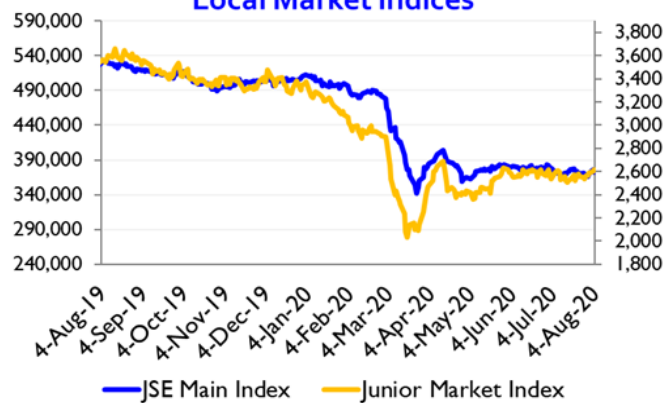


## GOJ Records Better than Budgeted Fiscal Deficit for Q1 of Fiscal Year 2020/21

The Government of Jamaica (GOJ) Central Government Summary Accounts for the first quarter (Q1) of the 2020/21 fiscal year dating April to June 2020 was released on Friday, July 31, 2020. The outturn shows better than anticipated Revenues and Grants of J\$7.9 billion or 6.9% for the period while expenditures (above the line) was marginally below budget by J\$1.6 billion or 1.0%. As a result, the fiscal balance was J\$9.5 billion or 27.1% better than the projected deficit of J\$34.9 billion. While expenditures (above the line) were generally in line with budget, spending on capital project outlays over the period went up by J\$2.0 billion or 19.6%. The better than budgeted Revenues and Grants reported by the GOJ was due mainly to the higher than expected tax revenues of J\$6.6 billion or 6.6% and the jump in Non-Tax Revenue of J\$1.5 billion or 11.5% above projections. The increase in Tax Revenues was attributed to the overperformance in Company Tax, pay as you earn (PAYE), local special consumption tax (SCT), and education tax but tempered by the large decline in Custom Duty collections and local General Consumption Tax (GCT). The uptick in Non-Tax Revenues was attributable to higher than anticipated miscellaneous revenues. The knock-on effect is that Jamaica's primary balance, which is the fiscal balance net of interest payments, for Q1 amounted to a deficit of J\$3.1 billion, better than the projected deficit of J\$11.6 billion.

Over the period, external loan receipts were reported at 44.8% below projections and both domestic and external amortization were below budget by 12.0% and 12.4%, respectively. Despite Jamaica's COVID-19 cases increasing recently, its relatively high recovery and low hospitalization rates combined with its implemented safety protocols indicate that the country may see further loosening of restrictions if the situation continues to improve. As the economy reopens further, we anticipate that Jamaica's fiscal performance could see further improvement.

### Local Market Indices



### Foreign Exchange Market

Currency	4-Aug	3-Aug	DoD % Δ	YTD % Δ
USD:JMD	148.75	148.48	0.19%	12.21%
GBP:JMD	194.20	196.21	-1.03%	13.2%
CAD:JMD	112.17	111.67	0.44%	12.0%

### Caribbean & Latam

- Most Latin American currencies were undercut by weakness in commodity markets on Tuesday, while Argentine stocks and bonds rallied after the country struck a deal to restructure \$65 billion in sovereign debt.

### USA & Canada

- Gold prices soared past the key \$2,000 mark for the first time in history on Tuesday, as the ultra-low interest rate environment and hopes for more U.S. stimulus to safeguard the coronavirus-hit economy embellished the safe-haven metal's appeal.

### Europe

- Expectations for second- and third-quarter corporate profits are deteriorating in Europe, Refinitiv data showed on Tuesday, even though economies are reopening fully after months of lockdowns.

### Asia

- Asian refining margins for 10ppm gasoil plunged to their weakest in two months on Tuesday, while cash premiums for the industrial fuel fell to a nine-week low, as traders were worried that near term demand will not be able to absorb supplies available in the region.

### Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	370,613.94	-3,539.94	-0.95%	-25.95%	-28.27%
JSE Index	372,186.65	-4,032.21	-1.07%	-26.22%	-28.40%
All Jamaican Composite Index	407,770.78	-4,525.87	-1.10%	-26.36%	-28.56%
JSE Select Index	9,237.17	-165.50	-1.76%	-28.03%	-30.27%
Junior Market Index	2,619.05	15.97	0.61%	-22.27%	-26.41%

### BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
AMG	11.84%	1834	-15.84%
DTL	9.13%	CHL	-11.91%
JETCON	8.79%	XFUND	-11.70%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **78** stocks, of which **33** advanced, **32** declined and **13** traded firm.

### International Markets

International Equity Markets					International Currency Market				
Index	4-Aug	DoD % Δ	YTD % Δ	YoY % Δ	Currency	4-Aug	DoD % Δ	YTD % Δ	YoY % Δ
S&P 500	3,306.51	0.36%	2.35%	12.77%	EUR: USD	1.1796	0.29%	5.20%	6.19%
Dow Jones	26,828.47	0.62%	-5.99%	1.30%	GBP: USD	1.3068	-0.05%	-1.43%	7.45%
FTSE All Share	3,356.30	0.20%	-20.02%	-16.91%	USD: CAD	1.3331	-0.45%	2.63%	0.94%
Euro Stoxx 50	3,254.29	0.19%	-13.11%	-3.61%	USD: JPY	105.95	0.11%	-2.45%	-0.60%
Nikkei 225	22,573.66	1.70%	-4.58%	7.05%					
MSCI World Index	555.83	0.71%	-1.66%	8.05%					
Global Interest Rates					Commodities				
Rates	4-Aug	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	4-Aug	DoD % Δ	YTD % Δ	YoY % Δ
10 -Year US Treasury Bond	0.51%	-4.00	-141.00	-134.00	Crude Oil	41.56	1.34%	-31.94%	-25.33%
10-Year UK Gilt	0.08%	-2.00	-74.00	-47.00	Gold	2,017.10	2.03%	32.94%	40.00%
GOJ 2025 Global Bond	4.41%	-1.00	56.00	2.00	Silver	25.93	6.72%	45.26%	60.03%
					Aluminium	1,770.00	1.03%	-2.21%	0.00%



# Mutual Funds

## JN MUTUAL FUNDS

August 3, 2020

**Fund Managers Ltd.**

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\$13.7007	-4.46%	-6.17%	2.31%
<b>Global Equity</b>	J\$14.3158	-19.14%	-20.82%	0.00%
<b>Global Fixed Income</b>	J\$12.4982	5.87%	4.30%	4.73%
<b>Global Money Market (US\$)</b>	US\$10.4671	2.93%	1.98%	3.75%
<b>Global Fixed Income (US\$)</b>	US\$10.4843	2.24%	1.44%	5.15%
<b>Local Money Market</b>	J\$10.8963	3.56%	2.43%	4.40%

	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

### Kingston & St. Andrew

**Rashidi Thomas** - 876-279-7018 [rashidit@jngroup.com](mailto:rashidit@jngroup.com)

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

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

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

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

### Mandeville

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

**Disclaimer:** All information contained herein is obtained by JN Fund Managers Limited's Global Investment Research Unit from sources believed to be accurate and reliable. All opinions expressed are based on the Research Analyst's judgment as of the date of the report. As such, no warranty is made, expressed or implied by JN Fund Managers Limited in any form whatsoever as to the accuracy, timeliness or completeness of information contained in this report. JN Fund Managers Limited is therefore not liable for any actions taken in reliance on information contained herein.

JN Fund Managers Limited's Global Investment Research Unit does not provide investment advice that considers the circumstances and objectives of the parties who receive this report. It is therefore recommended that before making any investment decision, investors seek the advice of a JN Fund Managers Limited Investment Advisor.

This report does not represent an offer to buy or sell, or solicitation of an offer to buy or sell the securities mentioned. Past performance is not necessarily an indication of future performance. Estimates of future performance are based on assumptions that may not be realized. Additional information not available in this research report may be available upon request.

JN Fund Managers Limited is a multifaceted organization with, investment banking, investment management, fund administration and brokerage business lines. JN Fund Managers Limited may therefore conduct investment banking or other business activities with some of the companies and countries covered by the Company's Global Investment Research Unit.

JN Fund Managers Limited may invest in and trade the securities covered in this report for its own proprietary account and/or on behalf of its clients. JN Fund Managers Limited's trading activity in these securities may be contrary to the recommendation(s) indicated in this report .