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### US Economy Expands by 2.1% During the Fourth Quarter of 2019

The Bureau of Economic Analysis (BEA) estimated that the United States' Real Gross Domestic Product (GDP) expanded by 2.1% for the fourth quarter of 2019, slightly above market expectations of 2%. Consumer spending continued to fuel the US economy in the final three months of 2019, however, at a slower pace than the previous quarter. Other factors contributing to the US economic expansion were the decline in imports, an acceleration in government spending and a slight improvement in exports. These positive contributions were offset by a large decline in business inventory which was impacted by the trade tensions. For the calendar year 2019, the US economy expanded at a slower pace of 2.3% relative to the 2.9% in 2018 and was lower than the 3% expansion promised by the Trump administration.

Despite the easing of the trade tensions between the US and China, there is still some level of uncertainty between the US and other trading partners as well as the upcoming US presidential elections and possible headwinds such as the coronavirus outbreak that could potentially lower the country's rate of growth. For this reason, we believe that US GDP is likely to continue growing, however at a modest pace over the short to medium term.

### Currency Markets

#### International Currency Market

Currency	31-Jan	24-Jan	DoD % Δ	WoW % Δ	YTD % Δ	YoY % Δ
EUR: USD	1.109	1.103	0.55%	0.62%	-1.07%	-3.10%
GBP: USD	1.320	1.310	0.84%	0.99%	-0.41%	0.72%
USD: CAD	1.323	1.310	0.18%	0.68%	1.87%	0.82%
USD: JPY	108.350	109.280	-0.56%	-0.85%	-0.24%	-0.50%

#### Local Foreign Currency Market

Currency	31-Jan	30-Jan	24-Jan	DoD % Δ	WoW % Δ	YTD % Δ
USD:JMD	141.22	140.92	140.71	0.22%	0.36%	6.53%
GBP:JMD	184.64	184.39	182.26	0.13%	1.30%	7.6%
CAD:JMD	106.64	107.09	109.80	-0.43%	-2.88%	6.5%

#### Global Interest Rates

Rates	31-Jan	24-Jan	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	1.51%	1.68%	-8.00	-17.00	-41.00	-112.00
10 Year UK Gilt	0.52%	0.56%	-2.00	-4.00	-30.00	-70.00
GOJ 2025 Global Bond	3.84%	3.79%	0.00	5.00	-1.00	-124.00
5 Year US Treasury Bond	1.32%	1.50%	-9.00	-18.00	-37.00	-112.00
5 Year UK Gilt	0.41%	0.39%	-2.00	2.00	-19.00	-46.00

### Week in Review: January 27– 31, 2020

#### Local Equity Market

##### BEST AND WORST PERFORMERS

###### ADVANCERS

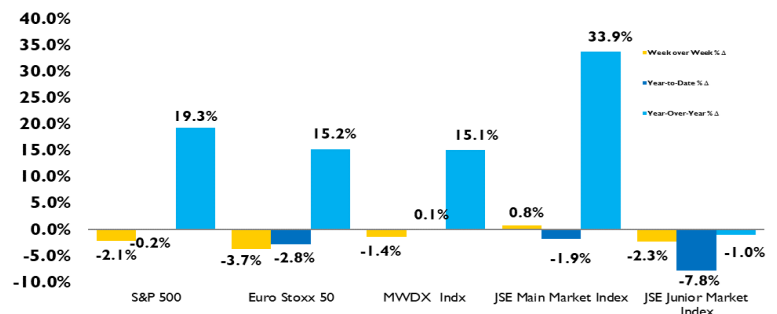
AFS	14.13%
KEX	13.22%
KLE	12.75%

###### DECLINERS

DTL	-17.70%
HONBUN	-17.65%
RJR	-14.59%

JSE Main Market activity resulted from trading in 48 stocks of which 21 advanced, 21 declined and 6 traded firm. Market volume amounted to 168,655,723 units valued at over \$800,631,152. JSE Junior Market activity (excluding preference shares) resulted from trading in 41 stocks of which 10 advanced, 28 declined and 3 traded firm. Market volume amounted to 11,469,445 units valued at over \$43,891,406.

### Global Equity Indices



### Upcoming Week: February 3 – February 7, 2020

Country	Report	Period	Forecast	Prior
US	Change in Nonfarm Payrolls	Jan	160k	145k
US	Initial Jobless Claims	1-Feb	215k	216k
US	ISM Manufacturing	Jan	48.50	47.20
US	Durable Goods Orders	Dec F	2.40%	2.40%
US	Markit US Manufacturing PMI	Jan F	51.70	51.70
US	Unemployment Rate	Jan	3.50%	3.50%
US	Trade Balance	Dec	-\$47.8b	-\$43.1b
UK	Markit UK PMI Manufacturing SA	Jan F	49.80	49.80

# LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE
January 31, 2020						
JMMB Group Ltd (JMMBGL)	<p>Current Price <b>\$46.28</b></p> <p>52 Week High <b>\$55.07</b></p> <p>53 Week Low <b>\$29.51</b></p> <p>WoW % <b>2.15%</b></p> <p>YTD % <b>-0.59%</b></p>	<p>EPS <b>\$2.55</b></p> <p>BVPS <b>\$16.34</b></p> <p>T12M Div. <b>\$1.03</b></p> <p>Div. Yield % <b>1.06%</b></p>	<p>ROE <b>16.06%</b></p> <p>P/E <b>16.34</b></p> <p>P/B <b>2.62</b></p>	<p>ROE <b>16.03%</b></p> <p>P/E <b>19.51</b></p> <p>P/B <b>2.75</b></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 <b>\$6.89</b></p> <p>52 Week High <b>\$9.00</b></p> <p>53 Week Low <b>\$3.30</b></p> <p>WoW % <b>-1.62%</b></p> <p>YTD % <b>-1.90%</b></p>	<p>EPS <b>(\$0.02)</b></p> <p>BVPS <b>\$1.03</b></p> <p>T12M Div. <b>\$0.00</b></p> <p>Div. Yield % <b>4.00%</b></p>	<p>ROE <b>22.00%</b></p> <p>P/E <b>30.45</b></p> <p>P/B <b>6.70</b></p>	<p>ROE <b>15.87%</b></p> <p>P/E <b>21.16</b></p> <p>P/B <b>9.16</b></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 <b>\$73.34</b></p> <p>52 Week High <b>\$79.99</b></p> <p>53 Week Low <b>\$56.06</b></p> <p>WoW % <b>-5.20%</b></p> <p>YTD % <b>5.63%</b></p>	<p>EPS <b>\$0.06</b></p> <p>BVPS <b>\$54.99</b></p> <p>T12M Div. <b>\$0.06</b></p> <p>Div. Yield % <b>2.11%</b></p>	<p>ROE <b>10.32%</b></p> <p>P/E <b>12.92</b></p> <p>P/B <b>1.33</b></p>	<p>ROE <b>15.77%</b></p> <p>P/E <b>13.78</b></p> <p>P/B <b>2.14</b></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 <b>\$0.93</b></p> <p>52 Week High <b>\$1.15</b></p> <p>53 Week Low <b>\$0.60</b></p> <p>WoW % <b>-4.28%</b></p> <p>YTD % <b>-4.49%</b></p>	<p>EPS <b>(\$0.04)</b></p> <p>BVPS <b>\$0.31</b></p> <p>T12M Div. <b>\$0.00</b></p> <p>Div. Yield % <b>0.00%</b></p>	<p>ROE <b>7.52%</b></p> <p>P/E <b>12.78</b></p> <p>P/B <b>2.98</b></p>	<p>ROE <b>7.52%</b></p> <p>P/E <b>12.78</b></p> <p>P/B <b>1.10</b></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 <b>\$4.09</b></p> <p>52 Week High <b>\$6.50</b></p> <p>53 Week Low <b>\$3.00</b></p> <p>WoW % <b>-1.23%</b></p> <p>YTD % <b>-12.75%</b></p>	<p>EPS <b>(\$0.13)</b></p> <p>BVPS <b>\$1.52</b></p> <p>T12M Div. <b>\$0.01</b></p> <p>Div. Yield % <b>6.11%</b></p>	<p>ROE <b>18.31%</b></p> <p>P/E <b>14.73</b></p> <p>P/B <b>2.70</b></p>	<p>ROE <b>17.17%</b></p> <p>P/E <b>19.70</b></p> <p>P/B <b>3.50</b></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

January 30, 2020

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\$14.3700	11.52%	-1.59%	1.94%
<b>Global Equity</b>	J\$17.4228	35.65%	-3.63%	0.00%
<b>Global Fixed Income</b>	J\$12.1312	5.25%	1.23%	5.55%
<b>Global Money Market (US\$)</b>	US\$10.2856	2.08%	0.21%	2.79%
<b>Global Fixed Income (US\$)</b>	US\$10.3601	3.46%	0.23%	2.44%
<b>Local Money Market</b>	J\$10.6717	2.78%	0.32%	3.61%

	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.

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