

US' Unemployment Rate Fell to 6.3% in January 2021

According to the United States' (US) Bureau of Labor Statistics (BLS), US' non-farm payroll increased by 49,000 jobs in January 2021, following December's revised decline of 227,000 jobs. January's job gains were slightly lower than market expectations for 50,000 jobs. Job gains were predominantly due to increases in professional and business services and public and private education. However, these gains were offset by losses in leisure and hospitality, retail trade, health care, and transportation and warehousing. The unemployment rate fell by 0.4 percentage points to 6.3% in January, which was slightly better than market expectations for the rate to remain at 6.7%. Meanwhile, the labour force participation rate edged slightly lower, down by 0.1% percentage points to 61.4%

Although the unemployment rate is below April 2020's high, it remains above the pre-pandemic rate of 3.5%. The Congressional Budget Office has recently indicated that it estimates that employment would not return to its pre-pandemic level before 2024. Even though jobless claims have slowed over the past three weeks, the uncertainty surrounding the pandemic continues to skew risks to the downside with regards to demand and business activity. Therefore, we anticipate that the unemployment rate may remain elevated over the short-term. Further improvements in the unemployment rate will depend on the success and wide distribution of the vaccine in the US and in its main trading partner countries, containment of new variants of the virus as well as the ability of the US President to get the approval of the \$1.9 trillion COVID-19 relief package.

Currency Markets

International Currency Market

Currency	5-Feb	29-Jan	DoD % Δ	WoW % Δ	YTD% Δ	YoY% Δ
EUR: USD	1.205	1.214	0.71%	-0.72%	-1.37%	9.55%
GBP: USD	1.374	1.370	0.48%	0.22%	0.50%	5.66%
USD: CAD	1.277	1.280	-0.47%	-0.08%	0.33%	-3.88%
USD: JPY	105.390	104.680	-0.14%	0.68%	2.07%	-4.04%

Local Foreign Currency Market

Currency	5-Feb	4-Feb	29-Jan	DoD % Δ	WoW % Δ	YTD% Δ
USD:JMD	148.88	150.87	149.61	-1.32%	-0.49%	4.37%
GBP:JMD	205.17	204.89	205.52	0.14%	-0.17%	5.9%
CAD:JMD	118.47	118.07	117.52	0.34%	0.81%	6.3%

Global Interest Rates

Rates	5-Feb	29-Jan	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	1.17%	1.07%	3.00	10.00	26.00	-48.00
10 Year UK Gilt	0.48%	0.33%	4.00	15.00	28.00	-14.00
GOJ 2025 Global Bond	3.49%	3.41%	-1.00	8.00	4.00	-39.00
5 Year US Treasury Bond	0.46%	0.42%	0.00	4.00	10.00	-100.00
5 Year UK Gilt	0.08%	-0.03%	2.00	11.00	17.00	-38.00

Week in Review: Feb 1 - Feb 5 2020

Local Equity Market

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
CBNY	52.17%	PAL	-13.76%
tTech	18.58%	PTL	-12.41%
SALF	18.48%	CPFV	-8.43%

JSE Main Market activity (excluding preference shares) resulted from trading in **44** stocks of which **22** advanced, **21** declined and **1** traded firm. Market volume (excluding preference shares) amounted to **89,021,700** units valued at over **\$564,749,559**. JSE Junior Market activity (excluding preference shares) resulted from trading in **40** stocks of which **20** advanced, **17** declined and **3** traded firm. Market volume (excluding preference shares) amounted to **55,618,460** units valued at over **\$146,738,041**.









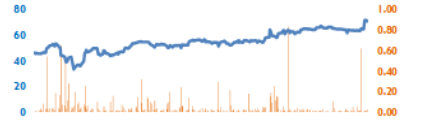







Global Equity Indices

Index	31-Dec	29-Jan	5-Feb	WoW % Δ	YTD% Δ	YoY% Δ
S&P 500	3,756.07	3,714.24	3,886.83	4.65%	3.48%	16.56%
Euro Stoxx 50	3,552.64	3,481.44	3,655.77	5.01%	2.90%	-3.23%
MXWD Index	646.27	642.91	670.56	4.30%	3.76%	16.93%
JSE Main Market Index	395,614.93	387,937.83	390,476.71	0.65%	-1.30%	-19.61%
JSE Junior Market Index	2,643.38	2,774.17	2,796.97	0.82%	5.81%	-6.68%
JSE Combined Index	392,435.92	386,761.92	389,342.47	0.67%	-0.79%	-18.74%

Upcoming Week: Feb 8 - Feb 12 2020

Country	Report	Period	Forecast	Prior
US	Initial Jobless	6-Feb	753,000	779,000
US	CPI MoM	Jan	0.30%	0.40%
US	U. of Mich.	Feb P	80.9	79
US	MBA Mortgage	5-Feb	--	8.10%
UK	Industrial	Dec	0.60%	-0.10%
UK	Industrial	Dec	-3.70%	-4.70%
JN	PPI YoY	Jan	-1.60%	-2.00%
JN	Money Stock	Jan	9.20%	9.20%

LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE	
February 5, 2021							
JMMB Group Ltd (JMMBGL)	<p>Current Price \$31.83</p> <p>52 Week High \$47.00</p> <p>53 Week Low \$28.00</p> <p>WoW % 2.02%</p> <p>YTD % -8.26%</p> 		<p>EPS \$3.42</p> <p>BVPS \$26.13</p> <p>T12M Div. \$0.25</p> <p>Div. Yield % 0.79%</p>	  	<p>ROE 13.08%</p> <p>P/E 9.32</p> <p>P/B 1.22</p>	<p>ROE 20.26%</p> <p>P/E 17.18</p> <p>P/B 2.08</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 the 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 Sagico Financial Corporation allows JMMBGL to achieve further diversification and increased profitability.</p>
BUY							
Derrimon Trading Co Ltd (DTL)	<p>Current Price \$2.48</p> <p>52 Week High \$3.10</p> <p>53 Week Low \$1.40</p> <p>WoW % -0.80%</p> <p>YTD % 4.35%</p> 		<p>EPS \$0.10</p> <p>BVPS \$0.49</p> <p>T12M Div. \$0.01</p> <p>Div. Yield % 0.48%</p>	  	<p>ROE 21.04%</p> <p>P/E 23.85</p> <p>P/B 5.02</p>	<p>ROE 14.15%</p> <p>P/E 26.54</p> <p>P/B 2.74</p>	<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 its organic growth in its primary distribution segment and through acquisitions. Consequently, it has delivered expansion which has seen its revenue more than double in five years and profits more than tripled. Although the coronavirus pandemic has slowed business activity in Jamaica generally, and has slowed Derrimon's revenue growth by approximately 1.0% up to September 2020, DTL has remained very profitable. Over the period, the Group delivered profit growth of 27.0% which is a signal of its strength and resiliency given the context of the COVID-19 pandemic.</p>
BUY							
Seprod Ltd (SEP)	<p>Current Price \$70.86</p> <p>52 Week High \$83.99</p> <p>53 Week Low \$30.00</p> <p>WoW % 9.13%</p> <p>YTD % 9.19%</p> 		<p>EPS \$4.26</p> <p>BVPS \$22.55</p> <p>T12M Div. \$0.30</p> <p>Div. Yield % 0.42%</p>	  	<p>ROE 18.90%</p> <p>P/E 16.63</p> <p>P/B 3.14</p>	<p>ROE 16.45%</p> <p>P/E 24.27</p> <p>P/B 3.60</p>	<p>With the onset of COVID-19, restaurants, supermarkets, bakeries and corner shops in communities have been forced to operate within restricted parameters or have completely shuttered. 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 companies good performance could likely continue into at least the short term. Over the last five years, the group has invested significantly in strengthening its operations and its resiliency. The investments include consolidating aspects of its business where costs were being duplicated, which is a move to position itself for continued resilience and competitiveness in face of the uncertainty which lies ahead. Over the medium-term, the group has further investments plans to improve its distribution, warehousing and logistics efforts that are expected to augment the Groups' profitability over time.</p>
BUY							
Wigton Windfarm Ltd(WIG)	<p>Current Price \$0.75</p> <p>52 Week High \$0.96</p> <p>53 Week Low \$0.50</p> <p>WoW % 1.35%</p> <p>YTD % -0.17%</p> 		<p>EPS \$0.05</p> <p>BVPS \$0.35</p> <p>T12M Div. \$0.00</p> <p>Div. Yield % 0.00%</p>	  	<p>ROE 14.85%</p> <p>P/E 14.30</p> <p>P/B 2.12</p>	<p>ROE 5.99%</p> <p>P/E 20.30</p> <p>P/B 1.11</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							

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LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE				
February 5, 2021									
Jamaica Broilers Group Ltd (JBG)	Current Price	\$28.02	EPS	\$1.50	ROE	10.36%	ROE	16.45%	Having been in operation for over sixty years, JBG has grown into an iconic brand in Jamaica and now has an increasing presence in the region. The Company's Jamaican operations continue to have a significant impact in the local marketplace through its Best Dressed Chicken and Hi-Pro divisions. However, the local market is mature with growth expected to be low in the medium term. With operations already firmly set in Haiti, JBG moved further to cement a stronghold and presence along the supply chain in the US with its recent acquisitions. In our view, these acquisitions and other inorganic initiatives are expected to be the catalyst for JBG's growth going forward.
	52 Week High	\$39.70	BVPS	\$14.48	P/E	18.68	P/E	24.27	
	53 Week Low	\$21.00	T12M Div.	\$0.31	P/B	1.94	P/B	3.60	
	WoW %	-3.98%	Div. Yield %	1.11%					
	YTD %	-4.88%							
BUY									
Wisynco Ltd (WISYNCO)	Current Price	\$16.48	EPS	\$0.68	ROE	17.38%	ROE	16.45%	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.
	52 Week High	\$23.46	BVPS	\$3.89	P/E	24.39	P/E	24.27	
	53 Week Low	\$11.50	T12M Div.	\$0.18	P/B	4.24	P/B	3.60	
	WoW %	0.92%	Div. Yield %	1.09%					
	YTD %	-2.17%							
HOLD									
Jamaica Producers Group (JP)	Current Price	\$19.61	EPS	\$3.41	ROE	23.55%	ROE	11.78%	Undoubtedly, COVID-19 has had a negative impact on aspects of the business and is likely to continue to weigh on those segments for the remainder of this year, even as the company adjusts its operations to deal with the pandemic. Some segments have remained strong; however, the pandemic has created opportunities for new retail channels to offset the downturn seen in some segments. Importantly, JP is further seeking to strengthen its business over the medium term to improve its capacity, to drive long term growth at the same time it continues to invest in strong food and logistics businesses. Despite COVID-19, 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.
	52 Week High	\$26.00	BVPS	\$14.47	P/E	5.75	P/E	16.95	
	53 Week Low	\$15.00	T12M Div.	\$0.20	P/B	1.35	P/B	1.55	
	WoW %	-0.91%	Div. Yield %	1.02%					
	YTD %	-6.62%							
BUY									

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Mutual Funds

JN MUTUAL FUNDS

February 4, 2021

Fund Managers Ltd.

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\$13.8647	-3.47%	0.17%	2.11%
Global Equity	J\$15.0351	-13.18%	-0.14%	0.00%
Global Fixed Income	J\$12.7934	5.34%	1.08%	5.77%
Global Money Market (US\$)	US\$10.6484	3.49%	0.28%	3.53%
Global Fixed Income (US\$)	US\$10.9885	6.03%	-0.23%	4.69%
Local Money Market	J\$11.1291	4.23%	0.89%	4.41%

	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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