

#### WEEKLY COMMENTARY

The Jamaican Dollar (J\$) continues to depreciate further in value against the US dollar (US\$). On Thursday the US\$ was selling at an all-time high of J\$136.18. Year-to-date (YTD) the J\$ has depreciated by 8.94% against its US\$ counterparty, relative to the 0.14% YTD appreciation during the similar period of 2017. The sustained liquidity in the J\$ market as well as the inflow from the J\$58B in Government of Jamaica bonds that matured in July has led to the accelerated depreciation over the last few months. The decline in the supply of US\$ in the foreign exchange market relative to the increase in demand for US\$ has also contributed to the depreciation. BOJ has indicated in its four-week schedule that throughout the remainder of August they plan to sell US dollars from eligible authorized dealers and Cambios totaling US\$40M, which may temper the speed of depreciation. Meanwhile, demand for US\$ is likely to remain relatively strong, linked to increased business activity and the demand for imports.

#### Currency Markets

International Currency Market						
Currency	10-Aug	3-Aug	DoD % Δ	WoW % Δ	YTD % Δ	YoY % Δ
EUR: USD	1.1413	1.157	-0.99%	-1.34%	-4.93%	-3.05%
GBP: USD	1.2758	1.3	-0.51%	-1.87%	-5.59%	-1.69%
USD: CAD	1.314	1.3	0.68%	1.15%	4.53%	3.11%
USD: JPY	110.83	111.25	-0.23%	-0.38%	-1.65%	1.49%

Local Foreign Currency Market						
Currency	10-Aug	9-Aug	3-Aug	DoD % Δ	WoW % Δ	YTD % Δ
USD:JMD	136.18	136.18	135.47	0.00%	0.53%	8.95%
GBP:JMD	175.17	174.92	174.97	0.14%	0.11%	4.87%
CAD:JMD	104.97	104.87	105.25	0.10%	-0.27%	7.78%

#### Global Interest Rates

Rates	10-Aug	3-Aug	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	2.87%	2.95%	-6.00	-8.00	46.00	67.00
10 Year UK Gilt	1.24%	1.33%	-6.00	-9.00	5.00	16.00
GOJ 2025 Global Bond	4.63%	4.63%	5.00	0.00	19.00	-5.00
5 Year US Treasury Bond	2.74%	2.81%	-7.00	-7.00	53.00	97.00
5 Year UK Gilt	0.99%	1.06%	-5.00	-7.00	27.00	50.00

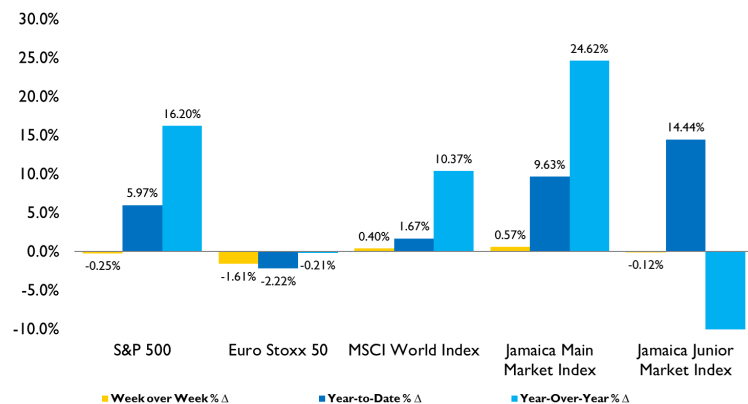
#### Week in Review: August 6 – August 10 2018

#### Local Equity Market

BEST AND WORST PERFORMERS			
ADVANCERS		DECLINERS	
MIL	16.36%	PULS	-18.87%
PJX	11.66%	HONBUN	-13.91%
SOS	10.84%	KEY	-12.97%

JSE Main Market activity resulted from trading in 31 stocks of which 14 advanced, 12 declined and 5 traded firm. Market volume amounted to 26,501,156 units valued at \$609,776,369.42. JSE Junior Market activity resulted from trading in 35 stocks of which 11 advanced, 17 declined and 7 traded firm. Market volume amounted to 27,154,073 units valued at \$152,951,261.46.

#### Global Equity Indices



#### Upcoming Week: August 13 – 17, 2018

Report	Country	Period	Forecast	Prior
Initial Jobless Claims	US	11-Aug	215k	213k
U. of Mich. Sentiment	US	Aug P	98	97.9
Retail Sales Advance MoM	US	Jul	0.10%	0.50%
Industrial Production MoM	US	Jul	0.30%	0.60%
CPI YoY	UK	Jul	2.50%	2.40%
CPI YoY	EC	Jul F	2.10%	2.00%

# LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	SYMBOL	Aug-10-2018	YTD %	52 WEEK RANGE		VALUATION STATISTICS				JNFM's Recommendation			
				High	Low	Price/Earning Ratio	Book Value Per Share	Price/Book	Return on Equity	T12M Dividend	T12M Dividend Yield	Potential upside/downside	Recommendation
		\$		\$	\$		\$		%				
<b>MAIN MARKET</b>													
<b>FINANCE</b>													
JMMB Group Ltd	JMMBGL	29.92	33.63%	31.00	19.20	13.54	17.12	1.75	12.91%	0.47	1.57%	-4.38%	<b>HOLD</b>
NCB Financial Group Limited	NCBFG	102.99	3.63%	110.00	80.00	10.03	54.01	1.91	19.02%	2.60	2.52%	10.92%	<b>HOLD</b>
Scotia Group Jamaica Ltd	SGJ	52.89	0.44%	60.00	41.51	12.34	35.06	1.51	12.22%	1.89	3.57%	11.14%	<b>HOLD</b>
<b>MANUFACTURING</b>													
Jamaica Broilers Group Ltd	JBG	23.65	32.64%	33.00	15.10	14.00	10.52	2.25	16.05%	0.34	1.44%	-11.46%	<b>SELL</b>
Wisynco Ltd	WISYNCO	9.39	-23.28%	13.81	9.00	17.54	2.23	4.22	24.05%	0.06	0.64%	22.68%	<b>BUY</b>
<b>CONGLOMERATE</b>													
GraceKennedy Ltd	GK	58.63	33.74%	62.50	39.00	11.58	46.60	1.26	10.87%	1.65	2.81%	-23.55%	<b>SELL</b>
Pan-Jamaican Investment Trust	PJAM	51.87	15.27%	58.99	30.00	8.71	28.65	1.18	13.52%	0.90	2.67%	-10.12%	<b>HOLD</b>
Sagicor Group Jamaica Ltd	SJ	37.94	6.63%	42.00	30.20	12.23	17.10	2.22	18.14%	1.24	3.27%	-2.93%	<b>HOLD</b>
<b>LEISURE</b>													
Supreme Ventures Ltd	SVL	15.70	36.17%	16.85	7.68	21.03	1.08	14.51	68.99%	0.49	3.12%	-24.01%	<b>SELL</b>
<b>SERVICES</b>													
Kingston Wharves Ltd	KW	52.30	60.92%	53.97	28.50	44.43	16.32	3.21	7.21%	0.38	0.73%	-11.63%	<b>SELL</b>
<b>REAL ESTATE</b>													
Sagicor Real Estate X Fund Ltd	XFUND	14.43	-3.80%	17.50	10.60	12.01	10.36	1.39	11.60%	0.14	0.97%	29.18%	<b>BUY</b>
<b>JUNIOR MARKET</b>													
<b>FINANCE</b>													
Access Financial Services Ltd	AFS	45.30	24.35%	56.00	32.00	16.71	9.24	4.90	29.36%	0.97	2.14%	19.45%	<b>BUY</b>
Lasco Financial Services Ltd	LASF	5.34	0.95%	6.60	3.25	23.45	1.16	4.59	19.59%	0.08	1.50%	16.85%	<b>BUY</b>
<b>MANUFACTURING</b>													
Lasco Manufacturing Ltd	LASM	4.00	5.82%	4.77	3.30	23.72	1.12	3.58	15.08%	0.04	0.88%	-20.50%	<b>SELL</b>
<b>SERVICES</b>													
Elite Diagnostic Limited	ELITE	2.87	43.50%	3.48	2.60	33.95	1.07	2.68	7.91%	0.00	0.00%	0.35%	<b>HOLD</b>
Knutsford Express Services Ltd	KWL	11.37	-24.20%	15.00	11.30	31.66	1.26	9.02	28.50%	0.09	0.81%	-43.54%	<b>SELL</b>
<b>RETAIL</b>													
Jetcon Corp Ltd	JETCON	4.00	-16.84%	5.75	3.50	14.48	0.82	4.88	33.68%	0.11	2.63%	12.50%	<b>HOLD</b>
Caribbean Producers Jamaica Ltd	CPJ	6.50	45.09%	6.77	3.00	18.84	3.08	2.11	11.21%	0.06	0.92%	20.77%	<b>BUY</b>
<b>LEISURE</b>													
Main Event Entertainment Group	MEEG	6.66	26.14%	8.00	4.35	18.65	1.76	3.79	20.32%	0.00	0.00%	-5.86%	<b>HOLD</b>
<b>FOOD &amp; BEVERAGE</b>													
Express Catering Ltd.	ECL	8.03	91.19%	8.15	3.55	38.41	0.44	18.46	48.06%	0.01	0.11%	-46.82%	<b>SELL</b>

**NCB Financial Group Ltd.** - The NCB Financial Group (NCBFG) achieved net profit of J\$20.95B for the year-to-date second quarter ending June 30, 2018, an increase of 42.35% over the prior year. Included in the results for the financial period is an additional gain (negative goodwill) of \$2.9 billion applied retrospectively to December 2017 related to the acquisition of Clarien. NCBFG continues to place emphasis on strategic initiatives in restructuring its core business by seeking opportunities to grow organically and inorganically throughout the Caribbean by utilizing technology to improve efficiency and enhance profitability.

**JMMB Group Ltd.** - During the twelve months ended March 31, 2018, JMMBGL's net profit increased marginally to J\$3.60B from J\$3.35B for the corresponding period last year as result of a 7.93% increase in net interest income relative to the prior period. JMMB continues to remain focused on operationalizing their commercial bank and increasing their crossing-selling efforts. In alignment with JMMB's strategy to provide customized financial solutions they continue to see growth in their off-balance sheet products.

**Jetcon Corporation Ltd.** - Jetcon's financial performance continued to improve into Q1 2018. During the first quarter ended March 31, 2018 (Q1), Jetcon's Net profit grew over 21% YoY, moving from J\$37.0M in Q1 2017 to J\$44.5M, in Q1 2018.

**Pan Jam Investment Limited** - Net profit for the quarter ended March 31, 2018 (Q1 2018) amounted to \$827M, an improvement relative to the \$830M recorded in Q1 2017. Pan-Jam continues to benefit from its 31.5% investment in Sagicor Group and increased property income.

**Sagicor Real Estate X Fund** - XFUND reported net profit attributable to shareholders for the first quarter ending March 31, 2018 was \$493M, 9% lower than March 2017's net profit of \$540M. Despite this lower quarterly performance, the optimistic outlook for travel & Tourism sector in 2018 bodes well X Fund.

**Access Financial Services** - Net profit for the first quarter ended June 30, 2018 increased to J\$216.72M from J\$188.46M when compared to the corresponding period last year. During the period under review net operating income marginally declined which was tempered by a decline in operating expenses by 11%.

**Kingston Wharves Ltd.** - KWL has been aggressively upgrading its facilities, seeking to integrate its logistics services and expanding its range of cargo services. For the quarter ended March 31, 2018, net profit increased by 11% or \$36 million, to \$368M from \$332M in Q1 2017.



# Mutual Funds

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## JN MUTUAL FUNDS

August 9, 2018

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
<b>Global Diversified Income</b>	J\$12.4325	17.60%	5.82%	3.35%
<b>Global Equity</b>	J\$12.3897	15.96%	6.62%	0.00%
<b>Global Fixed Income</b>	J\$11.4117	10.04%	6.41%	4.99%
<b>Global Money Market (US\$)</b>	US\$10.0408	1.29%	0.41%	1.05%
<b>Global Fixed Income (US\$)</b>	US\$9.9044	-	-0.96%	4.43%
<b>Local Money Market</b>	J\$10.2927	6.68%	2.93%	2.61%

	Global Money Market Fund	Local Money Market Fund	Global Fixed Income Funds	Global Diversified Income Fund	Global Equity Fund
<b>Objective</b>	To preserve capital whilst providing US dollar (US\$) money market returns	To preserve capital whilst providing Jamaican Dollar (J\$) money market returns	To achieve an attractive total return through capital injection and income growth. This is offered through two separate Funds: (i) A Jamaican dollar (J\$) and (ii) A US dollar (US\$) fund.	To provide long-term investment growth through exposure to a diversified range of asset classes.	To provide long-term capital growth and risk diversification.
<b>Strategy</b>	To invest in local and global money market instruments for safety, liquidity and yield.	To invest in local and global money market instruments for safety and liquidity and yield	To invest in regional, sovereign debt securities, local and international corporate bonds.	To invest in fixed income, high dividend yielding stocks, REITs and structured products	To invest in the shares of local and international companies which offer strong growth possibilities and consistent income

With a suite of six investment portfolios, each with a distinct financial profile, JN Mutual Funds offers a premium opportunity for investors to align their personal financial strategy with their goals, time horizons and risk profile.

Sources: Bloomberg, Reuters, Jamaica Stock Exchange, Bank of Jamaica, Jamaica Observer, Jamaica Gleaner, Wall Street Journal, International Monetary Fund

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