

## US Consumer Sentiment Slips in February 2021

The University of Michigan survey of consumers for the United States was 76.8 for February 2021, lower than the final reading of 79.0 recorded for January. February's final reading was in line with the expectation of economists surveyed by The Wall Street Journal. Notably, a score above 100 indicates that consumers' sentiment of the economy has improved, while below 100 signals worsening economic prospects. The decline in the overall Index was primarily due to a fall in the Expectations Index, which moved from a reading of 74.0 in January 2021 to 70.7 in February. The Current Conditions Index also marginally declined by 0.6% month over month to 86.2 in February 2021. Consumers also anticipate that the year ahead inflation rate will be 3.3%, which is higher than the 3% recorded in January 2021 and 2.5% in December 2020.

Consumers anticipated spurt in inflation in the year ahead drew the most attention in the survey's results. However, the report noted that overall evidence does not indicate the emergence of an inflationary psychology that makes the expectation of inflation a self-fulfilling prophecy. The overall consumer sentiment outlook for the US remains well below the pre-pandemic reading of 101.0, recorded a year ago in February 2020. Given that the uncertainties surrounding the pandemic continue to present risks to the economic and employment outlook, it is likely that consumer sentiment will remain subdued. Notwithstanding, if the ongoing distribution of the vaccine aids in the lowering of the spread of the virus and if the additional stimulus is passed, we could see an improvement in consumers optimism in the ensuing periods.

### Currency Markets

#### International Currency Market

Currency	26-Feb	19-Feb	DoD % Δ	WoW % Δ	YTD% Δ	YoY% Δ
EUR: USD	1.207	1.212	-0.90%	-0.44%	-1.23%	10.89%
GBP: USD	1.393	1.400	-0.58%	-0.59%	1.93%	7.97%
USD: CAD	1.272	1.260	0.92%	0.82%	-0.05%	-4.61%
USD: JPY	106.550	105.450	0.32%	1.04%	3.20%	-3.51%

#### Local Foreign Currency Market

Currency	26-Feb	25-Feb	19-Feb	DoD % Δ	WoW % Δ	YTD% Δ
USD:JMD	151.94	151.54	152.06	0.26%	-0.08%	6.51%
GBP:JMD	210.66	213.23	213.53	-1.20%	-1.34%	8.8%
CAD:JMD	120.39	121.55	121.48	-0.96%	-0.89%	8.1%

### Global Interest Rates

Rates	26-Feb	19-Feb	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	1.40%	1.34%	-12.00	6.00	49.00	6.00
10 Year UK Gilt	0.82%	0.70%	4.00	12.00	62.00	32.00
GOJ 2025 Global Bond	3.66%	3.54%	-1.00	12.00	21.00	-23.00
5 Year US Treasury Bond	0.72%	0.58%	-10.00	14.00	36.00	-44.00
5 Year UK Gilt	0.40%	0.20%	3.00	20.00	49.00	1.00

### Week in Review: Feb 22 - Feb 26 2021

#### Local Equity Market

##### BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
ICREATE	55.00%	KEY	-23.87%
CBNY	33.87%	I38SL	-18.89%
CPJ	28.84%	PAL	-14.53%

JSE Main Market activity (excluding preference shares) resulted from trading in 44 stocks of which 19 advanced, 24 declined and 1 traded firm. Market volume (excluding preference shares) amounted to 116,636,249 units valued at over \$588,324,431. JSE Junior Market activity (excluding preference shares) resulted from trading in 41 stocks of which 23 advanced, 16 declined and 2 traded firm. Market volume (excluding preference shares) amounted to 55,822,107 units valued at over \$132,701,344.

















#### Global Equity Indices

Index	31-Dec	19-Feb	26-Feb	WoW % Δ	YTD% Δ	YoY% Δ
S&P 500	3,756.07	3,906.71	3,810.85	-2.45%	1.46%	22.28%
Euro Stoxx 50	3,552.64	3,713.46	3,636.44	-2.07%	2.36%	1.64%
MXWD Index	646.27	679.74	658.34	-3.15%	1.87%	21.96%
JSE Main Market Index	395,614.93	391,243.99	394,528.81	0.84%	-0.27%	-18.68%
JSE Junior Market Index	2,643.38	2,899.13	2,920.35	0.73%	10.48%	-0.57%
JSE Combined Index	392,435.92	391,135.12	394,384.78	0.83%	0.50%	-17.49%

### Upcoming Week: Mar 1 - Mar 5 2021

Country	Report	Period	Forecast	Prior
US	Change in	Feb	150,000	49,000
US	Claims	27-Feb	793,000	730,000
US	ISM	Feb	58.60	58.70
US	MBA Mortgage	26-Feb	--	-11.40%
UK	Markit UK PMI	Feb F	54.9	54.9
JN	Jobless Rate	Jan	3.00%	2.90%
CA	Quarterly GDP	4Q	7.20%	40.50%
CA	Markit Canada	Feb	--	54.4

# LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE				
February 26, 2021										
JMMB Group Ltd (JMMBGL)	Current Price	\$32.74	EPS	\$3.42	ROE	13.08%		ROE	18.14%	<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>
	52 Week High	\$46.00	BVPS	\$26.13	P/E	9.58		P/E	17.63	
BUY	53 Week Low	\$28.00	T12M Div.	\$0.25		P/B	1.25	P/B	1.78	
	WoW %	-0.21%	Div. Yield %	0.76%						
	YTD %	-5.63%								
										
Derrimon Trading Co Ltd (DTL)	Current Price	\$2.56	EPS	\$0.10	ROE	21.04%		ROE	13.15%	<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>
	52 Week High	\$3.10	BVPS	\$0.49	P/E	24.62		P/E	30.25	
BUY	53 Week Low	\$1.40	T12M Div.	\$0.01		P/B	5.18	P/B	3.20	
	WoW %	-1.92%	Div. Yield %	0.47%						
	YTD %	7.72%								
										
Seprod Ltd (SEP)	Current Price	\$68.58	EPS	\$4.22	ROE	18.27%		ROE	16.59%	<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>
	52 Week High	\$83.99	BVPS	\$23.11	P/E	16.24		P/E	23.80	
BUY	53 Week Low	\$30.00	T12M Div.	\$0.30		P/B	2.97	P/B	3.65	
	WoW %	2.01%	Div. Yield %	0.44%						
	YTD %	5.67%								
										
Wigton Windfarm Ltd(WIG)	Current Price	\$0.70	EPS	\$0.07	ROE	18.12%		ROE	6.77%	<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>
	52 Week High	\$0.95	BVPS	\$0.37	P/E	10.57		P/E	31.08	
HOLD	53 Week Low	\$0.50	T12M Div.	\$0.00		P/B	1.91	P/B	1.16	
	WoW %	-5.41%	Div. Yield %	0.00%						
	YTD %	-6.82%								
										

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# LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE				
February 26, 2021									
Jamaica Broilers Group Ltd (JBG)	Current Price	\$28.91	EPS	\$1.50	ROE	10.36%	ROE	16.59%	<p>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.</p>
	52 Week High	\$39.70	BVPS	\$14.48	P/E	19.27	P/E	23.80	
	53 Week Low	\$21.00	T12M Div.	\$0.31	P/B	2.00	P/B	3.65	
	WoW %	0.42%	Div. Yield %	1.07%					
	YTD %	-1.86%							
BUY									
Wisynco Ltd (WISYNCO)	Current Price	\$16.06	EPS	\$0.68	ROE	17.38%	ROE	16.59%	<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	\$23.10	BVPS	\$3.89	P/E	23.77	P/E	23.80	
	53 Week Low	\$11.50	T12M Div.	\$0.19	P/B	4.13	P/B	3.65	
	WoW %	-3.54%	Div. Yield %	1.18%					
	YTD %	-4.66%							
HOLD									
Jamaica Producers Group (JP)	Current Price	\$20.07	EPS	\$3.41	ROE	23.55%	ROE	11.78%	<p>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.</p>
	52 Week High	\$25.00	BVPS	\$14.47	P/E	5.89	P/E	17.57	
	53 Week Low	\$15.00	T12M Div.	\$0.20	P/B	1.39	P/B	1.59	
	WoW %	-0.64%	Div. Yield %	1.00%					
	YTD %	-4.43%							
BUY									

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# Mutual Funds

**JN MUTUAL FUNDS**

February 25, 2021

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\$13.9222	-1.97%	0.59%	2.07%
<b>Global Equity</b>	J\$15.1399	-11.01%	0.56%	0.00%
<b>Global Fixed Income</b>	J\$12.8370	5.56%	1.42%	5.32%
<b>Global Money Market (US\$)</b>	US\$10.6656	3.53%	0.45%	3.55%
<b>Global Fixed Income (US\$)</b>	US\$10.9041	5.25%	-0.99%	4.67%
<b>Local Money Market</b>	J\$11.1726	4.59%	1.29%	4.28%

	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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