

# DAILY MARKET SUMMARY



VOLUME 1 January 26, 2021

## LOCAL STOCK MARKET: (JS) +

Stock Symbol	SEP	JBG	MAILPAC	JAMT	SOS
Current Price (\$)	63.14	29.11	3.80	2.91	4.26
Trailing EPS (\$)	4.20	1.46	0.170	0.11	0.20
P/E (times)	15.05	19.97	22.34	27.69	21.66
Projected P/E	14.56	16.74	19.99	18.30	32.33
Projected EPS (\$)*	4.34	1.74	0.190	0.16	0.13
Book Value per share (\$)	22.55	14.30	0.19	0.81	2.50
Price/Book Value (times)	2.80	2.04	20.32	3.58	1.70
Dividend Yield (2019 %)	1.23%	1.05%	3.24%	3.05%	1.76%
Volumes	13,374	355	761,818	1,595,981	4,800
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	148.600	115.020	144.9641	153.360	116.889	146.9957
CAN	116.527	93.114	111.8065	119.880	102.000	115.7275
GBP	202.000	160.315	196.1794	205.188	182.000	199.3329
EURO	173.800	144.144	172.4896	181.870	164.000	180.0661

\*Rates as at January 25, 2021



## STOCK OF THE DAY: Seprod Limited (SEP)

For the nine months ended September 30, 2020:

Revenue, for the nine months ended September 30, 2020, totalled \$28.66 billion compared to the \$24.80 billion recorded for the same period of the prior financial year; this represents a 16% increase year over year.

Cost of Sales rose by 15% from \$15.77 billion to \$18.06 billion. Consequently, Gross Profit increased 17% to close at \$ \$10.60 billion (2019: \$9.02 billion).

Finance and Other Income for the period totalled \$997.70 million relative to \$175.03 million in 2019 a 470% increase year over year.

Other operating expenses increased by 11% to close the nine months at \$7.78 billion (2019: \$6.99 billion). Operating Profit increased by 73% to total \$3.81 billion (2019: \$2.21 billion) for the nine months.

Finance Costs totalled \$866.09 million; a negligible decrease of 0.1% compared \$866.67 million in 2019. Pre-tax Profits more than doubled to end at \$2.93 billion in comparison to profits of \$1.39 billion last year, representing a 111% increase. Taxation of \$401.17 million was booked for the period relative to \$233.81 million in 2019 to result in a Net Profit from continuing operations of \$2.53 billion (2019: \$1.16 billion).

The Company also reported loss from discontinued operation of \$47.30 million relative to last year's loss from discontinued operations of \$786.50 million. As such, Net Profit for the nine months ended September 2020 totalled \$2.48 billion (2019: \$377.75 million).

Additionally, Seprod, for the nine months ended September 30, 2020, reported Total Comprehensive Income of \$2.61 billion relative to \$469.98 million reported in the corresponding 2019 period.

Earnings Per Share for the nine months ended September 30, 2020 amounted to \$3.38 relative to \$0.51 for the corresponding period in 2019. The twelve months trailing EPS is \$4.20. The number of shares used in our calculations is 733,546,855.

\*Prices are as at January 26, 2021 \*Projections are made to the company's financial year end

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (January 26, 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%.

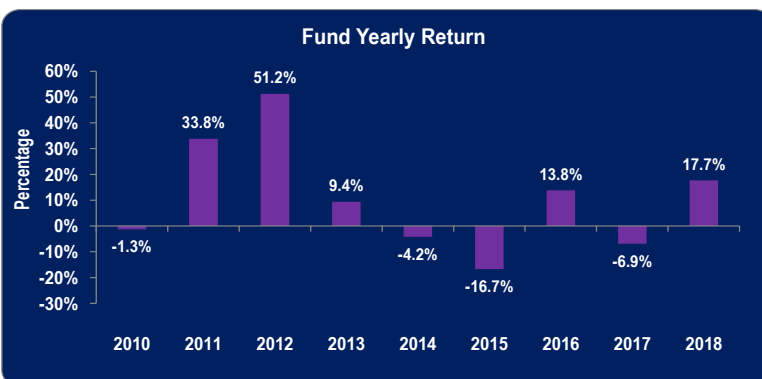
The US dollar fixed income market was also liquid during today's (January 26, 2021) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.

## Over The Counter Funds (CI FUNDS)

### CI Global Health Sciences Corporate Class

This fund invests primarily in equity and equity-related securities of companies around the world that specialize in the health care or medical industry.

The fund has a 3 year return of 7.5% and a 5 year return of 3.3%. The Fund also has a 10 year return of 9.4%. Rates are as at December 31, 2020.



U.S.: U.S. Suffers Sharpest Rise in Poverty Rate in More Than 50 Years

“The end of 2020 brought the sharpest rise in the U.S. poverty rate since the 1960s, according to a study released Monday. Economists Bruce Meyer, from the University of Chicago, and James Sullivan of the University of Notre Dame found that the poverty rate increased by 2.4 percentage points during the latter half of 2020 as the U.S. continued to suffer the economic impacts from Covid-19.”

<https://www.bloomberg.com/news/articles/2021-01-25/u-s-suffers-sharpest-rise-in-poverty-rate-in-more-than-50-years?srnd=economics-vp>

Europe: U.K. Jobs Market Better Than Feared During November Lockdown

“The U.K. labor market proved more resilient than expected in the three months to November as an extension of government aid helped protect jobs amid a widespread lockdown. The nation’s unemployment rate climbed to 5% in the period, the highest since 2016 but lower than the 5.1% predicted by economists, the Office for National Statistics said Tuesday. The number of people in work fell by 88,000, the least since July, while the pace of increase for job cuts slowed.”

<https://www.bloomberg.com/news/articles/2021-01-26/u-k-unemployment-rate-lower-than-expected-in-november-lockdown?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at January 25, 2021

	Percentage (%)
Yield to Maturity	3.92
Weighted Average Coupon	4.903
Current Yield	4.79

The platinum portfolio has an effective maturity of 13.31 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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