

Week in Review: November 12 – 16, 2018

WEEKLY COMMENTARY

United States' (US) retail sales rebounded in October 2018 by the most in five months. Retail sales increased month over month by 0.8% in October relative to September's decline of 0.1%. October's gains were above market expectations of 0.5%. This was primarily due to increase in sales for fuel, motor vehicles and building materials. It is likely that the increase in sales were mainly driven by recovery efforts in areas affected by Hurricane Florence. Excluding automobiles, gasoline, building materials and food services retail sales increased by 0.3% which is in line with September's downward revision of 0.3%.

It is likely that consumer spending is being bolstered by tax cuts, wage increases which is at a 9 ½ year high, low unemployment and high consumer confidence. If oil prices continue to trend lower, we anticipate that this may push consumer spending higher in the near term leading to US economy expanding in the fourth quarter. US consumer spending accounts for approximately two-thirds of US economic activity. However, we anticipate that consumer spending may slow in 2019 based on the possibility of increased tariffs as a result of escalating trade war, increase in oil prices, higher borrowing cost and the fading effects of tax cuts.

Currency Markets

International Currency Market

Currency	16-Nov	9-Nov	DoD % Δ	WoW % Δ	YTD% Δ	YoY% Δ
EUR: USD	1.142	1.134	0.79%	0.71%	-4.90%	-3.00%
GBP: USD	1.283	1.300	0.42%	-1.11%	-5.07%	-2.78%
USD: CAD	1.315	1.320	-0.21%	-0.47%	4.61%	3.08%
USD: JPY	112.870	113.830	-0.68%	-0.84%	0.16%	-0.17%

Local Foreign Currency Market

Currency	16-Nov	15-Nov	9-Nov	DoD % Δ	WoW % Δ	YTD% Δ
USD:JMD	126.58	126.85	127.42	-0.22%	-0.66%	1.26%
GBP:JMD	164.54	163.99	167.27	0.33%	-1.63%	-1.49%
CAD:JMD	95.05	95.51	97.48	-0.48%	-2.49%	-2.40%

Global Interest Rates

Rates	16-Nov	9-Nov	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	3.06%	3.18%	-5.00	-12.00	65.00	68.00
10 Year UK Gilt	1.41%	1.49%	4.00	-8.00	22.00	10.00
GOJ 2025 Global Bond	5.37%	5.28%	3.00	9.00	93.00	96.00
5 Year US Treasury Bond	2.88%	3.04%	-6.00	-16.00	67.00	81.00
5 Year UK Gilt	0.95%	1.07%	3.00	-12.00	23.00	18.00

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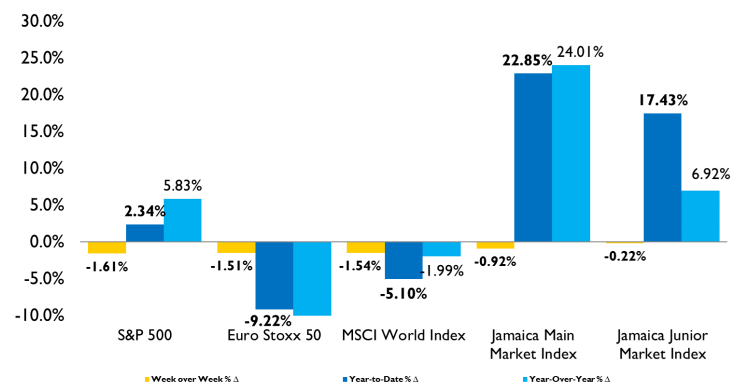
Local Equity Market

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
PULS	20.00%	PAL	29.82%
CCC	16.22%	SEP	26.56%
CAC9.50	16.00%	EFRESH	19.49%

JSE Main Market activity resulted from trading in 36 stocks of which 13 advanced, 17 declined and 6 traded. Market volume amounted to 23,051,470 units valued at over \$560,366,341. JSE Junior Market activity resulted from trading in 37 stocks of which 15 advanced, 18 declined and 4 traded firm. Market volume amounted to 7,888,933 units valued at over \$29,218,409.

Global Equity Indices



Upcoming Week: November 19 – 23 2018

Report	Country	Period	Forecast	Prior
Initial Jobless Claims	US	17-Nov	215k	216k
U. of Mich. Sentiment	US	Nov F	98.30	98.30
Durable Goods Orders	US	Oct P	-2.50%	0.70%
Markit US Manufacturing PMI	US	Nov P	55.80	55.70
Markit Eurozone Manufacturing PMI	Eurozone	Nov P	52.00	52.00
Consumer Confidence	Eurozone	Nov A	-3.00	-2.70

# LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	SYMBOL	52 WEEK RANGE				VALUATION STATISTICS					JNFM's Recommendation				
		Nov-16-2018 \$	YTD %	High \$	Low \$	Price/ Earning Ratio	Book Value Per Share \$	Price/Book	Return on Equity %	T12M Dividend	T12M Dividend Yield	Strong Buy at	Strong Sell at	Potential upside/ downside	Recommendation
<b>MAIN MARKET</b>															
<b>FINANCE</b>															
JMMB Group Ltd	JMMBGL	32.36	44.53%	40.00	22.00	13.17	16.36	1.98	15.02%	0.47	1.45%	\$ 21.46	\$ 35.76	-11.59%	<b>HOLD</b>
NCB Financial Group Ltd	NCBFG	132.44	33.27%	137.99	89.25	11.69	52.72	2.51	21.50%	2.70	2.04%	\$ 113.12	\$ 188.53	13.88%	<b>HOLD</b>
Scotia Group Jamaica Ltd	SGJ	50.77	-3.59%	64.00	48.00	11.85	35.06	1.45	12.22%	1.92	3.78%	\$ 44.09	\$ 73.48	15.78%	<b>BUY</b>
Victoria Mutual Investments Ltd	VMIL	4.00	23.46%	4.85	3.01	19.12	1.81	2.21	11.55%	0.02	0.50%	\$ 2.93	\$ 4.88	-2.50%	<b>HOLD</b>
<b>MANUFACTURING</b>															
Wisynco Ltd	WISYNCO	10.26	-16.18%	13.81	8.70	16.22	2.45	4.19	25.82%	0.06	0.58%	\$ 8.64	\$ 14.40	12.28%	<b>HOLD</b>
<b>REAL ESTATE</b>															
Sagikor Real Estate X Fund Ltd	XFUND	11.73	-21.80%	17.50	10.68	-135.61	9.81	1.20	-0.88%	0.14	1.19%	\$ 13.98	\$ 23.30	58.91%	<b>STRONG BUY</b>
<b>JUNIOR MARKET</b>															
<b>FINANCE</b>															
Access Financial Services Ltd	AFS	49.50	35.88%	56.00	32.00	17.76	9.67	5.12	28.83%	0.96	1.94%	\$ 43.44	\$ 72.40	17.01%	<b>BUY</b>
Lasco Financial Services Ltd	LASF	5.05	-4.54%	6.60	4.21	25.68	1.01	5.02	19.57%	0.08	1.58%	\$ 4.68	\$ 7.80	23.56%	<b>BUY</b>
<b>MANUFACTURING</b>															
Caribbean Cream Ltd	KREMI	5.06	5.20%	8.25	4.50	16.87	1.93	2.62	15.52%	0.05	0.95%	\$ 4.61	\$ 7.69	21.54%	<b>BUY</b>
Lasco Manufacturing Ltd	LASM	3.44	-8.99%	4.51	3.00	19.37	1.29	2.67	13.78%	0.04	1.10%	\$ 2.86	\$ 4.76	10.76%	<b>HOLD</b>
<b>RETAIL</b>															
Caribbean Producers Jamaica Ltd	CPJ	5.92	32.14%	7.15	3.61	23.80	2.69	2.20	9.24%	0.06	1.01%	\$ 5.89	\$ 9.81	32.60%	<b>STRONG BUY</b>
Everything Fresh Ltd	EFRESH	1.57	-37.20%	2.80	1.50	44.29	0.81	1.93	4.37%	0.00	0.00%	\$ 1.30	\$ 2.16	10.19%	<b>HOLD</b>
Jetcon Corp Ltd	JETCON	3.70	-23.08%	5.00	3.25	18.10	0.87	4.25	23.48%	0.11	2.84%	\$ 3.38	\$ 5.63	21.62%	<b>BUY</b>
<b>LEISURE</b>															
Main Event Entertainment Group	MEEG	5.59	5.87%	8.00	5.00	15.92	1.84	3.04	19.10%	0.00	0.00%	\$ 4.70	\$ 7.84	12.16%	<b>HOLD</b>

**NCB Financial Group Ltd.** - The NCB Financial Group (NCBFG) achieved net profit of J\$27.96B for the yearend September 30, 2018, an increase of 46.32% 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.** - For six months ending September 30th, 2018, JMMBGL's net profit increased by 24% year-over-over to J\$2.07B for the corresponding period of 2017 as result of a 16% 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 third quarter ended September 30th, 2018 (Q2). Jetcon's net profit for the quarter fell YoY, moving from J\$48.36M in Q2 2017 to J\$11.28M, in Q2 2018.

**Pan Jam Investment Limited** - Net profit for the quarter ended September 30, 2018 (Q3 2018) amounted to \$1.9B, an improvement relative to the \$1.22B recorded in Q1 2017. Investment income in the third quarter was \$1.06B relative to the \$201.66M. 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 third quarter ending September 30th, 2018 was -J\$573.34M, lower than September 30, 2017's YTD net profit of J\$2.36B. 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

## JN MUTUAL FUNDS

November 15, 2018

Managed  
by



A member of the Group

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
<b>Global Diversified Income</b>	J\$12.9119	16.04%	9.90%	3.14%
<b>Global Equity</b>	J\$12.8712	9.20%	10.77%	0.00%
<b>Global Fixed Income</b>	J\$11.2399	6.95%	4.80%	4.84%
<b>Global Money Market (US\$)</b>	US\$10.0591	0.71%	0.59%	1.13%
<b>Global Fixed Income (US\$)</b>	US\$9.8956	-	-1.04%	3.61%
<b>Local Money Market</b>	J\$10.3116	3.62%	3.12%	2.09%

	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.

### Contact us

#### Kgn & St. Andrew

**Delories Jones** - 876-564-6866 [djones@jngroup.com](mailto:djones@jngroup.com)

**Kimberley Martin** - 876-868-4680 [kimberleym@jngroup.com](mailto:kimberleym@jngroup.com)

**Paul Penn** – 876-564-8276 [pennp@jngroup.com](mailto:pennp@jngroup.com)

**Peta-Gay Miller** - 876-588-8886 [pmiller@jngroup.com](mailto:pmiller@jngroup.com)

**Tamara Honeyghan** - 876-557-0082 [tamarah@jngroup.com](mailto:tamarah@jngroup.com)

**Kimberly Savage** – 876-307-9461 [ksavage@jngroup.com](mailto:ksavage@jngroup.com)

#### Mandeville

**Horace Walters** – 876-487-9267 [waltersh@jngroup.com](mailto:waltersh@jngroup.com)

#### St James

**Keisha Sharpe-Gibbs** - 876-465-3726 [ksharpegibbs@jngroup.com](mailto:ksharpegibbs@jngroup.com)

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