

## Eurozone's Economic Sentiment Fell in January 2021

According to the European Commission, the Eurozone's Economic Sentiment Indicator (ESI), which measures business and household confidence, economic sentiments eased to 91.5 in January 2021, down 0.9 points from December's record of 92.4. Despite the fall, January's reading was better than market expectation for a reading of 89.5. Continued lockdowns in several parts of the EU were the main driver for the reduced sentiment in January as, despite the marginal increase in industry confidence, the mood in services, retail and among consumers was overshadowed by the escalating infections. Of the five indexes included in the ESI, confidence in construction remained broadly unchanged as managers' improved appraisals of the level of order books were counterbalanced by more muted employment expectations. Among the largest euro-area economies, the ESI fell in France by 2.6 points and Germany by 2.3 points, while it improved in Spain, Netherlands and Italy by 2.4, 0.6 and 0.4 points, respectively.

January 2021 economic sentiment is below February 2020 pre-pandemic level of 103.6 but is higher than the sentiments recorded in the initial months of the pandemic. The challenges with the expected vaccine roll out in terms of supply; ongoing rise in COVID-19 cases; the extension of lockdowns or restrictions in many of the EU countries; and weakness in business activity is likely to continue weighing on consumer and business sentiment over the near to short term. However, we expect that there could be an increase in sentiment closer to the second half of the year barring any hiccups in the vaccination programmes and if the virus can be kept under control.

### Currency Markets

#### International Currency Market

Currency	29-Jan	22-Jan	DoD % Δ	WoW % Δ	YTD% Δ	YoY% Δ
EUR: USD	1.213	1.217	0.08%	-0.32%	-0.69%	10.19%
GBP: USD	1.370	1.370	-0.16%	0.09%	0.21%	5.21%
USD: CAD	1.279	1.270	-0.29%	0.47%	0.53%	-3.08%
USD: JPY	104.750	103.780	0.49%	0.93%	1.45%	-3.92%

#### Local Foreign Currency Market

Currency	29-Jan	28-Jan	22-Jan	DoD % Δ	WoW % Δ	YTD% Δ
USD:JMD	149.61	148.59	146.77	0.69%	1.94%	4.88%
GBP:JMD	205.52	204.68	201.19	0.41%	2.15%	6.1%
CAD:JMD	117.52	116.99	114.22	0.45%	2.89%	5.5%

### Global Interest Rates

Rates	29-Jan	22-Jan	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	1.08%	1.09%	4.00	-1.00	17.00	-50.00
10 Year UK Gilt	0.33%	0.31%	4.00	2.00	13.00	-19.00
GOJ 2025 Global Bond	3.41%	3.35%	1.00	6.00	-4.00	-41.00
5 Year US Treasury Bond	0.43%	0.43%	0.00	0.00	7.00	-98.00
5 Year UK Gilt	-0.03%	-0.04%	1.00	1.00	6.00	-41.00

### Week in Review: Jan 25 - Jan 29 2020

#### Local Equity Market

##### BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
DCOVE	17.65%	ROC	-22.50%
TJHUSD	15.29%	PURITY	-19.51%
CBNY	15.00%	PJX	-14.97%

JSE Main Market activity (excluding preference shares) resulted from trading in **44** stocks of which **23** advanced, **18** declined and **3** traded firm. Market volume (excluding preference shares) amounted to **69,265,846** units valued at over **\$486,348,034**. JSE Junior Market activity (excluding preference shares) resulted from trading in **41** stocks of which **20** advanced, **19** declined and **2** traded firm. Market volume (excluding preference shares) amounted to **48,241,899** units valued at over **\$121,970,909**.
















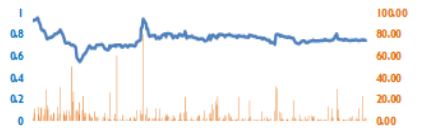
#### Global Equity Indices

Index	31-Dec	22-Jan	29-Jan	WoW % Δ	YTD% Δ	YoY% Δ
S&P 500	3,756.07	3,841.47	3,714.04	-3.32%	-1.12%	13.46%
Euro Stoxx 50	3,552.64	3,602.41	3,481.44	-3.36%	-2.00%	-6.82%
MXWD Index	646.27	666.69	642.81	-3.58%	-0.54%	13.30%
JSE Main Market Index	395,614.93	385,859.59	387,937.83	0.54%	-1.94%	-21.91%
JSE Junior Market Index	2,643.38	2,749.66	2,774.17	0.89%	4.95%	-10.46%
JSE Combined Index	392,435.92	384,586.87	386,761.92	0.57%	-1.45%	-21.14%

### Upcoming Week: Feb 1 - Feb 5 2020

Country	Report	Period	Forecast	Prior
US	Change in	Jan	58,000	-140,000
US	Initial Jobless	30-Jan	830,000	847,000
US	ISM	Jan	60	60.7
US	Durable Goods	Dec F	0.20%	0.20%
UK	Bank of England	4-Feb	0.10%	0.10%
UK	Markit UK PMI	Jan F	52.90	52.90
CA	Unemployment	Jan	8.90%	8.60%
JN	Monetary Base	Jan	--	18.30%

# LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE			
January 29, 2021									
JMMB Group Ltd (JMMBGL)	Current Price	\$31.20	EPS	\$3.42	ROE	13.08%	 <b>ROE 13.08%</b>  <b>P/E 9.13</b>  <b>P/B 1.19</b>	<b>ROE 20.33%</b> <b>P/E 17.40</b> <b>P/B 2.13</b>	<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 Sagor Financial Corporation allows JMMBGL to achieve further diversification and increased profitability.</p>
	52 Week High	\$48.00	BVPS	\$26.13					
BUY	53 Week Low	\$28.00	T12M Div.	\$0.25					
	WoW %	-3.61%	Div. Yield %	0.80%					
	YTD %	-10.07%							
Derrimon Trading Co Ltd (DTL)	Current Price	\$2.50	EPS	\$0.10	ROE	21.04%	 <b>ROE 21.04%</b>  <b>P/E 24.04</b>  <b>P/B 5.06</b>	<b>ROE 14.15%</b> <b>P/E 26.76</b> <b>P/B 2.70</b>	<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					
BUY	53 Week Low	\$1.40	T12M Div.	\$0.01					
	WoW %	5.04%	Div. Yield %	0.48%					
	YTD %	5.20%							
Seprod Ltd (SEP)	Current Price	\$64.93	EPS	\$4.26	ROE	18.90%	 <b>ROE 18.90%</b>  <b>P/E 15.24</b>  <b>P/B 2.88</b>	<b>ROE 16.47%</b> <b>P/E 23.06</b> <b>P/B 3.48</b>	<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	\$70.00	BVPS	\$22.55					
BUY	53 Week Low	\$30.00	T12M Div.	\$0.80					
	WoW %	2.25%	Div. Yield %	1.23%					
	YTD %	0.05%							
Wigton Windfarm Ltd (WIG)	Current Price	\$0.74	EPS	\$0.05	ROE	14.85%	 <b>ROE 14.85%</b>  <b>P/E 14.11</b>  <b>P/B 2.10</b>	<b>ROE 5.99%</b> <b>P/E 21.20</b> <b>P/B 1.13</b>	<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	\$0.98	BVPS	\$0.35					
HOLD	53 Week Low	\$0.50	T12M Div.	\$0.00					
	WoW %	0.00%	Div. Yield %	0.00%					
	YTD %	-1.50%							

**Disclaimer:** All information contained herein is obtained by JN Fund Managers Limited's (JNFM'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' 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' 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.

# LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE				
January 29, 2021									
Jamaica Broilers Group Ltd (JBG)	Current Price	\$29.18	EPS	\$1.50	ROE	10.36%	ROE	16.47%	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	19.45	P/E	23.06	
	53 Week Low	\$21.00	T12M Div.	\$0.31	P/B	2.02	P/B	3.48	
	WoW %	0.62%	Div. Yield %	1.06%					
	YTD %	-0.95%							
BUY									
Wisynco Ltd (WISYNCO)	Current Price	\$16.33	EPS	\$0.65	ROE	17.51%	ROE	16.47%	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	\$23.50	BVPS	\$3.70	P/E	25.22	P/E	23.06	
	53 Week Low	\$11.50	T12M Div.	\$0.18	P/B	4.42	P/B	3.48	
	WoW %	0.18%	Div. Yield %	1.10%					
	YTD %	-3.06%							
HOLD									
Jamaica Producers Group (JP)	Current Price	\$19.79	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	\$26.50	BVPS	\$14.47	P/E	5.81	P/E	16.83	
	53 Week Low	\$15.00	T12M Div.	\$0.20	P/B	1.37	P/B	1.54	
	WoW %	-0.10%	Div. Yield %	1.01%					
	YTD %	-5.76%							
BUY									

**Disclaimer:** All information contained herein is obtained by JN Fund Managers Limited's (JNFM'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' 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' 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.



# Mutual Funds

**JN MUTUAL FUNDS**  
January 28, 2021



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\$13.8173	-3.84%	-0.17%	2.19%
<b>Global Equity</b>	J\$14.8105	-14.53%	-1.63%	0.00%
<b>Global Fixed Income</b>	J\$12.7833	5.39%	1.00%	5.83%
<b>Global Money Market (US\$)</b>	US\$10.6426	3.48%	0.23%	3.54%
<b>Global Fixed Income (US\$)</b>	US\$10.9578	5.81%	-0.51%	4.65%
<b>Local Money Market</b>	J\$11.1175	4.20%	0.79%	4.41%

	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

**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)

**Gayon Knight** - 876-564-9563 [gknight@jngroup.com](mailto:gknight@jngroup.com)

### Mandeville

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

### St. Catherine

**Nickesha Mullings-Gilling** - 876-891-4736 [nmullings@jngroup.com](mailto:nmullings@jngroup.com)

### Montego Bay

**Marissa Williams** - 876-465-3726 [mwilliams1@jngroup.com](mailto:mwilliams1@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 .