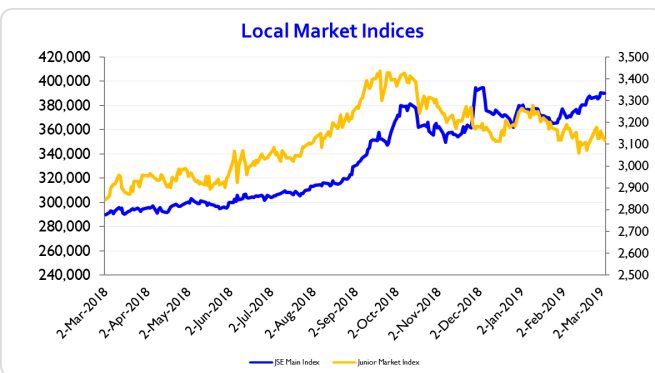


Jamaica's Trade Deficit Widens by 1.8% in 2018

Jamaica's trade deficit for the period January to December 2018 increased by 1.8% to US\$4.25B relative to the US\$4.17B recorded in 2017. The widening of Jamaica's trade deficit was attributable to an increase in imports which rose by 10.7% to US\$6.13B, due largely to an increase in Mineral Fuels, Chemicals, Machinery and Transport Equipment, Chemicals and Manufactured Goods and Foods. Meanwhile exports rose by 37.8% to US\$1.88B, due primarily to the continued expansion in traditional domestic exports, as result of an increase in receipts from the bauxite industry. Crude Oil and its by-products continue to be one of Jamaica's largest import items and as such has been a primary driver in the widening of the country's trade deficit during 2018. The average West Texas Intermediate (WTI) crude oil price was US\$64.94 in 2018 relative to the average of US\$50.83 recorded in 2017.

Since the start of 2019 oil prices has increased by 24.42%, supported by sanctions imposed by the US on Venezuela and Iran, as well as the Organization of the Petroleum Exporting Countries (OPEC) agreement for production cuts for six months starting January 1, 2019. We believe that OPEC during its next policy meeting in April 2019 is not likely to change its reduction policy for the remaining six months due to uncertainty surrounding global economic growth. Given this, we anticipate that oil prices will continue to rise at a moderate pace in the first half of 2019 and as such may contribute to a further widening in Jamaica's current account deficit.



Foreign Exchange Market

Currency	4-Mar	1-Mar	DoD % Δ	YTD% Δ
USD:JMD	128.41	128.81	-0.31%	0.35%
GBP:JMD	170.56	173.29	-1.57%	4.3%
CAD:JMD	96.16	97.90	-1.78%	0.3%

Caribbean & Latam

- Most Latin American currencies were range bound in low volume holiday trading on Monday, while stock indices in the region were mixed even as other emerging market peers rose on optimism over the United States and China nearing a trade deal.

USA & Canada

- U.S. construction spending unexpectedly fell in December as investment in both private and public projects dropped, leading economists to expect that the government will trim its economic growth estimate for the fourth quarter.

Europe

- European shares hit five-month highs on Monday with cyclical stocks outperforming defensives, helped by hopes over a deal to end the U.S.-Sino trade war.

Asia

- China will acknowledge concessions made in any trade deal with the United States for the sake of stabilizing shaky relations, but is unlikely to yield to demands it alter its economic model even if faced with continued tariffs, many trade experts believe

Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	392,483.66	-786.29	-0.20%	2.06%	31.90%
JSE Index	389,951.38	-386.63	-0.10%	2.68%	34.54%
All Jamaican Composite Index	428,025.38	-425.48	-0.10%	2.68%	34.55%
JSE Select Index	9,747.38	-17.89	-0.18%	0.22%	12.05%
Junior Market Index	3,119.82	-39.13	-1.24%	-3.91%	9.62%

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
KPREIT	11.33%	TTECH	-11.29%
BRG	5.11%	JAMT	-10.99%
1834	4.76%	JETCON	-7.19%

Today's combined market activity resulted in trading of 60 stocks, of which 21 advanced, 31 declined and 8 traded firm.

International Markets








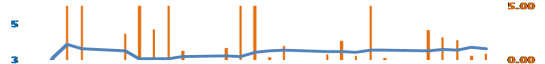



















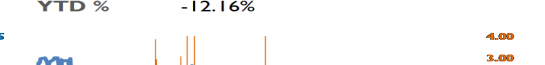
International Equity Markets				
Index	4-Mar	DoD % Δ	YTD% Δ	YoY% Δ
S&P 500	2,789.54	-0.50%	11.28%	3.65%
Dow Jones	25,819.65	-0.79%	10.68%	5.22%
FTSE All Share	3,923.73	0.32%	6.77%	0.62%
Euro Stoxx 50	3,317.12	0.15%	10.52%	-0.23%
Nikkei 225	21,822.04	1.02%	9.03%	3.02%
MSCI World Index	505.75	0.45%	10.99%	-1.09%

International Currency Market				
Currency	4-Mar	DoD % Δ	YTD% Δ	YoY% Δ
EUR: USD	1.1342	-0.20%	-1.09%	-7.92%
GBP: USD	1.3181	-0.16%	3.35%	-4.50%
USD: CAD	1.3308	0.08%	-2.41%	3.31%
USD: JPY	111.71	-0.16%	1.84%	5.64%

Global Interest Rates				
Rates	4-Mar	DoD Δbps	YTD Δbps	YoY Δbps
10-Year US Treasury Bond	2.72%	-3.00	4.00	-14.00
10-Year UK Gilt	1.27%	-3.00	-1.00	-20.00
GOJ 2025 Global Bond	4.96%	0.00	-36.00	41.00

Commodities				
Commodity	4-Mar	DoD % Δ	YTD% Δ	YoY% Δ
Crude Oil	56.5	1.25%	24.42%	-7.76%
Gold	1,286.38	-0.55%	0.30%	-2.75%
Silver	15.08	-0.79%	-2.66%	-8.72%
Aluminium	1,918.00	0.37%	3.90%	-10.75%

LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE
March 1, 2019					
Wisynco Ltd (WISYNCO)	Current Price \$11.68 52 Week High \$12.00 53 Week Low \$8.70 WoW % -1.27% YTD % 6.76%	EPS \$0.70 BVPS \$2.66 T12M Div. \$0.06 Div. Yield % 0.51%	 ROE 26.44%  P/E 16.62  P/B 4.40	ROE 20.43% P/E 20.24 P/B 3.96	<p>Wisynco has demonstrated sustained growth over the last five financial years in both their top and bottom-lines and possesses a solid liquidity position and boasts a low leverage position. Despite challenges surrounding the potential health implications of some of its products on Jamaicans and the environmental impact of its plastic based products and Styrofoam containers, Wisynco has still managed to realise growth in net profit, revenues and a fall in operating costs. We believe that in addition to its core businesses, key strategic partnerships such as Worthy Park will continue to support the growth of Wisynco's profitability.</p>
HOLD					
Fontana Ltd (FTNA)	Current Price \$3.97 52 Week High \$4.20 53 Week Low \$3.00 WoW % 1.53% YTD % -	EPS \$0.20 BVPS \$0.73 T12M Div. \$0.00 Div. Yield % 0.00%	 ROE 27.72%  P/E 19.64  P/B 5.44	ROE 13.63% P/E 30.78 P/B 4.03	<p>Over the past 50 years, Fontana has successfully extended its reach from Mandeville to other major locations in Jamaica, whilst strengthening its brand image in the competitive local retail pharmacy market. The Company has maintained increasing sales over the last five (5) financial years with sales growth slowing sharply in FY 2018 due to roadworks in Barbican and the State of Emergency in Montego Bay. However, we believe that Fontana represents a unique opportunity growth play for investors that are willing to hold the stock over a medium-term investment horizon.</p>
BUY					
GraceKennedy Ltd (GK)	Current Price \$59.96 52 Week High \$75.00 53 Week Low \$43.51 WoW % 1.06% YTD % -5.57%	EPS \$5.67 BVPS \$48.65 T12M Div. \$1.80 Div. Yield % 3.00%	 ROE 11.66%  P/E 10.57  P/B 1.23	ROE 14.74% P/E 13.64 P/B 2.03	<p>We believe that GraceKennedy Limited is poised for continued sustainable growth given its wide range of products and services across its four (4) business segments. Since the beginning of FY 2018, GK has initiated its multiyear transformational strategy and in an attempt to achieve its goals, has made changes to its organizational and cost structure as well as its business processes. Despite our expectation for moderate growth, GK is currently trading slightly above our fair value estimate of J\$52.84 and as such we are recommending that investors HOLD the stock at its current price.</p>
HOLD					
Sagicor Real Estate X Fund Ltd (XFUND)	Current Price \$10.56 52 Week High \$17.50 53 Week Low \$9.51 WoW % 0.48% YTD % -24.95%	EPS (\$0.09) BVPS \$9.81 T12M Div. \$0.14 Div. Yield % 1.33%	 ROE -0.88%  P/E -122.09  P/B 1.08	ROE 10.27% P/E -1.19 P/B 0.92	<p>We have revised our position on XFUND. We believe that the material changes to the structure of XFUND over the last year has materially affected its operational based and has rendered the Company as mostly an indirect conduit of Playa shares. The restructuring of its hotel and Sigma portfolio has placed them in a position where income is mostly dependent on their stake in 2 Hotels and Playa shares (which have never paid dividends and has stated that they do not intend to do so in the foreseeable future). We believe that, amidst these challenges, investors should sell their holdings in XFUND and hold other investments on the market that may offer a better value opportunity.</p>
SELL					
Caribbean Cream Ltd (KREMI)	Current Price \$5.28 52 Week High \$8.25 53 Week Low \$4.50 WoW % 1.73% YTD % -9.28%	EPS \$0.30 BVPS \$1.89 T12M Div. \$0.05 Div. Yield % 0.91%	 ROE 16.02%  P/E 17.44  P/B 2.79	ROE 15.70% P/E 17.62 P/B 3.02	<p>We remain cautiously optimistic that KREMI is likely to position itself to gain further growth, notwithstanding any risks such as environmental shocks (inclement weather), surge in cost for imported raw materials due to the depreciation of the Jamaica dollar. As such, we are placing a HOLD recommendation on the stock at its current trading price on the basis of its earnings outlook and Company's strategic direction.</p>
HOLD					
Jetcon Corp Ltd (JETCON)	Current Price \$3.34 52 Week High \$4.90 53 Week Low \$2.30 WoW % 11.33% YTD % 9.87%	EPS \$0.16 BVPS \$0.86 T12M Div. \$0.11 Div. Yield % 3.14%	 ROE 18.22%  P/E 21.20  P/B 3.86	ROE 13.63% P/E 30.78 P/B 4.03	<p>Jetcon's historical performance has been largely supported by positive economic conditions, such as low interest rates. While we do expect local interest rates to remain relatively low over the foreseeable future, the used car industry has become more saturated which influenced results that missed expectations in FY 2018. This saturation, presents growth challenges as evidenced by a marginal reduction in sales and new regulations which raised direct expenses. We believe that Jetcon's profitability could improve if they seek to grow through acquisitions and if granted economic zone privileges to facilitate reexporting vehicles. We will monitor the conditions of JETCON and review our position when appropriate.</p>
HOLD					
Lasco Manufacturing Ltd (LASM)	Current Price \$3.25 52 Week High \$4.50 53 Week Low \$2.90 WoW % -0.61% YTD % -12.16%	EPS \$0.22 BVPS \$1.34 T12M Div. \$0.04 Div. Yield % 1.17%	 ROE 16.36%  P/E 14.87  P/B 2.43	ROE 15.70% P/E 17.62 P/B 3.02	<p>We believe that LASCO Manufacturing has a strong brand presence in all major business segments. LASM dominates the dry blend beverage category through its diverse portfolio which includes LASCO Food Drink, LaSoy Lactose Free, Porridge Mix, Whole Milk and Readi Milk. In addition to its wide array of offerings the Company is positioned to the lower end of the price spectrum, which makes them more attractive to consumers relative to their competitors such as Nestle, Seprod and GraceKennedy. LASM employs a strategic partnership with its sister company, Lasco Distributors (LASD), which operates as the exclusive distributor for all products and brands in both markets locally and abroad. This relationship has proven to be successful over the years and we believe this will continue.</p>
HOLD					

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Mutual Funds

JN MUTUAL FUNDS

March 1, 2019

Managed by

Fund Managers Ltd.

A member of the Group

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$13.1271	12.51%	1.96%	2.55%
Global Equity	J\$13.4322	17.80%	3.79%	0.00%
Global Fixed Income	J\$11.4777	5.68%	1.39%	5.08%
Global Money Market (US\$)	US\$10.0832	0.57%	0.14%	1.33%
Global Fixed Income (US\$)	US\$10.0723	-	1.15%	4.16%
Local Money Market	J\$10.4098	3.01%	0.69%	2.25%

	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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