

LOCAL STOCK MARKET: (JS) +

Stock Symbol	SALF	WIG	SJ	CFF	BPOW
Current Price (\$)	30.15	0.97	65.82	15.00	5.97
Trailing EPS (\$)	1.89	0.07	4.17	0.57	0.22
P/E (times)	15.91	13.34	15.80	26.42	27.25
Projected P/E	16.02	10.79	14.15	19.39	26.06
Projected EPS (\$) +	1.88	0.09	4.65	0.77	0.23
Book Value per share (\$)	9.14	0.31	22.63	5.06	1.67
Price/Book Value (times)	3.30	3.11	2.91	2.96	3.58
Dividend Yield (2018 %)	9.33%	N/A	3.37%	2.27%	N/A
Volumes	NIL	4,778,686	89,155	NIL	6,309
Recommendation	BUY	BUY	HOLD	HOLD	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	135.830	101.752	132.4690	140.000	101.910	134.2469
CAN	103.500	79.840	97.2311	105.100	94.000	102.0268
GBP	176.800	137.680	169.0418	182.961	164.000	175.6632
EURO	153.300	110.779	150.1140	153.500	124.275	151.8862

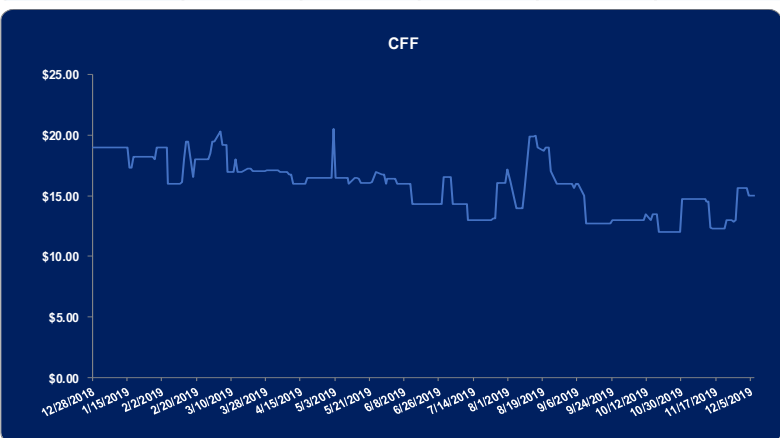
*Rates as at December 09, 2019

On November 14, 2019, the Bank of Jamaica sold US\$20 million via B-FXITT, following two consecutive intervention of a total of US\$70 million on November 12&13, 2019, to authorized dealers and Cambios to augment supply in the market.

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (December 10, 2019) trading session. The overnight rate stood at 0.30% while the 30-day rate was 1.40%.

The US dollar fixed income market was also liquid during today's (December 10, 2019) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.



STOCK OF THE DAY: Caribbean Flavours and Fragrances Limited (CFF)

For the nine months ended September 30, 2019:-

Caribbean Flavours and Fragrances, for the nine months ended September 30, 2019, reported revenues of \$358.44 million (2018: \$329.57 million). For the quarter, revenue amounted to \$132.11 million, an increase of 10%, when compared with the \$120.14 million booked last year.

Cost of sales amounted to \$233.70 million (2018: \$200.50 million), this resulted in gross profit decreasing by 3%, to \$124.74 million in 2019, relative to \$129.07 million booked last year. Gross profit for the quarter closed at \$40.24 million (2018: \$44.59 million).

Administrative expenses increased by 21% to close the period under review at \$76.21 million (2018: \$63.11 million); whereas, selling and distribution costs totalled \$1.31 million (2018: \$3.74 million). While for the quarter, administrative expenses increased 15% to \$27.17 million (2018: \$23.58 million), while selling and distribution costs decreased to \$618,000 for 2019 (2018: \$758,000). Also, Finance income closed the period at \$7.97 million relative to \$7.80 million the in 2018.

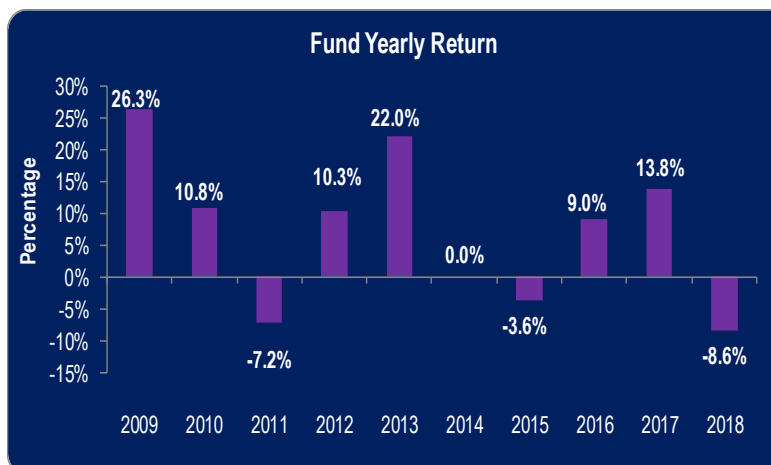
Profit before taxation totalled \$55.19 million compared to \$70.02 million in the prior year. For the quarter, profit before taxation amounted to \$14.95 million (2018: \$25.28 million), a decrease of 41%. Taxation of \$7.54 million was booked for the period under review (2018: nil), resulting in net profit of \$47.66 million versus net profit of \$70.02 million in 2018. However, for the quarter, net profit closed at \$12.44 million (2018: \$25.28 million). The Company noted, "this reduction in profit is expected given the additional costs incurred which are aligned to the future growth prospects of the Company."

OVER THE COUNTER FUNDS (CI FUNDS)

CI Global Value Corporate Class

This fund invests primarily in equity and equity-related securities of companies around the world.

The fund has a 3 year return of 7% and a 5 year return of 4.9%. The Fund also has a 10 year return of 6.3%. Rates are as at October 31, 2019.



■ U.S: U.S. Small-Business Sentiment Climbs Most in More Than a Year

“Sentiment among small U.S. businesses climbed by the most in more than a year as more owners said profit trends are looking up and that it’s a favourable time for expansion, adding to signs that a key part of the economy is holding up in the fourth quarter. The National Federation of Independent Business optimism index rose 2.3 points in November to a four-month high of 104.7, topping all estimates in a Bloomberg survey of economists that had called for 103. The composition of the report released Tuesday showed that earnings trends were the biggest driver of the gain, posting the biggest increase in almost two years, though the overall rise was broad-based as seven of 10 components advanced.”

<https://www.bloomberg.com/news/articles/2019-12-10/u-s-small-business-gauge-posts-largest-gain-in-more-than-a-year?srnd=premium>

■ Europe: U.K. Economy Fails to Grow Ahead of Brexit-Dominated Election

“The U.K. economy unexpectedly stagnated in October, marking three straight months without growth for the first time since 2009. Gross domestic product was unchanged following two consecutive months of decline, the Office for National Statistics said on Tuesday. Economists had forecast a 0.1% expansion. GDP rose just 0.7% from a year earlier, the smallest increase since June 2012. The services sector grew from September, as did manufacturing as stock building resumed ahead of the now-postponed Oct. 31 Brexit deadline. However, this was offset by lower oil production and the steepest drop in construction output since the beginning of 2018.”

<https://www.bloomberg.com/news/articles/2019-12-10/u-k-economy-fails-to-grow-ahead-of-brexit-dominated-election>

■ PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at December 09, 2019

	Percentage (%)
Yield to Maturity	5.20
Weighted Average Coupon	5.427
Current Yield	4.04

The platinum portfolio has an effective maturity of 13.12 years and duration of 4.58 years.

■ STRUCTURED PRODUCT

Mayberry Gold

This portfolio is ideal for investors, both retail and corporate, seeking a conservative, short-term investment. The securities in the Gold are directly owned by the client and provide them with a safe investment option. Our Gold portfolio can also provide investors with coupon payments that can generate a positive income stream.

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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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