

US' Consumer Sentiment Declines in Early August

The University of Michigan's Surveys of Consumers report showed a preliminary consumer sentiment reading for the United States (US) of 70.2 in August 2021, down from July's final reading of 81.2, and below market expectations for the reading to remain at July's levels. The preliminary reading for August falls below the 100-mark threshold, indicating that consumers are still pessimistic about the economy's prospects. Noteworthy, a reading above the 100-mark threshold would indicate that consumer sentiment towards the future economic situation has improved. Consumers expressing concerns about the economy's prospects, inflation and the recent surge in coronavirus cases contributed to the worsened expectations in early August. As a result, the Current Economic Conditions Index and the Consumer Expectations Index declined by 7.8% and 17.5% month-over-month, respectively.

The uncertainty surrounding the path of COVID-19 continues to present downside risks to consumer spending and, by extension, the US economy's recovery. Another wave of COVID-19 related shutdown due to the delta variant may have an impact on consumers' propensity to spend due to its potential impact on employment, business activity, supply chains and input prices. In light of this, we anticipate that consumer confidence will remain low in the coming months.

Currency Markets

International Currency Market

Currency	13-Aug	6-Aug	DoD % Δ	WoW % Δ	YTD% Δ	YoY% Δ
EUR: USD	1.180	1.176	0.57%	0.30%	-3.43%	-0.14%
GBP: USD	1.387	1.387	0.42%	-0.04%	1.43%	6.11%
USD: CAD	1.252	1.255	-0.09%	-0.31%	-1.65%	-5.35%
USD: JPY	109.590	110.250	-0.74%	-0.60%	6.14%	2.49%

Local Foreign Currency Market

Currency	13-Aug	12-Aug	5-Aug	DoD % Δ	WoW % Δ	YTD% Δ
USD:JMD	155.50	155.21	155.54	0.19%	-0.02%	9.01%
GBP:JMD	215.26	215.92	217.23	-0.30%	-0.90%	13.3%
CAD:JMD	124.88	124.83	124.62	0.04%	0.21%	13.0%

Global Interest Rates

Rates	13-Aug	6-Aug	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	1.28%	1.30%	-8.23	-2.02	36.35	55.59
10 Year UK Gilt	0.57%	0.61%	-2.80	-3.80	37.60	33.00
GOJ 2025 Global Bond	3.53%	3.54%	1.50	-1.10	8.20	-87.10
5 Year US Treasury Bond	0.77%	0.77%	-4.98	0.54	41.23	45.16
5 Year UK Gilt	0.30%	0.30%	-1.80	-0.10	38.00	30.70

Week in Review: Aug 9 - Aug 13, 2021

Local Equity Market

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
SOS	23.63%	PURITY	-17.44%
KLE	14.95%	QWI	-12.90%
SSLVC	13.89%	SALF	-9.04%

JSE Main Market activity (excluding preference shares) resulted from trading in **46** stocks of which **17** advanced, **27** declined and **2** traded firm. Market volume (excluding preference shares) amounted to **52,579,275** units valued at over **357,846,160**. JSE Junior Market activity (excluding preference shares) resulted from trading in **40** stocks of which **15** advanced, **21** declined and **4** traded firm. Market volume (excluding preference shares) amounted to **33,097,303** units valued at over **\$89,212,492**.

Global Equity Indices

Index	31-Dec	6-Aug	13-Aug	WoW % Δ	YTD% Δ	YoY% Δ
S&P 500	3,756.07	4,436.52	4,468.00	0.71%	18.95%	32.45%
Euro Stoxx 50	3,552.64	4,174.54	4,229.70	1.32%	19.06%	26.53%
MXWD Index	646.27	731.19	736.02	0.66%	13.89%	28.94%
JSE Main Market Index	395,614.93	421,732.30	416,728.75	-1.19%	5.34%	13.21%
JSE Junior Market Index	2,643.38	3,294.17	3,269.43	-0.75%	23.68%	25.99%
JSE Combined Index	392,435.92	423,521.94	418,639.76	-1.15%	6.68%	14.20%

Upcoming Week: Aug 16 - Aug 20, 2021

Country	Report	Period	Forecast	Prior
US	Initial Jobless	14-Aug	365,000	375,000
US	Advance MoM	Jul	-0.20%	0.60%
US	MBA Mortgage	13-Aug-21	--	0.03
US	Industrial	Jul	0.50%	0.40%
US	Housing Starts	Jul	1,600,000	1,643,000
UK	CPI YoY	Jul	2.30%	2.50%
JN	Industrial	Jun F	--	6.20%
CA	CPI YoY	Jul	3.40%	3.10%

LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE	
August 13, 2021							
Guardian Holdings Ltd. (GHL)	Current Price	\$618.96	EPS	\$80.71	ROE	18.20%	ROE 15.79%
	52 Week High	\$1,134.90	BVPS	\$443.33	P/E	7.67	
	53 Week Low	\$615.00	T12M Div.	\$0.00	P/B	1.40	P/B 2.08
	WoW %	-3.29%	Div. Yield %	0.00%			
	YTD %	6.26%					
BUY							
Derrimon Trading Co Ltd (DTL)	Current Price	\$2.38	EPS	\$0.09	ROE	7.36%	ROE 17.22%
	52 Week High	\$3.10	BVPS	\$1.24	P/E	26.07	
	53 Week Low	\$2.00	T12M Div.	\$0.01	P/B	1.92	P/B 3.06
	WoW %	-2.29%	Div. Yield %	0.46%			
	YTD %	-0.04%					
BUY							
Seprod Ltd (SEP)	Current Price	\$67.31	EPS	\$3.79	ROE	15.47%	ROE 18.15%
	52 Week High	\$85.00	BVPS	\$24.48	P/E	17.77	
	53 Week Low	\$51.00	T12M Div.	\$0.60	P/B	2.75	P/B 4.11
	WoW %	-4.88%	Div. Yield %	1.10%			
	YTD %	3.72%					
HOLD							
Jamaica Producers Group (JP)	Current Price	\$22.03	EPS	\$3.34	ROE	11.92%	ROE 10.77%
	52 Week High	\$31.00	BVPS	\$28.03	P/E	6.60	
	53 Week Low	\$19.00	T12M Div.	\$0.20	P/B	0.79	P/B 1.40
	WoW %	-2.96%	Div. Yield %	0.91%			
	YTD %	4.90%					
HOLD							

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LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	Js	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE			
August 13, 2021									
Wisynco Ltd (WISYNCO)	Current Price	\$15.80	EPS	\$0.70	ROE	17.64%	ROE	18.15%	<p>Wisynco's customers typically include restaurants, supermarkets retail and whole-sale outlets, schools and other food service outlets. As a result of the social distancing orders being enforced by the Government to curb the spread of the virus, the operations of the Company's customers base have been severely disrupted. We acknowledged, however, that the Company's strong brand presence in the food manufacturing and distribution sector, strong balance sheet and distribution network will go a far way to ensure that Wisynco remain resilient over the long-term. We believe that the Management's experience in distribution and the Company's investment in Innovation will be huge drivers of equity return over time. Notwithstanding, over the short to medium term (up to three years) Wisynco's profitability will be challenged as over 95% of the Company's revenues are generated locally and local consumer demand has declined and likely to remain subdued over the short to medium term. In our scenario, the Company is projected to return to pre-COVID state in the FY 2024/FY 2025.</p>
	52 Week High	\$17.99	BVPS	\$3.97	P/E	22.54	P/E	24.42	
	53 Week Low	\$13.00	T12M Div.	\$0.30	P/B	3.98	P/B	4.11	
	WoW %	0.90%	Div. Yield %	1.73%					
	YTD %	-6.21%							
BUY									
GraceKennedy Ltd (GK)	Current Price	\$101.88	EPS	\$7.09	ROE	11.11%	ROE	10.77%	<p>Despite the impact of COVID 19 on economic activity in Jamaica and other source markets, Grace Kennedy demonstrated strong resiliency and remained profitable. During 2020, the company made significant changes to ensure that its products and services were delivered to clients across many channels by ensuring its international supply chains remained strong, active and efficient. GK's recent deal with Nestle is one example of a strategy it has implemented to increase distribution as it moves closer to accomplishing its goal of creating a wider wingspan in the global arena. Additionally, GK's strategic vision of expanding its financial services business in the region is aligned with the acquisition of Scotia Insurance Eastern Caribbean. This addition could help to boost the already thriving insurance segment which grew by more than 20% in 2020 alone. GK's results delivered over the 6-month period ending June 2021, which saw profit after tax coming in at 30% above the amount posted in the same period in the previous year is a further reflection of its continued progress towards improving the operating margins and overall efficiency which will serve it well in the future.</p>
	52 Week High	\$105.99	BVPS	\$63.83	P/E	14.36	P/E	13.52	
	53 Week Low	\$55.01	T12M Div.	\$1.85	P/B	1.60	P/B	1.40	
	WoW %	1.15%	Div. Yield %	3.25%					
	YTD %	62.54%							
HOLD									

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Mutual Funds

JN MUTUAL FUNDS

August 12, 2021

Managed by



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JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$14.0628	2.97%	1.60%	2.19%
Global Equity	J\$16.3121	16.97%	8.34%	0.00%
Global Fixed Income	J\$13.0709	4.35%	3.27%	5.14%
Global Money Market (US\$)	US\$10.8468	3.54%	2.15%	2.40%
Global Fixed Income (US\$)	US\$11.2049	6.51%	1.74%	3.15%
Local Money Market	J\$11.4059	4.53%	3.40%	4.16%

	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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