

LOCAL STOCK MARKET: (JS)*

Stock Symbol	GK	SVL	CCC	CAR	SOS
Current Price (\$)	101.10	19.46	94.87	9.04	7.43
Trailing EPS (\$)	7.09	1.00	6.207	0.81	0.28
P/E (times)	14.25	19.43	15.28	11.11	26.67
Projected P/E	12.05	15.96	14.33	9.31	24.61
Projected EPS (\$)	8.39	1.22	6.619	0.97	0.30
Book Value per share (\$)	63.83	1.56	17.23	0.36	2.67
Price/Book Value (times)	1.58	12.46	5.51	25.08	2.78
Dividend Yield (2020 %)	2.55%	4.09%	N/A	8.86%	1.76%
Volumes	21,756	36,682	7,446	69,777	44,424
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	156.800	123.525	153.6480	170.800	120.000	155.2708
CAN	124.600	101.094	123.5443	129.978	107.000	124.5567
GBP	217.000	174.217	209.2793	226.692	202.000	214.6162
EURO	182.260	146.124	179.9116	192.456	172.000	185.3426

*Rates as at August 09, 2021

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (August 10, 2021) trading session. The overnight 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 (August 10, 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: Grace Kennedy Limited (GK)

For the six months ended June 30, 2021

Grace Kennedy Limited (GK), for the six months ended June 30, 2021, recorded revenue of \$63.35 billion for period (2020: \$56.53 billion), a year over year increase of 12%. The biggest contributor to the group's overall revenue for the six-month period came from the 'Food Trading' segment which contributed a total of \$49.64 billion (2020: \$44.84 billion), an increase of 11% relative to the prior year's corresponding period.

Direct and operating Expenses amounted to \$59.25 billion relative to \$52.96 billion booked for the previous period, indicating a 12% increase. The Company booked a net impairment losses on financial assets of \$229.92 million (2020: \$501.99 million) for the six months period.

As such, gross profit for the six months climbed 26% to \$3.87 billion relative to \$3.07 billion booked for the similar period of 2020.

Other Income during the first six months ended June 30, 2021, rose 2% to total \$1.53 billion (2020: \$1.50 billion). Consequently, profit from operations closed the six months period at \$5.40 billion (2020: \$4.56 billion).

Interest income from non-financial services grew 24% to total \$276.09 million compared to \$223.46 million reported in the prior year's corresponding period. Interest expenses from non-financial services amounted to \$557.85 million versus \$553.44 million a year earlier, a 1% increase. Additionally, share of results of associated companies rose by 15% amounting to \$329.58 million, versus \$286.93 million reported for June 2020.

As such, pre-tax profits increased 20% to approximately \$5.45 billion, compared to pre-tax profit of \$4.52 billion documented for the first six months of 2020. Additionally, GK incurred taxation expenses amounting to approximately \$1.47 billion compared to a similar \$1.47 billion in June 2020. Consequently, net profit climbed 30% to \$3.97 billion from \$3.05 billion booked for the first six months of 2020.

Net Profits attributable to shareholders amounted to \$3.59 billion compared to \$2.75 billion in the previous year's corresponding period, showing a 31% increase. Total comprehensive income amounted to \$4.90 billion relative to \$3.62 billion in the previous year's corresponding period, a 35% increase.

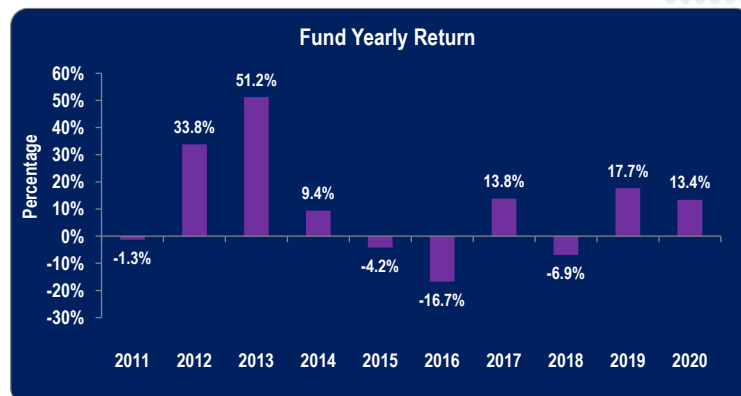
Earnings per share for six months amounted to \$3.61 (2020: \$2.76). GK's trailing EPS amounted to \$7.09. The number of shares used in our calculations is 995,004,356 units.

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 8.80% and a 5-year return of 7.70%. The Fund also has a 10-year return of 9.60%. Rates are as at June 30, 2021.



*Prices are as at August 10, 2021 *Projections are made to the company's financial year end

U.S. Productivity Rose Less Than Forecast in Second Quarter

“Productivity in the U.S. took a step back in the second quarter, indicating an easing in the rapid pace of efficiency gains seen in the prior three months. Nonfarm business employee output per hour increased at a 2.3% annualized rate in the second quarter, according to Labor Department figures Tuesday. That compared to a 4.3% rate in the first quarter and the 3.2% projected in a Bloomberg survey of economists.”

<https://www.bloomberg.com/news/articles/2021-08-10/u-s-productivity-rose-less-than-forecast-in-second-quarter?srnd=economics-vp>

BOE Has a Powerful Tool to Tighten Policy Without Raising Alarm

“Inaction could be a powerful option for Bank of England officials looking to scale back stimulus for the economy and shrink their swollen balance sheet. In a surprise move, Governor Andrew Bailey last week indicated that a “modest tightening” for monetary policy is likely in the next few years. When the time comes, it will begin with halting reinvestment of cash that comes from maturing investments in the BOE’s asset purchase facility.”

<https://www.bloomberg.com/news/articles/2021-08-10/boe-has-a-powerful-tool-to-tighten-policy-without-raising-alarm?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at August 10, 2021

	Percentage (%)
Yield to Maturity	3.21
Weighted Average Coupon	4.23
Current Yield	4.17

The platinum portfolio has an effective maturity of 8.61 years and duration of 5.82 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.

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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