

Jamaica's Net International Reserves Up in February

According to the Bank of Jamaica (BOJ), Jamaica's Net International Reserves (NIR) increased by US\$86.53 million, or 2.41% to US\$3.68 billion in March 2022. The jump in reserves was mainly driven by an increase of US\$64.03 million in foreign assets coupled with a decline of US\$22.50 million in foreign liabilities. The rise in foreign assets was attributable to growth in 'Currency and Deposits', 'Special Drawing Rights (SDR) & International Monetary Fund (IMF) Reserve Position' and 'securities'. Meanwhile, foreign liabilities fell due to a decline in IMF liabilities.

On a year-to-date basis the NIR has increased by 4.79%, and at its current level, represents approximately 46 weeks of goods and services imports, which more than triple the 12-week benchmark. This relatively healthy NIR level sends a positive signal about the country's ability to respond to economic shocks for example, the ongoing pandemic. Although the COVID-19 cases have decline significantly from the peak seen in January and the labour market has shown signs of improvement, the uncertainty surrounding the virus is still high. Global markets have also been hampered by the geopolitical tension between Russia and Ukraine which has exacerbated supply bottleneck and pushed many prices higher locally and in key markets. With these developments we anticipate that foreign exchange flows could be limited in the short term, which could put a strain on NIR over the period.

Currency Markets

International Currency Market

Currency	8-Apr	1-Apr	DoD % Δ	WoW % Δ	YTD% Δ	YoY% Δ
EUR: USD	1.088	1.104	-0.02%	-1.50%	-4.34%	-8.70%
GBP: USD	1.303	1.310	-0.38%	-0.68%	-3.75%	-5.17%
USD: CAD	1.257	1.250	-0.15%	0.40%	-0.51%	0.08%
USD: JPY	124.340	122.520	0.31%	1.49%	8.05%	13.80%

Local Foreign Currency Market

Currency	8-Apr	7-Apr	1-Apr	DoD % Δ	WoW % Δ	YTD% Δ
USD:JMD	155.51	155.19	154.05	0.20%	0.95%	0.27%
GBP:JMD	204.33	202.58	202.03	0.86%	1.14%	-2.8%
CAD:JMD	123.61	123.61	123.67	0.00%	-0.05%	0.7%

Global Interest Rates

Rates	8-Apr	1-Apr	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	2.70%	2.38%	4.00	32.00	119.00	108.00
10 Year UK Gilt	1.75%	1.61%	2.00	14.00	78.00	100.00
GOJ 2025 Global Bond	5.04%	5.08%	1.00	-4.00	100.00	154.00
5 Year US Treasury Bond	2.75%	2.56%	4.00	19.00	149.00	191.00
5 Year UK Gilt	1.53%	1.42%	1.00	11.00	71.00	119.00

Week in Review: Apr 4 – Apr 8, 2022

Local Equity Market

BEST AND WORST PERFORMERS

ADVANCERS

TJHUSD	29.07%
SVL	28.18%
CPJ	24.16%

DECLINERS

SRFUSD	-24.31%
KLE	-14.71%
ELITE	-14.00%

JSE Main Market activity (excluding preference shares) resulted from trading in 49 stocks of which 27 advanced, 21 declined and 1 traded firm. Market volume (excluding preference shares) amounted to 221,493,264 units valued at over \$1,817,719,574.32. JSE Junior Market activity (excluding preference shares) resulted from trading in 44 stocks of which 21 advanced, 21 declined and 2 traded firm. Market volume (excluding preference shares) amounted to 87,430,771 units valued at over \$301,038,125.23.

Global Equity Indices

Index	31-Dec	1-Apr	8-Apr	WoW % Δ	YTD% Δ	YoY% Δ
S&P 500	4,766.18	4,545.86	4,488.28	-1.27%	-5.83%	9.55%
Euro Stoxx 50	4,298.41	3,918.68	3,858.37	-1.54%	-10.24%	-3.00%
MXWD Index	754.83	712.67	702.13	-1.48%	-6.98%	1.38%
JSE Main Market Index	396,155.61	389,773.53	396,968.47	1.85%	0.21%	0.62%
JSE Junior Market Index	3,428.30	4,185.90	4,199.94	0.34%	22.51%	38.15%
JSE Combined Index	401,130.23	402,082.92	408,943.64	1.71%	1.95%	3.35%

Upcoming Week: Apr 11 - Apr 15, 2022

Country	Report	Period	Forecast	Prior
US	Initial Jobless Claims	9-Apr	175,000	166,000
US	CPI MoM	Mar	1.20%	0.80%
US	U. of Mich. Sentiment	Apr P	58.9	59.4
US	Retail Sales Advance MoM	Mar	0.60%	0.30%
CA	Bank of Canada Rate	13-Apr	1.00%	0.50%
UK	CPI YoY	Mar	6.70%	6.20%
UK	CPI MoM	Mar	0.80%	0.80%
UK	Industrial Production MoM	Feb	0.30%	0.70%

LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE
April 8, 2022						
Grace Kennedy Ltd (GK)	Current Price	\$105.11	EPS \$8.23	ROE 11.54%	ROE 27.93%	<p>Despite elevated levels of geopolitical tensions and supply chain disruptions, we expect the GK's strong resiliency to persist even as the company make significant changes to ensure its products and services are delivered to its customers across the various channels. These include ensuring its international supply chains remain strong, active, and efficient. Its recent agreement with Nestle is one such initiative that GK has implemented to improve its distribution as the Group moves closer to achieving its goal of creating a wider wingspan in the global arena. We believe that GK is poised for further sustainable growth given its well diversified businesses across its two segments which will likely be boosted by inorganic growth from acquisitions. GraceKennedy Limited has initiated its multi-year transformational strategy in which it seeks to achieve (i) sustainable efficiency, (ii) greater agility and (iii) revenue growth. To achieve these goals, the Group has made changes to its organisational and cost structure as well as its business processes which have so far resulted in an upswing in its margins and profitability, and which augurs well for the Group's future.</p>
	52 Week High	\$105.99	BVPS \$71.36	P/E 12.77	P/E 12.79	
	53 Week Low	\$80.00	T12M Div. \$1.96	P/B 1.47	P/B 4.20	
	WoW %	1.39%	Div. Yield % 2.23%			
	YTD %	5.09%				
BUY						
Derrimon Trading Co Ltd (DTL)	Current Price	\$2.76	EPS \$0.10	ROE 7.78%	ROE 16.47%	<p>Derrimon is vertically integrated whereby it manufactures and distributes through its own channels such as Sampars and its Select grocers retail outlets. Over the last five years the company has gone through a tremendous transformation driven by organic growth in its primary distribution segment and through acquisitions; Recently, the company raised additional equity through an APO which was used to lower its debt and to execute on its growth strategy including its acquisition of the Spicy Hill Farms, its expansion into central Jamaica and their recent expansion into the US. It is anticipated that these expansions as well as others likely in the pipeline will continue to lower the risk profile of the entity and drive its earnings growth in the short to medium term.</p>
	52 Week High	\$3.17	BVPS \$1.27	P/E 27.92	P/E 24.35	
	53 Week Low	\$2.00	T12M Div. \$0.00	P/B 2.17	P/B 3.77	
	WoW %	5.34%	Div. Yield % 0.00%			
	YTD %	19.84%				
BUY						
Seprod Ltd (SEP)	Current Price	\$57.52	EPS \$2.94	ROE 11.69%	ROE 15.45%	<p>Seprod is one of Jamaica's premier food manufacturing companies with over 75 years' experience operating locally. Over the period, the group has grown to include several diverse food subsidiaries with easily recognizable household brands. The group currently enjoys a very strong presence in the local market, where it leads in several segments, and continues to enjoy reasonable success within the Caribbean and strong growth prospects in the United Kingdom, Africa, United States and Canada. Although the COVID-19 pandemic has had a negative impact on Seprod's operations, the Group's diversified portfolio has proven to be resilient thus far. Looking ahead, there are still risks that could negatively impact global supply chains and ultimately affect raw material prices, consumer income and economic growth. Notwithstanding, given our estimate that the worst part of the covid-19 restrictions may be behind us, we are expecting that the company's performance could likely see further improvements from the relaxation in covid which importantly includes the resumption of face-to-face school and the reopening of the entertainment sector.</p>
	52 Week High	\$85.00	BVPS \$25.15	P/E 19.56	P/E 25.72	
	53 Week Low	\$50.00	T12M Div. \$1.30	P/B 2.29	P/B 3.52	
	WoW %	-0.03%	Div. Yield % 1.82%			
	YTD %	-11.18%				
HOLD						
Jamaica Producers Group (JP)	Current Price	\$22.97	EPS \$1.64	ROE 5.40%	ROE 27.93%	<p>Undoubtedly, COVID-19 has had a negative impact on aspects of JP's business over the last two years and could continue to weigh on some of those segments in the short term. However, the JP Group has remained strong, and the pandemic has created opportunities for new retail channels to offset the downturn in other areas. JP remains strong with several key financial metrics, including its large and growing cash and securities balance, providing the group with the flexibility to manage and execute on strategies of acquiring undervalued assets. Importantly, JP continues to strengthen its operations and we anticipate that its recent acquisitions in the food and logistics businesses will likely further improve its capacity and drive its medium to long-term growth.</p>
	52 Week High	\$31.00	BVPS \$30.45	P/E 13.97	P/E 12.79	
	53 Week Low	\$20.00	T12M Div. \$0.00	P/B 0.75	P/B 4.20	
	WoW %	0.09%	Div. Yield % 0.00%			
	YTD %	3.88%				
HOLD						

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LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE	
April 8, 2022							
Wisynco Ltd (WISYNCO)	Current Price	\$21.54	EPS	\$0.97	ROE	21.27%	<p>Today, Wisynco is a prominent manufacturer and distributor of beverages and food items in Jamaica. With one of the largest sales forces in Jamaica comprised of more than 700 sales-related employees, Wisynco boasts a sales and distribution infrastructure that has a significant presence in the marketplace. As its customers typically include restaurants, supermarkets retail and wholesale outlets, schools and other food service outlets, during the pandemic its customer base was severely disrupted. Now with the restrictions which impacted its business negatively over the last two years removed, we anticipate that this will provide a fillip to the company's revenue and profits in the short to medium term. Additionally, its strong balance sheet, particularly its cash position, not only positions the company to absorb shocks but also to capitalize on opportunities as they arise.</p>
	52 Week High	\$22.15	BVPS	\$4.58	P/E	22.11	
BUY	53 Week Low	\$14.02	T12M Div.	\$0.40	P/B	4.70	
	WoW %	8.51%	Div. Yield %	2.59%			
	YTD %	29.02%					
JMMB Group Ltd (JMMBGL)	Current Price	\$50.99	EPS	\$6.10	ROE	18.18%	<p>Over the years, JMMBGL has successfully deployed its capital to generate returns for its shareholders. Traditionally, the Company has relied on interest income from repurchase agreements, dividend income from investment holdings, gains from securities trading and fees from Unit Trust management. Over the last ten years, Jamaica has seen a significant decline in interest rates, which has influenced financial entities to lean more towards generating fee income from areas such as asset management, investment banking and trading activity in contrast to interest income from repurchase agreements.</p>
	52 Week High	\$61.24	BVPS	\$33.58	P/E	8.35	
BUY	53 Week Low	\$31.02	T12M Div.	\$0.85	P/B	1.52	
	WoW %	13.21%	Div. Yield %	2.62%			
	YTD %	29.30%					
Sygnus Real Estate Finance Limited (SRFJMD)	Current Price	\$15.60	EPS	\$9.00	ROE	24.81%	<p>Sygnus Real Estate Finance Limited is a speciality real estate investment company, dedicated to providing flexible financing to unlock value in real estate assets across the Caribbean region. SRF is an alternative investment firm that is solely dedicated to the real estate asset class, by providing customized financing solutions in various forms across the credit and equity spectrum. Through the application of flexible financing, and with careful screening, managing and assessment of its highly experienced Real Estate Investment Advisory Committee, SRF will seek to earn attractive risk-adjusted returns with downside protection. We believe that Sygnus Real Estate Finance's offers a good investment opportunity given the business model of active management, track record of the Investment Manager, robust governance structure and the pipeline of opportunities on the table. Given the present inflationary economic environment and market dynamics characterized by high we anticipate that real estate could continue to perform well as a leading growth sector.</p>
	52 Week High	\$22.20	BVPS	\$36.27	P/E	1.73	
BUY	53 Week Low	\$14.05	T12M Div.	\$0.00	P/B	0.43	
	WoW %	-4.29%	Div. Yield %	0.00%			
	YTD %	-5.22%					

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Mutual Funds



A member of the Group

JN MUTUAL FUNDS

April 7, 2022

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$14.1732	2.24%	0.18%	1.30%
Global Equity	J\$15.4934	2.82%	-1.38%	0.00%
Global Fixed Income	J\$13.4331	4.58%	1.25%	3.76%
Global Money Market (US\$)	US\$11.1014	3.67%	1.04%	2.62%
Global Fixed Income (US\$)	US\$11.3394	3.90%	-0.02%	2.25%
Local Money Market	J\$11.6870	4.51%	0.89%	4.49%

	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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