

# DAILY MARKET SUMMARY



VOLUME 1 February 4, 2021

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

Stock Symbol	SEP	SML	JBG	KREMI	KPRET
Current Price (\$)	71.77	5.35	27.71	5.00	7.06
Trailing EPS (\$)	4.20	0.35	1.458	0.25	0.40
P/E (times)	17.10	15.38	19.01	19.67	17.59
Projected P/E	16.55	18.50	15.93	18.67	291.73
Projected EPS (\$) <sup>+</sup>	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)	3.18	0.97	1.94	2.31	1.12
Dividend Yield (2019 %)	1.23%	3.45%	1.05%	0.69%	1.21%
Volumes	11,519	NIL	47,488	102,892	6,600
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	152.250	117.450	148.1659	157.140	119.376	148.0427
CAN	119.300	99.000	118.3408	120.500	102.000	118.9956
GBP	206.500	175.000	202.0609	208.500	157.966	205.2813
EURO	176.800	155.000	174.9045	183.900	172.600	182.5115

\*Rates as at February 03, 2021

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (February 04, 2021) trading session. The overnight 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 04, 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: 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.

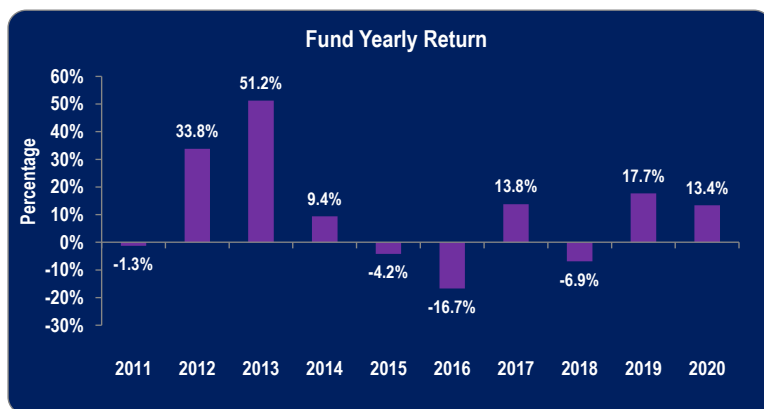
Earnings Per Share for the nine months ended September 30, 2020 amounted to \$3.38 relative to \$0.51 for the corresponding period in 2019. The twelve months trailing EPS is \$4.20. The number of shares used in our calculations is 733,546,855.

## 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.



<sup>+</sup>Prices are as at February 04, 2021 \*Projections are made to the company's financial year end

“Joe Biden has followed the path of many American presidents in bringing his own foreign policy brand into office. His “foreign policy for the middle class” is less pithy than Donald Trump’s “America First.” But for a world trying to gauge the U.S.’s new leadership—and an electorate with an uneasy relationship with globalization and other disruptive economic forces—it may be just as consequential. Biden’s promise to the world is reengagement, whether on issues from which the U.S. has been absent, such as climate change, or in multilateral institutions his predecessor sought to blow up, such as the World Health Organization.”

<https://www.bloomberg.com/news/articles/2021-02-04/biden-s-foreign-policy-focuses-on-middle-class-americans?smd=economics-vp>

“The Bank of England told banks to start preparing for negative interest rates, while saying that message shouldn’t be taken as a signal that the policy is imminent. The BOE also said it will start its own work on a tiered rate system that could be used if it cuts below zero. Officials have been reviewing the case for negative rates for almost a year as they examine their options to help to pull the U.K. out of its worst slump in three centuries. Consultations with banks found that implementing negative rates within six months would pose increased operational risks.”

<https://www.bloomberg.com/news/articles/2021-02-04/boe-tells-banks-to-start-preparing-for-negative-rates-if-needed?smd=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

### 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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