return of 7.2%. The Fund also has a 10 year return of 6.1%. Rates are as at December 31, 2020.



“Joe Biden assumes the helm of the world’s largest economy and faces an uneven recovery -- steady in some areas like housing and manufacturing but rough in others, most notably the job market. In the week prior to his inauguration Wednesday as the 46th U.S. president, Biden vowed to push for more aid once in the White House, unveiling an initial economic recovery plan with a \$1.9 trillion price tag. Janet Yellen, Biden’s pick for Treasury Secretary and a former Federal Reserve chair, backed that proposal at her Tuesday confirmation hearing - - urging lawmakers to “act big” in efforts to rescue an economy battered by the coronavirus.”

<https://www.bloomberg.com/news/articles/2021-01-20/the-economy-in-charts-as-biden-takes-helm-of-uneven-recovery?srnd=economics-vp>

“Central banks across Asia are starting the year juggling policy reviews and political pressure to do more to support their economies. Bank of Japan Governor Haruhiko Kuroda has promised to release a policy review in March that he emphasized isn’t intended to backpedal from massive monetary easing, but rather to make it “more effective and sustainable.” The Reserve Bank of India is reviewing its inflation-targeting mechanism, with some in Prime Minister Narendra Modi’s government seeking to widen the band from the current 2%-6% range.”

<https://www.bloomberg.com/news/articles/2021-01-19/asian-central-banks-start-year-juggling-politics-policy-reviews?srnd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at January 18, 2021

	Percentage (%)
<b>Yield to Maturity</b>	3.94
<b>Weighted Average Coupon</b>	4.903
<b>Current Yield</b>	4.80

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