

WEEKLY COMMENTARY

The United States (US) retail sales slowed in August, with growth being lower than market expectations. Retail sales increased month over month by 0.1% in August relative to July's upward revision of 0.7%. This was due to consumers reducing their expenditure on motor vehicle purchases and clothing. August's increase was the smallest gain since February 2018. It is likely that the increase in energy cost may have constrained consumer's propensity to spend. Core retail sales, which excludes automobile, gasoline, building materials and food services and is mostly closely associated with consumer spending, increased by 0.1%.

US consumer spending accounts for approximately two-thirds of US economic activity. We believe that the slowdown in spending in August is not likely to negatively impact the US Federal Reserve's decision to raise their policy rate later this month. It is anticipated that consumer spending may continue to rise over the near term supported by strong jobs data and consumer confidence.

Currency Markets

International Currency Market

Currency	14-Sep	7-Sep	DoD % Δ	WoW % Δ	YTD % Δ	YoY % Δ
EUR: USD	1.1624	1.1553	-0.56%	0.61%	-3.17%	-2.48%
GBP: USD	1.3069	1.292	-0.30%	1.15%	-3.29%	-2.46%
USD: CAD	1.3032	1.3161	0.26%	-0.98%	3.67%	7.13%
USD: JPY	112.00	110.99	0.07%	0.91%	-0.61%	1.60%

Local Foreign Currency Market

Currency	14-Sep	13-Sep	7-Sep	DoD % Δ	WoW % Δ	YTD % Δ
USD:JMD	136.99	137.05	137.26	-0.04%	-0.20%	9.59%
GBP:JMD	179.03	179.50	177.67	-0.26%	0.77%	7.19%
CAD:JMD	105.82	105.75	104.15	0.07%	1.60%	8.65%

Global Interest Rates

Rates	14-Sep	7-Sep	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	3.00%	2.94%	2.77	5.89	58.77	81.30
10 Year UK Gilt	1.53%	1.46%	2.60	7.10	34.00	30.00
GOJ 2025 Global Bond	5.04%	5.08%	-0.70	-4.10	59.70	67.70
5 Year US Treasury Bond	2.90%	2.82%	3.10	8.22	69.33	112.63
5 Year UK Gilt	1.13%	1.05%	2.80	8.10	40.80	47.50

Week in Review: September 10 – 14, 2018

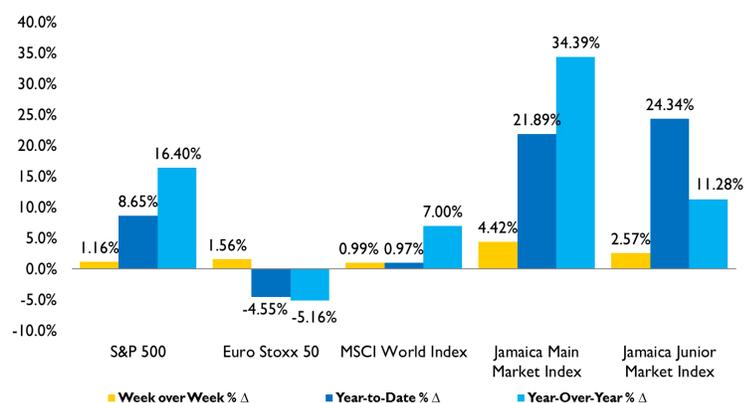
Local Equity Market

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
ECL	33.44%	DTL	-15.58%
INDIES	32.34%	PTL	-12.33%
JP	32.21%	KEX	-9.45%

JSE Main Market activity resulted from trading in 36 stocks of which 22 advanced, 11 declined and 3 traded firm. Market volume amounted to 34,409,063 units valued at over \$395,896,725.10. JSE Junior Market activity resulted from trading in 37 stocks of which 18 advanced, 14 declined and 5 traded firm. Market volume amounted to 12,652,616 units valued at over \$52,143,734.52.

Global Equity Indices



Upcoming Week: September 17– 21, 2018

Report	Country	Period	Forecast	Prior
Initial Jobless Claims	US	15-Sep	210k	204k
Markit US Manufacturing PMI	US	Sep P	55.00	54.70
Housing Starts	US	Aug	1235k	1168k
CPI YoY	UK	Aug	2.40%	2.50%
CPI MoM	UK	Aug	0.50%	0.00%
CPI Core YoY	UK	Aug	1.80%	1.90%
PPI Output NSA YoY	UK	Aug	2.90%	3.10%

LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	SYMBOL			52 WEEK RANGE		VALUATION STATISTICS						JNFM's Recommendation	
		Sep-14-2018	YTD %	High	Low	Price/Earning Ratio	Book Value Per Share	Price/Book	Return on Equity	T12M Dividend	T12M Dividend Yield	Potential upside/downside	Recommendation
		\$	%	\$	\$		\$		%		%		
MAIN MARKET													
FINANCE													
JMMB Group Ltd	JMMBGL	30.78	37.47%	31.00	20.80	12.78	15.48	1.99	15.55%	0.47	1.53%	-7.05%	HOLD
NCB Financial Group Ltd	NCBFG	121.14	21.90%	130.00	80.06	11.79	54.01	2.24	19.02%	2.70	2.23%	-5.70%	HOLD
Scotia Group Jamaica Ltd	SGJ	57.81	9.78%	60.00	44.06	13.49	35.06	1.65	12.22%	1.89	3.27%	1.68%	HOLD
Victoria Mutual Investments Ltd	VMIL	3.38	4.32%	4.85	3.01	16.87	1.66	2.04	12.07%	0.02	0.59%	15.38%	BUY
MANUFACTURING													
Wisynco Ltd	WISYNCO	9.28	-24.18%	13.81	8.75	15.18	2.32	4.00	26.39%	0.06	0.65%	24.14%	BUY
CONGLOMERATE													
Pan-Jamaican Investment Trust	PJAM	54.70	21.56%	58.99	33.50	13.98	29.17	1.88	13.41%	0.90	1.65%	-14.77%	HOLD
Sagikor Group Jamaica Ltd	SJ	39.16	10.06%	42.00	33.00	13.08	17.62	2.22	17.00%	1.24	3.17%	-5.95%	HOLD
REAL ESTATE													
Sagikor Real Estate X Fund Ltd	XFUND	11.18	-25.47%	17.50	10.60	9.30	10.36	1.08	11.60%	0.14	1.25%	66.73%	STRONG BUY
JUNIOR MARKET													
FINANCE													
Access Financial Services Ltd	AFS	50.00	37.25%	56.00	32.00	18.44	9.24	5.41	29.36%	0.96	1.92%	15.84%	BUY
Lasco Financial Services Ltd	LASF	5.62	6.24%	6.60	3.55	24.68	1.16	4.83	19.59%	0.08	1.42%	11.03%	HOLD
MANUFACTURING													
Caribbean Cream Ltd	KREMI	6.80	41.37%	7.54	4.50	23.34	1.83	3.72	15.92%	0.06	0.88%	-9.56%	HOLD
Lasco Manufacturing Ltd	LASM	3.88	2.65%	4.77	3.30	23.01	1.12	3.47	15.08%	0.04	0.98%	-1.80%	HOLD
RETAIL													
Caribbean Producers Jamaica Ltd	CPJ	6.10	36.16%	7.15	3.60	22.27	2.69	2.27	10.17%	0.06	0.98%	28.69%	STRONG BUY
Jetcon Corp Ltd	JETCON	3.96	-17.67%	5.00	3.50	14.75	0.89	4.47	30.30%	0.11	2.65%	13.64%	HOLD
LEISURE													
Main Event Entertainment Group	MEEG	6.24	18.18%	8.00	4.45	17.77	1.84	3.39	19.10%	0.00	0.00%	0.48%	HOLD

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. 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 the first quarter ended June 30th , 2018 (Q1 2019), JMMBGL's net profit increased by 56% year-over-over to J\$956.6M for the corresponding period of 2017 as result of a 8.00% 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 declined during the second quarter ended June 30th, 2018 (Q2). Jetcon's Net profit for the quarter fell over 12% YoY, moving from J\$42.90M in Q2 2017 to J\$38.4M, in Q2 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 Sagikor Group and increased property income.

Sagikor Real Estate X Fund - XFUND reported net profit attributable to shareholders for the YTD second quarter ending June 30th, 2018 was \$770.2M, 2% lower than June 2017's YTD net profit of \$785.2M. 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

September 13, 2018

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$12.9884	21.11%	10.55%	3.26%
Global Equity	J\$13.2464	19.44%	13.99%	0.00%
Global Fixed Income	J\$11.4948	10.25%	7.18%	4.82%
Global Money Market (US\$)	US\$10.0535	0.85%	0.53%	0.97%
Global Fixed Income (US\$)	US\$9.8960	-	-1.04%	4.08%
Local Money Market	J\$10.3286	4.74%	3.29%	2.60%

	Global Money Market Fund	Local Money Market Fund	Global Fixed Income Funds	Global Diversified Income Fund	Global Equity Fund
Objective	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.
Strategy	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.

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