

U.S. Service Sector Contracts in December, Price increases slow - ISM survey

In December, U.S. services industry activity contracted for the first time in more than two and a half years, amid weakening demand. At the same time, the pace of increase in prices paid by businesses slowed considerably, offering more evidence that inflation was abating. On Friday, the Institute for Supply Management (ISM) said its non-manufacturing Purchasing Managers' Index (PMI) dropped to 49.6 last month, from 56.5 in November. It was the first time since May 2020 that the services PMI fell below the threshold of 50, which indicates contraction in the sector that accounts for more than two-thirds of U.S. economic activity. Outside the COVID-19 pandemic slump, this was the weakest services PMI reading since late 2009. The Index is also now below the 50.1 level, which the ISM says over time is consistent with a recession in the broader economy. Economists polled by Reuters had forecast the non-manufacturing PMI slipping to 55.0. The weakness in the services sector, came in the wake of another ISM survey this week, which showed manufacturing in December slumping for a second straight month.

The Federal Reserve's fastest interest rate-hiking cycle since the 1980s, is dampening demand across the economy, as it battles inflation. This lowered demand has led to the ISM's measure of services industry employment falling to 49.8 from 51.5 in November. The ISM's gauge of new orders received by services businesses also fell to 45.2 from 56.0 in November. This was the lowest level since May 2020 and the weakest reading since 2009, excluding the collapse during the pandemic. A measure of prices paid by services industries for inputs dropped to 67.6 from 70.0 in November, the lowest since January 2021, as supply bottlenecks continued to ease. Meanwhile, the survey's measure of services industry supplier deliveries fell to 48.5 from 53.8 in November, where a reading above 50 indicates slower deliveries.

Source: Reuters

Currency Markets

International Currency Market

Currency	6-Jan	30-Dec	DoD % Δ	WoW % Δ	YTD% Δ	YoY% Δ
EUR: USD	1.064	1.071	1.16%	-0.57%	-6.39%	-5.78%
GBP: USD	1.210	1.210	1.57%	0.10%	-10.62%	-10.62%
USD: CAD	1.345	1.360	-0.92%	-0.80%	6.39%	5.62%
USD: JPY	132.080	131.120	-1.00%	0.73%	14.77%	14.03%

Local Foreign Currency Market

Currency	6-Jan	5-Jan	30-Dec	DoD % Δ	WoW % Δ	YTD% Δ
USD:JMD	153.20	153.37	152.05	-0.11%	0.75%	0.75%
GBP:JMD	184.30	183.54	182.09	0.41%	1.21%	1.2%
CAD:JMD	113.05	112.55	108.49	0.44%	4.21%	4.2%

Global Interest Rates

Rates	6-Jan	30-Dec	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	3.56%	3.87%	-16.00	-31.00	205.00	184.00
10 Year UK Gilt	3.47%	3.67%	-8.00	-20.00	250.00	231.00
GOJ 2025 Global Bond	6.46%	6.40%	-10.00	6.00	242.00	237.00
5 Year US Treasury Bond	3.71%	4.00%	-20.00	-29.00	245.00	224.00
5 Year UK Gilt	3.45%	3.62%	-11.00	-17.00	263.00	248.00

Week in Review: January 2 - January 6, 2023

Local Equity Market

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
PURITY	17.47%	PTL	-17.95%
SIL	17.28%	PJX	-15.17%
VMIL	14.43%	MTLJA	-14.99%

JSE Main Market activity (excluding preference shares) resulted from trading in **48** stocks of which **23** advanced, **23** declined and **2** traded firm. Market Volume (excluding preference shares) amounted to **31,975,604** units valued at over **\$345,523,518**. JSE Junior Market activity (excluding preference shares) resulted from trading in **46** stocks of which **18** advanced, **26** declined and **2** traded firm. Market volume (excluding preference shares) amounted to **27,651,888** units valued at over **\$70,641,258**.

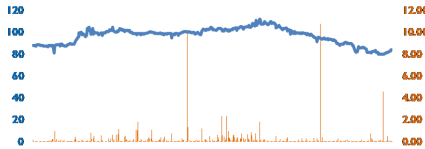
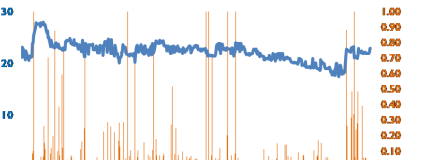
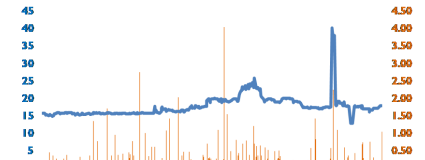
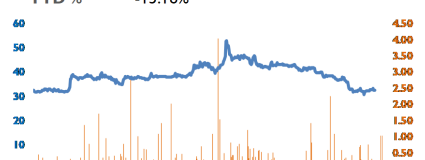
Global Equity Indices

Index	30-Dec	30-Dec	6-Jan	WoW % Δ	YTD% Δ	YoY% Δ
S&P 500	4,766.18	3,839.50	3,895.00	1.45%	-18.28%	-17.06%
Euro Stoxx 50	4,298.41	3,793.62	4,017.83	5.91%	-6.53%	-7.10%
MXWD Index	754.83	605.38	618.24	2.12%	-18.10%	-16.91%
JSE Main Market Index	355,896.64	355,896.64	348,180.63	-2.17%	-2.17%	-13.10%
JSE Junior Market Index	3,986.44	3,986.44	3,900.78	-2.15%	-2.15%	13.11%
JSE Combined Index	368,591.98	368,591.98	360,607.78	-2.17%	-2.17%	-11.07%

Upcoming Week: January 9 - January 13, 2023

Country	Report	Period	Forecast	Prior
US	Initial Jobless Claims	7-Jan	215,000	204,000
US	CPI MoM	Dec	0.00%	0.10%
US	U. of Mich. Sentiment	Jan P	60.5	59.7
US	CPI YoY	Dec	6.50%	7.10%
UK	Industrial Production MoM	Nov	-0.30%	0.00%
UK	Manufacturing Production	Nov	-0.20%	0.70%
UK	Industrial Production YoY	Nov	-3.00%	-2.40%
JN	Tokyo CPI Ex-Fresh Food	Dec	3.80%	3.60%

LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE		
January 6, 2023								
Grace Kennedy Ltd (GK)	Current Price	\$81.79	EPS	\$8.39	ROE	12.08%	ROE 10.77%	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 segment 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.
	52 Week High	\$115.00	BVPS	\$69.46	P/E	9.74		
	53 Week Low	\$75.00	T12M Div.	\$2.57	P/B	1.18	P/B 1.43	
	WoW %	-1.72%	Div. Yield %	2.57%				
	YTD %	-18.23%						
BUY								
Jamaica Producers Group (JP)	Current Price	\$22.99	EPS	\$1.30	ROE	7.75%	ROE 10.77%	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. Further, inflation, supply chain issues, reduced business confidence and trading due to the war in Ukraine, and ongoing economic uncertainty related to the pandemic will present challenges 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 anticipated in some. JP remains strong along several key financial metrics, including its relatively large equity base and growing cash and securities balance, providing the group with the flexibility to manage and execute on strategies of acquiring undervalued assets as they become available. Most 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.
	52 Week High	\$28.00	BVPS	\$16.71	P/E	17.74		
	53 Week Low	\$17.10	T12M Div.	\$0.00	P/B	1.38	P/B 1.43	
	WoW %	4.74%	Div. Yield %	0.00%				
	YTD %	3.97%						
BUY								
Wisynco Ltd (WISYNCO)	Current Price	\$18.00	EPS	\$1.17	ROE	22.93%	ROE 17.20%	Today, Wisynco is a prominent manufacturer and distributor of beverages and food items in Jamaica. With one of the largest sales forces locally, with 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.
	52 Week High	\$26.90	BVPS	\$5.09	P/E	15.42		
	53 Week Low	\$16.00	T12M Div.	\$0.40	P/B	3.54	P/B 2.63	
	WoW %	1.87%	Div. Yield %	2.28%				
	YTD %	7.81%						
BUY								
JMMB Group Ltd (JMMBGL)	Current Price	\$33.45	EPS	\$1.45	ROE	6.11%	ROE 13.16%	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. To that end JMMBGL has grown its operations from strictly investment management, trading, stockbroking, and market-making activities to include commercial banking and while Jamaica remains the core of its operations, it has a significant presence in Trinidad and the Dominican Republic. Looking ahead, we anticipate that JMMBGL's earnings will be further diversified and boosted through its equity stake into "Sagicor Financial Corporation". One of SFC's strongest growth areas has been its USA operations and as a result, this investment has allowed JMMBGL to get exposure new markets and the insurance business line and anticipate that this will help the group to yield positive results over the short to medium term.
	52 Week High	\$61.24	BVPS	\$23.78	P/E	23.03		
	53 Week Low	\$30.00	T12M Div.	\$0.50	P/B	1.41	P/B 1.70	
	WoW %	1.52%	Div. Yield %	1.29%				
	YTD %	-15.18%						
BUY								




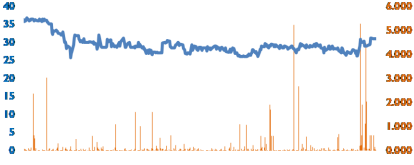



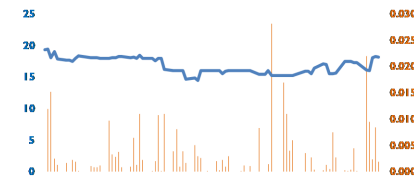



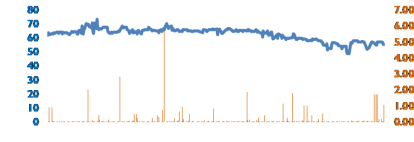
Disclaimer: All information contained herein is obtained by JN Fund Managers Limited's (JNFM's) Global Investment Research Unit from sources believed to be accurate and reliable. All opinions expressed are based on the Research Analyst's judgment as of the date of the report. As such, no warranty is 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.

LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE
January 6, 2023						
Jamaica Broilers Group Ltd (JBG)	Current Price \$30.25		EPS \$3.60	 ROE 18.71%  P/E 8.40  P/B 1.57	ROE 17.20%	Having been in operation for over sixty years, JBG has grown into an iconic Jamaican company with 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. 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. Now a multinational entity, the Group is best described as a vertically integrated poultry business with operations spanning the full gamut of poultry rearing as a means for food production. In our view, these acquisitions and other inorganic initiatives are expected to be the catalyst for JBG's growth going forward.
	52 Week High \$32.00		BVPS \$19.26			
	53 Week Low \$25.00		T12M Div. \$0.67			
	WoW % -2.42%		Div. Yield % 2.33%			
	YTD % 4.20%					
BUY						
Sygnus Real Estate Finance Limited (SRFJMD)	Current Price \$9.48		EPS (\$2.04)	 ROE -9.93%  P/E -4.65  P/B 0.46	ROE 7.15%	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.
	52 Week High \$18.25		BVPS \$20.51			
	53 Week Low \$9.00		T12M Div. \$0.00			
	WoW % -5.20%		Div. Yield % 0.00%			
	YTD % -42.41%					
BUY						
Pan-Jamaican Investment Trust (PJAM)	Current Price \$59.02		EPS \$4.00	 ROE 8.72%  P/E 14.77  P/B 1.29	ROE 10.77%	Panjam has an expanding real estate portfolio where it owns some of the most iconic properties across the island plus strong brownfield investments generating steady flows of rental income and providing a strong base for investment. However, Panjam is much more than real estate powerhouse. Its strategy is built on three main pillars: strategic equity, tradeable securities and real estate. A key feature of this strategy is its investment portfolio which includes its over 30% stake in Sagicor Group Jamaica. Overall, the Panjam's investments are very well diversified, providing sector exposure to real estate, insurance, financial services, manufacturing, tourism and business process outsourcing services. Over the next few years Panjam will pursue strategies to continue to broaden its footprint across the region and continue to deliver great value for its shareholders.
	52 Week High \$71.00		BVPS \$45.82			
	53 Week Low \$47.50		T12M Div. \$1.28			
	WoW % 3.13%		Div. Yield % 1.90%			
	YTD % -9.00%					
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



Managed by

A member of the Group

JN MUTUAL FUNDS

January 5, 2023

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$12.8451	-8.79%	-0.80%	2.88%
Global Equity	J\$14.3369	-7.28%	-1.68%	0.00%
Global Fixed Income	J\$13.8100	3.96%	0.19%	5.97%
Global Money Market (US\$)	US\$11.3997	3.70%	0.04%	3.54%
Global Fixed Income (US\$)	US\$11.4460	0.97%	0.04%	3.33%
Local Money Market	J\$12.1117	4.37%	0.32%	6.56%

	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.

Contact us

Kingston & St. Andrew

Kimberly Savage – 876-307-9461 ksavage@jngroup.com

Tamara Honeyghan - 876-557-0082 tamarah@jngroup.com

Gayon Knight - 876-564-9563 gknight@jngroup.com

Jason Adams - 876-550-9504 jyadams@jngroup.com

Mandeville

Horace Walters – 876-487-9267 waltersh@jngroup.com

St. Catherine

Nickesha Mullings-Gilling - 876-891-4736 nmullings@jngroup.com

Montego Bay

Marissa Williams - 876-465-3726 mwilliams1@jngroup.com

Anna-kaye Lynfatt - 876-564-8276 alynfatt@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 .

