

DAILY MARKET SUMMARY



VOLUME 1 February 3, 2021

LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	SEP	SML	JBG	KREMI	KPRET
Current Price (\$)	71.51	5.35	26.33	4.95	7.25
Trailing EPS (\$)	4.20	0.35	1.458	0.25	0.40
P/E (times)	17.04	15.38	18.06	19.48	18.07
Projected P/E	16.49	18.50	15.14	18.48	299.58
Projected EPS (\$) [*]	4.34	0.29	1.739	0.27	0.02
Book Value per share (\$)	22.55	5.52	14.30	2.16	6.29
Price/Book Value (times)	3.17	0.97	1.84	2.29	1.15
Dividend Yield (2019 %)	1.23%	3.45%	1.05%	0.69%	1.21%
Volumes	9,932	1,000	892,635	4,880	100
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	151.500	117.450	147.8636	156.600	118.547	149.7697
CAN	118.000	90.000	113.4580	119.864	91.000	117.8961
GBP	204.550	172.000	198.0193	210.887	184.000	203.6548
EURO	176.000	145.320	172.7439	199.200	155.000	183.5159

*Rates as at February 02, 2021

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (February 03, 2021) trading session. The over night rate stood at 0.30% to 0.50%, while the 30-day rate was 1.50% to 1.70%.

The US dollar fixed income market was also liquid during today's (February 03, 2021) trading session; The over-night 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 Cream Limited (KREMI)

For the nine months ended November 30, 2020

Caribbean Cream Limited (KREMI) for nine months ended November 30, 2020, reported revenue of \$1.33 billion compared to \$1.24 billion in the corresponding period last year, this represents an 8% increase year over year. Costs of sales amounted to \$879.64 million (2019: \$841.54 million), an increase of 5%.

Nonetheless, gross profit improved by 15% or \$58.68 million to \$452.59 million compared to \$393.91 million reported twelve months earlier.

Administrative Expenses climbed 7% to close at \$300.01 million (2019: \$279.83 million), while selling and distribution costs fell 15% from \$51.26 million in 2019 to \$43.35 million. Consequently, operating profit for the nine months period amounted to \$109.23 million, an increase of 69% relative to \$64.82 million booked in 2019.

Finance cost fell 19% year over year to amount to \$13.10 million relative to \$16.09 million recorded in the nine months ended November 30, 2019. The company reported a 22% increase in interest income for the period from \$881,084 reported in 2019 to \$1.08 million for the nine months ended November 2020.

After incurring taxes of \$12.15 million (2019: \$6.20 million) for the period under review, net profit attributable to shareholders increased by 96% from \$43.41 million booked in 2019 to \$85.06 million for the period under review.

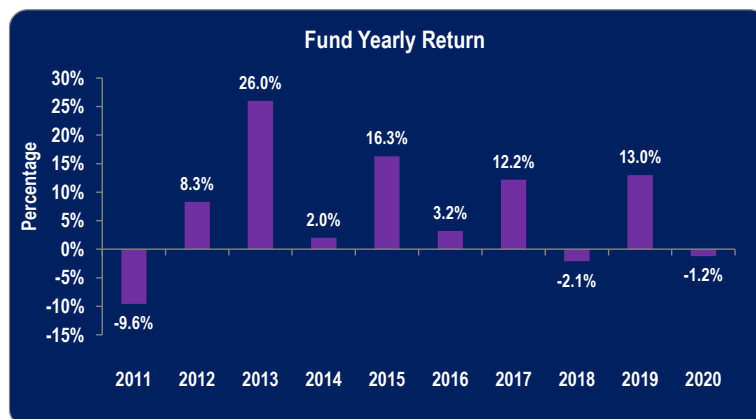
Consequently, Earnings per Share (EPS) for the nine months amounted to \$0.23 (2019: \$0.12). The trailing twelve months earnings per share amounted to \$0.25. The numbers of shares used in these calculations were 378,568,115 units.

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 3.0% and a 5 year return of 4.8%. The Fund also has a 10 year return of 6.4%. Rates are as at December 31, 2020.



⁺Prices are as at February 03, 2021 *Projections are made to the company's financial year end

“The U.S. economy is showing some scattered signs of picking up from an end-of-year slowdown, muddying President Joe Biden’s efforts to win congressional passage of a \$1.9 trillion stimulus package. New claims filed for unemployment benefits have fallen for two straight weeks, while January payrolls are forecast to rebound from a December swoon in data out on Friday. Managers in charge of buying supplies for U.S. companies reported increased business last month and homebuilders said demand remained robust.”

<https://www.bloomberg.com/news/articles/2021-02-03/u-s-economy-is-improving-complicating-biden-s-stimulus-plans?srnd=economics-vp>

“The European Union is facing a cost of tens of billions of euros for the slow and chaotic rollout of coronavirus vaccinations compared to countries such as the U.K. and U.S. Lockdowns mean the bloc’s economy is operating at about 95% of its pre-pandemic level, equating to about 12 billion euros (\$14 billion) a week of lost output, according to calculations by Bloomberg Economics. It’s also weeks behind its peers in inoculations, and progressing at a slower pace.”

<https://www.bloomberg.com/news/articles/2021-02-03/eu-faces-100-billion-euro-price-tag-for-bungled-vaccine-rollout?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at February 01, 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

USD Money Market

This portfolio is a full discretionary managed bond portfolio, ideal for clients who have short-term USD liquidity needs. Assets within the portfolio can be used as collateral for loans. The product provides a solid short-term investment option in hard currency and allows the individual to hedge against the prevailing devaluation in the local currency.

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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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