

United States' (US) Unemployment Rate Increased to 3.6% in January 2020

Earlier today, the United States' Labour Department reported that Non-farm payrolls increased in January 2020 by 225,000. January's job data was above expectations of 160,000, and the growth was largely due to gains seen in the construction, healthcare, transportation and warehousing sectors but tempered by the decline of 12,000 jobs in the manufacturing sector. Notwithstanding jobs data coming in above expectation, the unemployment rate slightly increased from 3.5% to 3.6%.

Despite the increase in January's jobs data, we believe that the job market could slow in the future due to the weakness seen in the manufacturing sector and headwinds such as the challenges from the coronavirus outbreak and other geopolitical tensions that could have an impact on business investment as well as consumers' propensity to spend.

Currency Markets

International Currency Market

Currency	7-Feb	31-Jan	DoD % Δ	WoW % Δ	YTD % Δ	YoY % Δ
EUR: USD	1.095	1.109	-0.33%	-1.32%	-2.37%	-3.47%
GBP: USD	1.289	1.320	-0.35%	-2.42%	-2.80%	-0.51%
USD: CAD	1.330	1.320	0.14%	0.49%	2.40%	-0.05%
USD: JPY	109.760	108.350	-0.21%	1.30%	1.06%	-0.05%

Local Foreign Currency Market

Currency	7-Feb*	6-Feb	31-Jan	DoD % Δ	WoW % Δ	YTD % Δ
USD:JMD	142.38	142.04	141.22	0.24%	0.82%	7.40%
GBP:JMD	183.93	182.48	184.64	0.80%	-0.38%	7.2%
CAD:JMD	105.43	104.26	106.64	1.11%	-1.14%	5.3%

*Using Midday Rates

Global Interest Rates

Rates	7-Feb	31-Jan	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	1.58%	1.51%	-6.00	7.00	-34.00	-108.00
10 Year UK Gilt	0.57%	0.52%	-1.00	5.00	-25.00	-61.00
GOJ 2025 Global Bond	3.89%	3.82%	1.00	7.00	4.00	-111.00
5 Year US Treasury Bond	1.41%	1.31%	-5.00	10.00	-28.00	-105.00
5 Year UK Gilt	0.42%	0.41%	-1.00	1.00	-18.00	-40.00

Week in Review: February 3 – 7, 2020

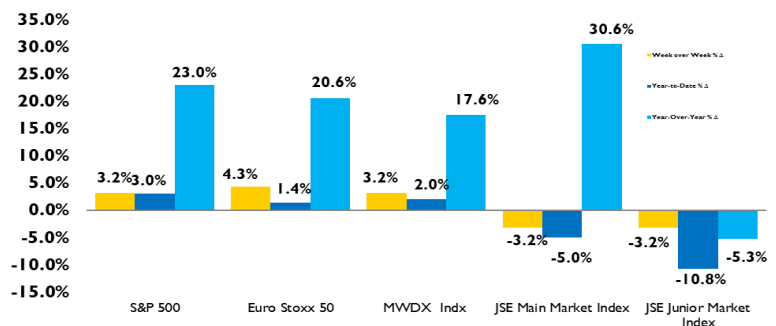
Local Equity Market

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
PULS	23.57%	SILUS	-20.00%
I38SL	17.92%	KPREIT	-20.00%
MTL	12.90%	CBNY	-16.67%

JSE Main Market activity (excluding preference shares) resulted from trading in 40 stocks of which 13 advanced, 25 declined and 2 traded firm. Market volume (excluding preference shares) amounted to 141,510,102 units valued at over \$543,563,416. JSE Junior Market activity (excluding preference shares) resulted from trading in 37 stocks of which 4 advanced, 27 declined and 6 traded firm. Market volume (excluding preference shares) amounted to 20,088,049 units valued at over \$56,704,914.

Global Equity Indices



Upcoming Week: February 10 – February 14, 2020

Country	Report	Period	Forecast	Prior
US	Initial Jobless Claims	8-Feb	210k	202k
US	CPI MoM	Jan	0.20%	0.20%
US	U. of Mich. Sentiment	Feb P	99.00	99.80
US	Retail Sales Advance MoM	Jan	0.30%	0.30%
US	Industrial Production MoM	Jan	-0.20%	-0.30%
UK	GDP QoQ	4Q P	0.00%	0.40%
UK	Manufacturing Production MoM	Dec	0.50%	-1.70%

LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE
February 7, 2020					
JMMB Group Ltd (JMMBGL)	<p>Current Price \$42.90</p> <p>52 Week High \$55.07</p> <p>53 Week Low \$29.90</p> <p>WoW % -7.29%</p> <p>YTD % -7.83%</p>	<p>EPS \$2.55</p> <p>BVPS \$15.15</p> <p>T12M Div. \$1.03</p> <p>Div. Yield % 1.14%</p>	<p>ROE 16.06%</p> <p>P/E 15.15</p> <p>P/B 2.43</p>	<p>ROE 16.03%</p> <p>P/E 18.99</p> <p>P/B 2.64</p>	<p>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.</p>
BUY					
Fontana Ltd (FTNA)	<p>Current Price \$6.21</p> <p>52 Week High \$9.00</p> <p>53 Week Low \$3.48</p> <p>WoW % -9.82%</p> <p>YTD % -11.53%</p>	<p>EPS (\$0.12)</p> <p>BVPS \$1.03</p> <p>T12M Div. \$0.00</p> <p>Div. Yield % 4.00%</p>	<p>ROE 22.00%</p> <p>P/E 27.46</p> <p>P/B 6.04</p>	<p>ROE 14.78%</p> <p>P/E 21.61</p> <p>P/B 9.07</p>	<p>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.</p>
HOLD					
GraceKennedy Ltd (GK)	<p>Current Price \$69.78</p> <p>52 Week High \$79.99</p> <p>53 Week Low \$56.06</p> <p>WoW % -4.86%</p> <p>YTD % 0.50%</p>	<p>EPS \$0.01</p> <p>BVPS \$54.99</p> <p>T12M Div. \$0.06</p> <p>Div. Yield % 2.22%</p>	<p>ROE 10.32%</p> <p>P/E 12.30</p> <p>P/B 1.27</p>	<p>ROE 15.77%</p> <p>P/E 13.18</p> <p>P/B 2.06</p>	<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. We are recommending that investors HOLD the stock at its current price.</p>
HOLD					
Wigton Windfarm Ltd(WIG)	<p>Current Price \$0.84</p> <p>52 Week High \$1.15</p> <p>53 Week Low \$0.60</p> <p>WoW % -9.52%</p> <p>YTD % -13.58%</p>	<p>EPS (\$0.14)</p> <p>BVPS \$0.31</p> <p>T12M Div. \$0.00</p> <p>Div. Yield % 0.00%</p>	<p>ROE 7.52%</p> <p>P/E 11.57</p> <p>P/B 2.69</p>	<p>ROE 7.52%</p> <p>P/E 11.57</p> <p>P/B 1.03</p>	<p>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.</p>
HOLD					
Lasco Manufacturing Ltd (LASM)	<p>Current Price \$4.13</p> <p>52 Week High \$6.50</p> <p>53 Week Low \$3.00</p> <p>WoW % 1.02%</p> <p>YTD % -11.85%</p>	<p>EPS (\$0.12)</p> <p>BVPS \$1.57</p> <p>T12M Div. \$0.01</p> <p>Div. Yield % 6.11%</p>	<p>ROE 17.82%</p> <p>P/E 14.74</p> <p>P/B 2.63</p>	<p>ROE 16.07%</p> <p>P/E 19.36</p> <p>P/B 3.44</p>	<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 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.</p>
HOLD					

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Mutual Funds

JN MUTUAL FUNDS

February 6, 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\$14.2869	9.95%	-2.15%	1.74%
Global Equity	J\$16.9956	30.51%	-6.00%	0.00%
Global Fixed Income	J\$12.1551	4.76%	1.43%	5.28%
Global Money Market (US\$)	US\$10.2907	2.12%	0.26%	2.83%
Global Fixed Income (US\$)	US\$10.3625	3.35%	0.26%	2.35%
Local Money Market	J\$10.6794	2.64%	0.39%	3.61%

	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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