

LOCAL STOCK MARKET: (JS)*

Stock Symbol	SEP	CFF	LASD	SVL	CHL
Current Price (\$)	70.88	2.12	3.98	19.27	7.60
Trailing EPS (\$)	3.80	0.09	0.259	0.85	0.21
P/E (times)	18.67	22.42	15.36	22.78	36.61
Projected P/E	18.15	20.28	13.45	18.73	35.94
Projected EPS (\$)*	3.91	0.10	0.296	1.03	0.21
Book Value per share (\$)	23.55	0.56	1.84	1.53	1.29
Price/Book Value (times)	3.01	3.76	2.16	12.60	5.88
Dividend Yield (2020 %)	1.23%	15.53%	1.56%	4.09%	2.24%
Volumes	13,042	27,111	7,352	97,644	NIL
Recommendation	HOLD	HOLD	BUY	BUY	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	155.850	121.095	152.2980	167.440	121.863	154.7405
CAN	124.400	108.000	123.5425	126.186	114.000	123.8629
GBP	214.000	169.901	206.2760	221.076	201.000	212.3996
EURO	178.300	143.254	173.9483	187.050	176.000	184.7109

*Rates as at July 13, 2021

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (July 14, 2021) trading session. The over night rate stood at 0.35% to 0.50%, while the 30-day rate was 1.70% to 1.90%.

The US dollar fixed income market was also liquid during today's (July 14, 2021) trading session; The overnight market rates were quoted at 1.00% to 1.20% while the 30-day market rates stood at 1.70% to 1.90%.



STOCK OF THE DAY: Seprod Limited (SEP)

For the three months ended March 31, 2021

Seprod Limited (SEP), for the three months ended March 31, 2021, posted revenue totalling \$9.58 billion compared to \$9.14 billion recorded for the same period of the prior financial year, representing a 5% increase year over year. The Manufacturing Division recorded a 1% increase in revenue to close at \$5.24 billion (2020: \$5.21 billion), while the Distribution Division increased by 7% closing at \$7.40 billion (2020: \$6.90 billion).

Direct expenses increased by 8% from \$6.38 billion in 2020 to \$6.90 billion in 2021, resulting in gross profit declining by 3% to close at \$2.68 billion (2020: \$2.76 billion).

Other operating income totalled \$128.04 million compared to \$123.51 million recorded in the same period of 2020. Other operating expenses increased by 5% to close the first quarter of 2021 at \$1.86 billion (2020: \$1.78 billion).

As such, operating profit fell 14%, moving from \$1.11 billion in the first quarter of 2020 to \$945.16 million booked in the period under review.

Finance costs amounted to \$267.49 million for the three months ended March 31, 2021 (2020: \$279.94 million). Share of results of joint venture amounted to \$14.13 million (2020: \$29.98 million).

Profit before taxation decreased to \$691.80 million for the period under review, a 19% contraction relative to the \$855.04 million reported in the same quarter last year.

After incurring taxes of \$125.15 million (2020: \$207.70 million), the Company booked net profit from continuing operations of \$566.65 million (2020: \$647.34 million). In addition, net loss from discontinued operations closed at \$20.34 million (2020: \$14.62 million).

As such, Seprod reported net profit of \$546.31 million, a 14% decline relative to last year's \$632.72 million. Total comprehensive income for the quarter amounted to \$602.43 million compared to \$655.42 million booked for the first quarter of 2020.

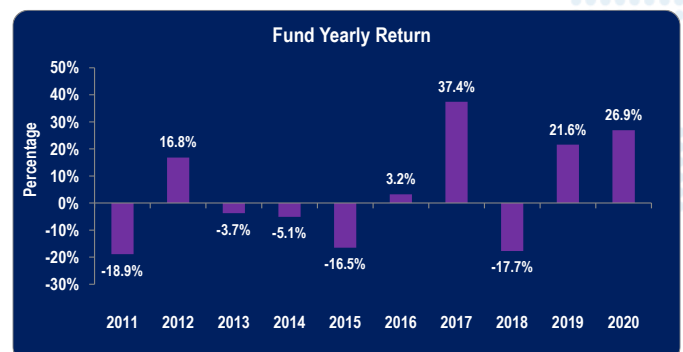
Consequently, earnings per share (EPS) for the three months ended March 31, 2021 amounted to \$0.74 versus \$0.86 booked in the corresponding period of 2020. The twelve months trailing EPS is \$3.80.

OVER THE COUNTER FUNDS (CI FUNDS)

Signature Emerging Markets Corporate Class

This fund invests primarily in equity and equity-related securities of companies located in emerging markets and emerging industries of any market.

The fund has a 3-year return of 11.60% and a 5-year return of 14.10%. The Fund also has a 10-year return of 3.60%. Rates are as at May 31, 2021.



Producer Prices in U.S. Surge in June, Exceeding Forecasts

“Prices paid to U.S. producers rose in June by more than expected, indicating pressure is mounting on companies to pass along higher costs to consumers. The producer price index for final demand increased 1% from the prior month and 7.3% from June of last year, Labor Department data showed Wednesday. Excluding volatile food and energy components, the so-called core PPI also rose 1%, the most on record, and was up 5.6% from a year ago.”

<https://www.bloomberg.com/news/articles/2021-07-14/producer-prices-in-u-s-increase-by-more-than-forecast?srnd=economics-vp>

U.K.'s Inflation Jump Tests BOE's Relaxed View on Stimulus

“U.K. inflation unexpectedly accelerated to the highest level in three years in June, driven by widespread price increases that challenge the Bank of England's argument that the surge will be temporary. Consumer prices climbed 2.5% from a year earlier, exceeding all but two estimates in a Bloomberg survey of 35 economists. Prices rose from May in the vast majority of 12 broad divisions, the Office for National Statistics said Wednesday. The pound advanced.”

<https://www.bloomberg.com/news/articles/2021-07-14/u-k-inflation-rises-more-than-expected-to-highest-since-2018?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at July 13, 2021

	Percentage (%)
Yield to Maturity	3.00
Weighted Average Coupon	4.23
Current Yield	4.03

The platinum portfolio has an effective maturity of 11.64 years and duration of 3.46 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.

DISCLAIMER

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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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