

Stock Watch

VMWM Research, Business Planning & Investor Relations Department, November 30, 2024

STOCKS IN THE NEWS

PLEASE SEE THE GUIDE AT THE END FOR AN EXPLANATION OF THE RECOMMENDATION.

STOCK	STOCK DATA	4-WEEK PRICE MOVEMENT (\$)	RECOMMENDATION & RATIONALE
KREMI Caribbean Cream Limited	CLOSE PRICE: \$3.33	<p>KREMI</p>	RECOMMENDATION: MARKETWEIGHT → Kremi, a leading Jamaican ice cream producer, is strategically investing in efficiency, innovation, and market expansion, thereby enhancing its profitability and long-term growth. Recent initiatives include a \$50 million investment in a factory well to secure a reliable water supply, the implementation of a Combined Heat and Power (CHP) system to reduce energy costs, and the expansion of co-packing services and ice cream cake production to diversify revenue streams. These strategic moves are expected to positively impact Kremi's financial performance and investor value by reducing operational costs, increasing revenue, and enhancing its resilience to market fluctuations. Despite the positive outlook of these strategic moves, the P/E ratio, compared to other manufacturing companies, being higher than average, along with the need to observe the material impact of the execution of these developments, is why the recommendation for the stock is Marketweight.
	YTD CHANGE: (27.45%)		
	P/E RATIO: 20.90x		
	P/B RATIO: 1.41x		
DCOVE Dolphin Cove Limited	CLOSE PRICE: \$19.76	<p>DCOVE</p>	RECOMMENDATION: MARKETWEIGHT → Dolphin Cove Limited, a marine park operator, is exploring the divestment of its Turks and Caicos property due to slower-than-expected tourism growth in the area. The company is also actively seeking buyers for its Lucea, Hanover property to develop a hotel resort. This move is driven by the company's desire to unlock value from these assets and reinvest the proceeds in its core Jamaican operations. While these strategic shifts could improve financial flexibility and growth opportunities, investors should consider the potential impact on the company's long-term performance and the risks associated with economic fluctuations and tourism trends in Jamaica.
	YTD CHANGE: 12.21%		
	P/E RATIO: 1.60x		
	P/B RATIO: 1.56x		
SCIJMD Sygnus Credit Investments Limited	CLOSE PRICE: \$12.07	<p>SCI</p>	RECOMMENDATION: OVERWEIGHT ↑ Sygnus Credit Investments Limited (SCI) is raising up to US\$30 million through a preference share offering, to fuel its growth. The funds will be used to repay debt, invest in new opportunities in Jamaica, and optimize its capital structure. The preference shares offer a fixed interest rate of 10% for Class H shares and 8% for Class I shares, providing a steady income stream for investors. However these preference shares are perpetual, meaning they have no fixed maturity date, but have a 15 year redemption option. While this flexibility benefits the company, it also introduces long-term obligations. Investors should carefully consider the potential impact of interest rate fluctuations and SCI's ability to manage its debt obligations before making an investment decision.
	YTD CHANGE: 10.84%		
	P/E RATIO: 2.60x		
	P/B RATIO: 0.34x		

TOP 5 PICKS FOR 2024

SEE THE GUIDE AT THE END FOR AN EXPLANATION OF THE RECOMMENDATION.

STOCK	STOCK DATA	4-WEEK PRICE MOVEMENT (\$)	RECOMMENDATION & RATIONALE
SEP Seprod Limited	CLOSE PRICE: \$84.37		RECOMMENDATION: OVERWEIGHT ↑
	YTD CHANGE: 5.87%		<p>In 2023, Seprod Ltd. achieved significant growth, with revenue up 44% and net profit surging 86.83% to \$5.45 billion, driven by its partnership with Upfield Holdings B.V. and the integration of A.S. Bryden Holdings Limited (ASBH). For the first three quarters of 2024, revenue rose 14%, but net profit declined 16% to \$2.97 billion, attributed to the post-Hurricane Beryl economic slowdown, a U.S. travel advisory reducing hotel occupancy, and a 44% drop in profits from its Trinidad subsidiary, which had one-off gains in 2023. The 44.8% acquisition of Caribbean Producers (CPJ) bolstered Seprod's hospitality presence, while ASBH's Barbados expansion and a planned 40% export growth remain key drivers. A US\$6 million investment in the Bog Walk facility, boosting production by 300%, underscores Seprod's strategy for Caribbean market leadership. Additionally, CPJ suffered a loss in the July to September 2024 quarter, but is expected to recover with the coming winter tourist season and initiatives to increase operational efficiency. These initiatives position Seprod for strong regional growth.</p>
	P/E RATIO: 22.16x		
	P/B RATIO: 2.08x		
FTNA Fontana Limited	CLOSE PRICE: \$8.03		RECOMMENDATION: OVERWEIGHT ↑
	YTD CHANGE: (19.78%)		<p>Fontana Pharmacy (FTNA) is a 55-year-old Jamaican chain with seven locations, which provide several product offerings to including cosmetics, household essentials, and school supplies, along with pharmaceutical products. On July 9th, the company's Board declared a \$0.25 per share dividend, following a \$0.10 payout in January. For Q1 ended September 2024, FTNA saw a 16% increase in revenue to \$1.78B. FTNA has attributed this to increased sales from all of its locations across the island. However, net profit only increased by 1.5% to \$60.5M. Despite a \$40.05 million tax charge resulting from surpassing the JSE's 5-year listing mark, FTNA remains well-positioned to manage its tax obligations. Total assets grew to \$5.6 billion, with liabilities increasing by 7.4% primarily due to an \$87 million rise in trade and other payables. In early 2024, FTNA also launched a customer service training initiative and continued website upgrades to enhance customer experience and online sales.</p>
	P/E RATIO: 17.04x		
	P/B RATIO: 3.78x		
TJH TransJamaican Highway Limited	CLOSE PRICE: \$4.79		RECOMMENDATION: OVERWEIGHT ↑
	YTD CHANGE: 76.75%		<p>TJH, the concessionaire for Highway 2000 East-West, operates under a 35-year agreement with NROCC, managing the highway's development and maintenance. Revenue prospects are promising with the addition of the new May Pen-Williamsfield toll plaza, increasing traffic at existing plazas, and a planned Rubis Energy gas station on the Portmore leg by 2025, expected to drive further highway usage. On September 11, 2024, TJH declared a dividend of 9.52 cents per share, lower than the 18.66 cents paid in 2023 but slightly higher than dividends in earlier years. Cost reductions from the 2022 acquisition of Jamaican Infrastructure Operator (JIO) supported a record US\$23.97 million profit in 2023, and profits rose 26% year-to-date in Q3 2024 to US\$22 million, driven by increased revenues and lower finance costs. Additionally, as Kingston's relatively higher cost of living makes commuting from nearby parishes like St. Catherine, Clarendon, and Manchester more attractive, TJH is well-positioned to capitalize on growing demand, with these developments indicating further growth potential.</p>
	P/E RATIO: 13.24x		
	P/B RATIO: 6.75x		

TOP 5 PICKS FOR 2024

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<p>WISYNCO Wisynco Group Limited</p>	<p>CLOSE PRICE: \$21.56</p> <p>YTD CHANGE: 0.28%</p> <p>P/E RATIO: 15.73x</p> <p>P/B RATIO: 3.07x</p>	<p>WISYNCO</p> <table border="1"> <caption>WISYNCO Stock Price Data</caption> <thead> <tr> <th>Date</th> <th>Price</th> </tr> </thead> <tbody> <tr><td>1-Nov</td><td>\$21.90</td></tr> <tr><td>3-Nov</td><td>\$21.80</td></tr> <tr><td>5-Nov</td><td>\$21.60</td></tr> <tr><td>7-Nov</td><td>\$21.90</td></tr> <tr><td>9-Nov</td><td>\$21.50</td></tr> <tr><td>11-Nov</td><td>\$21.30</td></tr> <tr><td>13-Nov</td><td>\$21.10</td></tr> <tr><td>15-Nov</td><td>\$21.50</td></tr> <tr><td>17-Nov</td><td>\$21.10</td></tr> <tr><td>19-Nov</td><td>\$21.00</td></tr> <tr><td>21-Nov</td><td>\$21.00</td></tr> <tr><td>23-Nov</td><td>\$21.10</td></tr> <tr><td>25-Nov</td><td>\$21.00</td></tr> <tr><td>27-Nov</td><td>\$21.40</td></tr> <tr><td>29-Nov</td><td>\$21.56</td></tr> </tbody> </table>	Date	Price	1-Nov	\$21.90	3-Nov	\$21.80	5-Nov	\$21.60	7-Nov	\$21.90	9-Nov	\$21.50	11-Nov	\$21.30	13-Nov	\$21.10	15-Nov	\$21.50	17-Nov	\$21.10	19-Nov	\$21.00	21-Nov	\$21.00	23-Nov	\$21.10	25-Nov	\$21.00	27-Nov	\$21.40	29-Nov	\$21.56	<p>RECOMMENDATION: OVERWEIGHT ↑</p> <p>WISYNCO's fiscal year 2024 was marked by significant growth, with revenue surging 11% to \$54.27 billion and net profit increasing 5.9% to \$5.19 billion. A \$7 billion expansion boosted capacity and fueled export growth, particularly in the U.S., U.K., and Caribbean markets. To capitalize on rising demand, WISYNCO is investing in a new southern distribution hub in Lacovia, St. Elizabeth. While Q1 FY2025 saw a 6.6% revenue increase, higher operating expenses impacted profitability. The company's expansion and new product lines are expected to drive future growth, potentially benefiting investors through increased dividends and capital appreciation. However, investors should consider associated risks, such as increased debt and operational challenges. As WISYNCO continues to execute its growth strategy, it will be crucial to balance expansion initiatives with cost management to ensure sustainable long-term performance.</p>
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<p>WIG Wigton Energy Limited</p>	<p>CLOSE PRICE: \$1.25</p> <p>YTD CHANGE: 58.23%</p> <p>P/E RATIO: 21.33x</p> <p>P/B RATIO: 2.54x</p>	<p>WIG</p> <table border="1"> <caption>WIG Stock Price Data</caption> <thead> <tr> <th>Date</th> <th>Price</th> </tr> </thead> <tbody> <tr><td>1-Nov</td><td>\$1.08</td></tr> <tr><td>3-Nov</td><td>\$1.06</td></tr> <tr><td>5-Nov</td><td>\$1.05</td></tr> <tr><td>7-Nov</td><td>\$1.08</td></tr> <tr><td>9-Nov</td><td>\$1.10</td></tr> <tr><td>11-Nov</td><td>\$1.15</td></tr> <tr><td>13-Nov</td><td>\$1.10</td></tr> <tr><td>15-Nov</td><td>\$1.08</td></tr> <tr><td>17-Nov</td><td>\$1.09</td></tr> <tr><td>19-Nov</td><td>\$1.05</td></tr> <tr><td>21-Nov</td><td>\$1.07</td></tr> <tr><td>23-Nov</td><td>\$1.10</td></tr> <tr><td>25-Nov</td><td>\$1.15</td></tr> <tr><td>27-Nov</td><td>\$1.20</td></tr> <tr><td>29-Nov</td><td>\$1.25</td></tr> </tbody> </table>	Date	Price	1-Nov	\$1.08	3-Nov	\$1.06	5-Nov	\$1.05	7-Nov	\$1.08	9-Nov	\$1.10	11-Nov	\$1.15	13-Nov	\$1.10	15-Nov	\$1.08	17-Nov	\$1.09	19-Nov	\$1.05	21-Nov	\$1.07	23-Nov	\$1.10	25-Nov	\$1.15	27-Nov	\$1.20	29-Nov	\$1.25	<p>RECOMMENDATION: OVERWEIGHT ↑</p> <p>Wigton Windfarm Ltd. (WIG), now rebranded as Wigton Energy, is well-positioned to capitalize on Jamaica's Integrated Resource Plan (IRP), which targets 500MW of renewable energy by 2025. The company has strategically diversified beyond wind energy into solar projects, securing a US\$7.78 million contract with MJB Airports Limited for a 6 MWac solar photovoltaic system and winning the bid for a 49.83 MW solar project in collaboration with SunTerra Energy. Wigton is also driving accessibility to renewable energy through solar leasing initiatives, such as projects with Jamaica Inn and Carreras, and received a new generation licence to repower Phase I, adding 20.7 MW of capacity. For Q2 September 2024, Wigton demonstrated negative financial performance, with a 5% decrease to \$1 billion in revenue and a 39% fall in net profit to \$309.8 million. This was due to a \$103 million tax expense incurred versus a one-off \$317.6 million tax income received for the same period last year. As such, this doesn't appear to be an indicator of further fall in profits as profit before tax increased by 121% to \$413 million. With plans to explore electric vehicle opportunities, and actively support Jamaica's goal of achieving 50% renewable energy by 2030, Wigton Energy's diversification efforts and operational achievements position it strongly for future growth. While its robust strategy supports an overweight recommendation, careful monitoring of revenue trends remains critical.</p>
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Real Estate																	
Kingston Properties Limited	KPREIT	Q3	30-Sep-24	6.50 - 10.00	8.24	9.32	-0.11%	-3.52%	19.49%	0.95	9.86	8.89	1.05	11.08%	0.00	0.02%	UNDERWEIGHT
Pulse Investments Limited	PULS	Q3	31-Mar-24	1.00 - 2.29	7.11	1.09	-4.39%	-16.15%	-47.34%	0.20	5.47	1.62	0.67	13.11%	0.00	0.00%	OVERWEIGHT
Sector Average											7.67		0.86				
Energy																	
Wigton Windfarm Limited	WIG	Q2	1-Nov-24	0.67 - 1.29	13.75	1.25	5.04%	16.82%	58.23%	0.06	21.33	0.49	2.54	12.47%	0.02	1.46%	OVERWEIGHT
Sector Average											21.33		2.54				
Other																	
Supreme Ventures Limited	SVL	Q3	30-Sep-24	20.00 - 28.50	57.49	21.80	-1.27%	3.17%	-19.56%	0.78	28.05	1.71	12.74	41.90%	0.94	4.30%	OVERWEIGHT
Kingston Wharves Limited	KW	Q3	30-Sep-24	24.01 - 35.23	43.84	30.65	-0.87%	0.82%	13.52%	2.08	14.71	33.42	0.92	6.99%	0.68	2.22%	OVERWEIGHT
TransJamaican Highway Limited	TJH	Q3	30-Sep-24	2.52 - 4.96	59.88	4.79	0.84%	13.51%	76.75%	0.36	13.24	0.71	6.75	57.92%	0.37	7.79%	OVERWEIGHT
Sector Average											18.67		6.80				
Main Market Average											11.79		3.21				
JSE Junior Market																	
Finance																	
Dolla Financial Services Limited	DOLLA	Q3	30-Sep-24	2.20 - 3.69	7.58	3.03	0.66%	1.34%	11.81%	0.17	17.59	0.42	7.22	43.35%	0.07	2.18%	MARKETWEIGHT
Lasco Financial Services Limited	LASF	Q2	30-Sep-24	1.35 - 2.32	1.97	1.54	-1.28%	-9.41%	-19.79%	0.09	17.13	1.78	0.86	5.18%	0.00	0.00%	OVERWEIGHT
Sector Average											17.36		4.04				
Manufacturing																	
Honey Bun (1982) Limited	HONBUN	Q3	30-Jun-24	5.67 - 8.99	3.94	8.37	0.00%	1.33%	30.78%	0.58	14.55	3.34	2.50	18.27%	0.16	1.91%	OVERWEIGHT
Lasco Manufacturing Limited	LASM	Q2	30-Sep-24	4.12 - 9.00	29.26	7.08	0.43%	0.43%	57.68%	0.61	11.61	3.30	2.14	19.85%	0.12	1.69%	UNDERWEIGHT
Lumber Depot Limited	LUMBER	Q1	31-Jul-24	2.00 - 2.99	1.84	2.61	3.16%	-1.88%	3.57%	0.19	13.60	1.03	2.54	19.87%	0.07	2.76%	MARKETWEIGHT
Spur Tree Spices Jamaica Limited	SPURTREE	Q3	30-Sep-24	1.57 - 3.33	3.19	1.90	0.00%	0.53%	-37.09%	0.05	34.72	0.50	3.77	11.32%	0.00	0.00%	MARKETWEIGHT
Sector Average											13.25		2.40				
Insurance																	
General Accident Insurance Company (Ja) Limited	GENAC	Q3	30-Sep-24	4.41 - 8.01	6.58	6.38	-0.16%	5.80%	31.55%	0.48	13.28	4.27	1.49	13.06%	0.20	3.08%	MARKETWEIGHT
Sector Average											13.28		1.49				
Retail																	
Derrimon Trading Company Limited	DTL	Q3	30-Sep-24	1.52 - 2.30	9.11	2.01	-1.95%	7.49%	8.65%	0.00	743.72	1.17	1.72	0.23%	0.00	0.00%	OVERWEIGHT
Express Catering Limited	ECL	Q1	31-Aug-24	3.00 - 5.13	5.50	3.36	0.30%	5.99%	-16.00%	0.15	22.11	0.77	4.38	20.44%	0.02	0.62%	OVERWEIGHT
Future Energy Source Company Limited	FESCO	Q2	30-Sep-24	2.50 - 4.23	9.48	3.79	0.80%	1.61%	-1.04%	0.17	22.95	1.03	3.68	19.68%	0.00	0.00%	OVERWEIGHT
Fontana Limited	FTNA	Q1	30-Sep-24	7.20 - 10.75	10.03	8.03	-1.47%	0.25%	-19.78%	0.47	17.04	2.12	3.78	22.83%	0.20	2.49%	OVERWEIGHT
FosRich Company Limited	FOSRICH	Q3	30-Sep-24	2.00 - 2.60	11.30	2.25	-0.88%	6.64%	-10.00%	0.04	62.06	0.42	5.33	8.75%	0.02	0.93%	MARKETWEIGHT
Indies Pharma Jamaica Limited	INDIES	Q3	31-Jul-24	2.25 - 3.44	4.12	3.09	1.31%	5.46%	6.55%	0.16	19.10	0.94	3.30	17.74%	0.11	3.67%	MARKETWEIGHT
Lasco Distributors Limited	LASD	Q2	30-Sep-24	3.52 - 5.50	15.43	4.40	0.23%	10.83%	16.71%	0.39	11.25	2.82	1.56	14.65%	0.10	2.27%	OVERWEIGHT
Regency Petroleum Company Limited	RPL	Q3	30-Sep-24	2.00 - 3.27	4.31	3.00	4.90%	-2.60%	23.97%	0.05	57.68	0.36	8.34	15.58%	0.00	0.00%	MARKETWEIGHT
Stationery and Office Supplies Limited	SOS	Q3	30-Sep-24	1.35 - 1.99	3.62	1.61	7.33%	8.05%	-6.94%	0.08	19.91	0.68	2.37	12.65%	0.20	12.42%	MARKETWEIGHT
Sector Average											18.73		3.83				

Other																	
Tropical Battery Company Limited	TROPICAL	Q3	30-Jun-24	1.70 - 2.75	3.24	2.49	-0.40%	-0.40%	27.69%	0.16	15.93	0.93	2.67	17.49%	0.04	1.61%	OVERWEIGHT
The Limners and Bards Limited	LAB	Q3	31-Jul-24	1.10 - 1.98	1.21	1.28	2.40%	2.40%	-26.44%	0.09	14.47	0.72	1.78	13.13%	0.04	2.88%	OVERWEIGHT
Sector Average										15.20		2.22					
Junior Market Average										15.56		2.80					
JSE US Market																	
Finance																	
Proven Group Limited	PROVENUS	Q2	30-Sep-24	0.09 - 0.16	0.09	0.11	-0.36%	10.60%	-26.17%	0.01	8.95	0.14	0.77	9.35%	0.01	4.85%	OVERWEIGHT
Sygnus Credit Investments Limited	SCIUSD	Q1	30-Sep-24	0.06 - 0.10	0.02	0.07	-0.14%	-0.14%	-14.34%	0.04	1.66	0.32	0.22	13.98%	0.00	6.31%	OVERWEIGHT
Sector Average										5.31		0.49					
Other																	
TransJamaican Highway Limited	TJHUSD	Q3	30-Sep-24	0.02 - 0.03	0.36	0.03	-0.35%	5.90%	69.82%	0.00	12.59	0.004	6.42	57.92%	0.00	8.19%	OVERWEIGHT
Sector Average										12.59		6.42					
US Market Average										8.95		3.46					

Key to Analyst Recommendations

OVERWEIGHT	Security is deemed to be undervalued and is expected to outperform compared to the average market return and/or return of comparable securities in the same sector or industry with at least 10% price appreciation anticipated. The underlying company and/or relevant market conditions are expected to be favourable for the security in subsequent periods.
MARKETWEIGHT	Security is expected to provide similar returns compared to the market in general or at the same pace as comparable companies; neither strongly positive nor negative with a range of -10% to 10% in expected price change.
UNDERWEIGHT	Security is deemed to be overvalued and is expected to underperform compared to the average market return and/or return of comparable securities in the same sector or industry with at least 10% downside anticipated. The underlying company and/or relevant market conditions are expected to be unfavourable for the security in subsequent periods.
ZERO WEIGHT	This security is distressed or at risk of a shock which may significantly impair value.

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