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UK Manufacturing PMI at Nine Month High of 49.8

According to the latest release from IHS Markit, the UK manufacturing index has grown by 2.5 points, to 49.8 in January 2020, over the 47.5 recorded in December 2019. The latest reading, which is just marginally below the 50.0 threshold, signals broadly stable business conditions in the manufacturing sector at the start of the new year. The release noted that the month over month increase in the index was due to higher levels of new work and marginal jobs growth and tempered by the accelerated fall in stocks of purchases. The PMI survey tracks the overall sentiment among purchasing managers at manufacturing, construction and services firms.

Manufacturing production fell in December, however at a reduced pace, the lowest rate of decline since June 2019. The report noted that the lower output was linked to a lack of pressure on operating capacity and some extent the ability to fulfil orders from inventories which were accumulated to deal with Brexit uncertainty. We believe that the reduced uncertainty surrounding Brexit and the recent signing of the phase one US and China trade deal may lead to further improvement in this indicator, the progress made is likely to boost consumer and business confidence over the short to medium term.

Currency Markets
International Currency Market

Currency	24-Jan	17-Jan	DoD % Δ	WoW % Δ	YTD % Δ	YoY % Δ
EUR: USD	1.103	1.109	-0.24%	-0.57%	-1.64%	-2.43%
GBP: USD	1.308	1.300	-0.34%	0.48%	-1.34%	0.10%
USD: CAD	1.314	1.310	0.12%	0.59%	1.18%	-1.55%
USD: JPY	109.260	110.140	-0.21%	-0.80%	0.60%	-0.35%

Local Foreign Currency Market

Currency	24-Jan	23-Jan	17-Jan	DoD % Δ	WoW % Δ	YTD % Δ
USD:JMD	140.75	140.56	138.67	0.14%	1.50%	6.17%
GBP:JMD	186.32	183.37	183.31	1.61%	1.64%	8.6%
CAD:JMD	110.49	107.80	107.55	2.49%	2.73%	10.3%

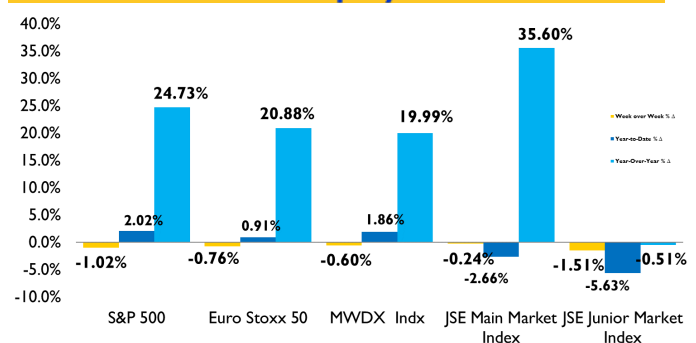
Global Interest Rates

Rates	24-Jan	17-Jan	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	1.69%	1.82%	-4.00	-13.00	-23.00	-103.00
10 Year UK Gilt	0.56%	0.63%	-3.00	-7.00	-26.00	-71.00
GOJ 2025 Global Bond	3.81%	3.76%	4.00	5.00	-4.00	-151.00
5 Year US Treasury Bond	1.51%	1.62%	-4.00	-11.00	-18.00	-104.00
5 Year UK Gilt	0.39%	0.42%	-1.00	-3.00	-21.00	-52.00

Week in Review: January 20– 24, 2020
Local Equity Market
BEST AND WORST PERFORMERS




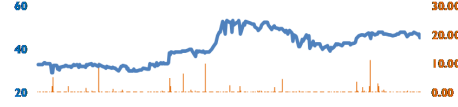



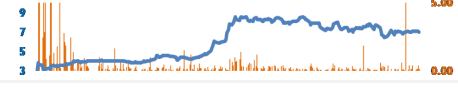












ADVANCERS		DECLINERS	
VMIL	23.87%	ISP	-25.08%
KW	17.47%	PULS	-14.68%
CFF	13.18%	SCIJMD	-13.22%

JSE Main Market activity resulted from trading in 47 stocks of which 11 advanced, 28 declined and 8 traded firm. Market volume amounted to 127,858,996 units valued at over \$1,090,855,298. JSE Junior Market activity resulted from trading in 40 stocks of which 14 advanced, 23 declined and 3 traded firm. Market volume amounted to 22,661,946 units valued at over \$63,558,835.

Global Equity Indices

Upcoming Week: January 27 – January 31, 2020

Country	Report	Period	Forecast	Prior
US	Initial Jobless Claims	25-Jan	215k	211k
US	FOMC Rate Decision (Upper Bound)	29-Jan	1.75%	1.75%
US	GDP Annualized QoQ	4Q A	2.10%	2.10%
US	U. of Mich. Sentiment	Jan F	99.10	99.10
US	Conf. Board Consumer Confidence	Jan	128.00	126.50
US	Durable Goods Orders	Dec P	0.50%	-2.10%
UK	Bank of England Bank Rate	30-Jan	0.75%	0.75%
EC	GDP SA QoQ	4Q A	0.20%	0.20%

LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE
January 24, 2020					
JMMB Group Ltd (JMMBGL)	Current Price \$45.30	EPS \$2.42	 ROE 16.06%	ROE 15.34%	JMMBGL is one of Jamaica's largest financial services corporations, entering the market in 1992 as the first Money Market Brokerage firm. The holding company, JMMB Group Limited, was formed as a parent to house the group of companies. To date, the JMMB Group Ltd. has extended its reach across the Caribbean, including Dominican Republic and Trinidad and Tobago. The Group has over 316,000 clients and continues to grow steadily. We believe that in addition to its core businesses, key strategic partnerships such as the 22.2% stake in Sagcor Financial Corporation allows JMMBGL to achieve further diversification and increased profitability.
	52 Week High \$55.07	BVPS \$16.00	 P/E 16.00	P/E 20.47	
BUY	53 Week Low \$29.50	T12M Div. \$1.03	 P/B 2.57	P/B 2.72	
	WoW % -4.53%	Div. Yield % 1.08%			
Fontana Ltd (FTNA)	Current Price \$7.00	EPS (\$0.00)	 ROE 22.00%	ROE 11.44%	Over the past 50 years, Fontana has successfully extended its reach from Mandeville to other major locations in Jamaica including the flagship location recently opened in Waterloo Square, 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. 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.
	52 Week High \$9.00	BVPS \$1.03	 P/E 30.95	P/E 22.13	
HOLD	53 Week Low \$3.19	T12M Div. \$0.00	 P/B 6.81	P/B 9.60	
	WoW % -0.23%	Div. Yield % 4.00%			
GraceKennedy Ltd (GK)	Current Price \$77.37	EPS \$0.11	 ROE 10.32%	ROE 15.77%	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. We are recommending that investors HOLD the stock at its current price.
	52 Week High \$79.99	BVPS \$54.99	 P/E 13.63	P/E 13.83	
HOLD	53 Week Low \$56.06	T12M Div. \$0.06	 P/B 1.41	P/B 2.14	
	WoW % 1.99%	Div. Yield % 2.00%			
Wigton Windfarm Ltd(WIG)	Current Price \$0.97	EPS (\$0.00)	 ROE 4.41%	ROE 4.41%	We believe that Wigton Windfarm provides an advantage for investors in three main ways. The first is diversification, as it is an alternative energy investment which becomes more crucial in the midst of global warming. The second is an increase in medium to long term value driven by profitability. The third is liquidity as the availability of shares is wide and allows a tidy entry into or exit out of the investment. Wigton Windfarm has potential competition from MPC Caribbean and New Fortress Energy but they together form an ecosystem which is needed to move the Caribbean away from its reliance on Fossil Fuels, the 2nd most expensive item on Jamaica's import bill.
	52 Week High \$1.15	BVPS \$0.31	 P/E 13.36	P/E 13.36	
HOLD	53 Week Low \$0.60	T12M Div. \$0.00	 P/B 3.11	P/B 1.18	
	WoW % 0.99%	Div. Yield % 0.00%			
Lasco Manufacturing Ltd (LASM)	Current Price \$4.14	EPS (\$0.12)	 ROE 18.31%	ROE 17.17%	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 etc. 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.
	52 Week High \$6.50	BVPS \$1.52	 P/E 14.92	P/E 20.84	
HOLD	53 Week Low \$3.00	T12M Div. \$0.01	 P/B 2.73	P/B 3.65	
	WoW % -0.38%	Div. Yield % 6.11%			

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Mutual Funds

JN MUTUAL FUNDS

January 23, 2020

Managed by



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\$14.4356	12.51%	-1.14%	1.99%
Global Equity	J\$17.3328	35.85%	-4.14%	0.00%
Global Fixed Income	J\$12.1348	5.73%	1.26%	5.57%
Global Money Market (US\$)	US\$10.2807	2.05%	0.16%	2.78%
Global Fixed Income (US\$)	US\$10.3539	3.46%	0.17%	2.44%
Local Money Market	J\$10.6668	2.85%	0.27%	3.35%

	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.

Contact us

Kingston & St. Andrew

Rashidi Thomas - 876-279-7018 rashidit@jngroup.com

Kimberley Martin - 876-868-4680 kimberleym@jngroup.com

Paul Penn - 876-564-8276 pennp@jngroup.com

Peta-Gay Walker - 876-588-8886 pmiller@jngroup.com

Kimberly Savage - 876-307-9461 ksavage@jngroup.com

Tamara Honeyghan - 876-557-0082 tamarah@jngroup.com

Mandeville

Horace Walters - 876-487-9267 waltersh@jngroup.com

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