

## U.S. job growth powers ahead; unemployment rate at 3.4%

U.S. job growth accelerated sharply in January while the unemployment rate hit a more than 53-1/2-year low of 3.4%, pointing to a persistently tight labour market, and a potential headache for Federal Reserve officials as they fight inflation. The Labour Department's closely watched employment report on Friday also showed job creation in the past year was much stronger than previously estimated, suggesting the economy was nowhere near a recession. Though wage growth is slowing, it was growing much faster than previously estimated in recent months. The strength in hiring despite layoffs in the technology sector as well as interest rate sensitive sectors like housing and finance keep the U.S. central bank on its monetary policy tightening path.

The survey of establishments showed nonfarm payrolls surged by 517,000 jobs last month. Data for December was revised higher to show 260,000 jobs added instead of the previously reported 223,000. Economists polled by Reuters had forecast payrolls rising 185,000, with estimates ranging from 125,000 to 305,000. Employment growth last month was well above the monthly average of 401,000 in 2022. Last month's broad increase in employment was led by the leisure and hospitality sector, which added 128,000 jobs, with 99,000 of them in restaurants and bars. Employment in leisure and hospitality remains below its pre-pandemic level by 495,000. Professional and business services employment rose by 82,000, with temporary help jobs rebounding 25,900 after declining for several months. Government payrolls jumped 74,000, boosted by the return of striking university workers in California.

The Bureau of Labor Statistics (BLS) also incorporated new population estimates in the household survey, from which the unemployment rate is derived. As such the unemployment rate of 3.4%, the lowest since May 1969, is not comparable to December's 3.5% rate. Government data also showed this week that there were 11 million job openings at the end of December, with 1.9 openings for every unemployed person.

Source: Reuters

### Currency Markets

#### International Currency Market

Currency	3-Feb	27-Jan	DoD % Δ	WoW % Δ	YTD% Δ	YoY% Δ
EUR: USD	1.080	1.087	-1.02%	-0.63%	-5.02%	-5.60%
GBP: USD	1.205	1.240	-1.40%	-2.65%	-10.92%	-11.35%
USD: CAD	1.340	1.330	0.66%	0.70%	6.07%	5.73%
USD: JPY	131.190	129.880	1.95%	1.01%	14.00%	14.11%

#### Local Foreign Currency Market

Currency	3-Feb	2-Feb	27-Jan	DoD % Δ	WoW % Δ	YTD% Δ
USD:JMD	155.17	154.99	154.61	0.11%	0.36%	2.05%
GBP:JMD	188.74	191.23	193.17	-1.30%	-2.29%	3.7%
CAD:JMD	116.03	116.09	115.75	-0.05%	0.24%	7.0%

### Global Interest Rates

Rates	3-Feb	27-Jan	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	3.52%	3.50%	13.00	2.00	201.00	169.00
10 Year UK Gilt	3.06%	3.32%	5.00	-26.00	209.00	169.00
GOJ 2025 Global Bond	6.54%	6.44%	5.00	10.00	250.00	231.00
5 Year US Treasury Bond	3.66%	3.61%	17.00	5.00	240.00	199.00
5 Year UK Gilt	2.92%	3.20%	4.00	-28.00	210.00	170.00

### Week in Review: January 30 - February 3, 2023

#### Local Equity Market

##### BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
PBS	30.70%	PAL	-22.83%
MPCCEL	29.48%	KEX	-17.00%
ICREATE	26.79%	LASM	-11.37%

JSE Main Market activity (excluding preference shares) resulted from trading in 49 stocks of which 19 advanced, 26 declined and 4 traded firm. Market Volume (excluding preference shares) amounted to 55,425,291 units valued at over \$597,717,458. JSE Junior Market activity (excluding preference shares) resulted from trading in 48 stocks of which 27 advanced, 19 declined and 2 traded firm. Market volume (excluding preference shares) amounted to 49,741,618 units valued at over \$162,378,231.






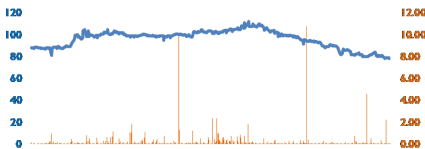





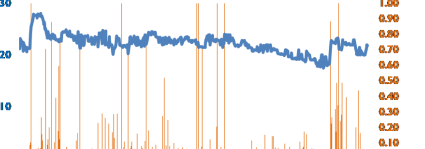












#### Global Equity Indices

Index	30-Dec	27-Jan	3-Feb	WoW % Δ	YTD% Δ	YoY% Δ
S&P 500	4,766.18	4,070.56	4,136.46	1.62%	-13.21%	-7.62%
Euro Stoxx 50	4,298.41	4,178.01	4,257.98	1.91%	-0.94%	2.82%
MXWD Index	754.83	649.94	655.24	0.82%	-13.19%	-8.51%
JSE Main Market Index	355,896.64	340,317.50	337,795.57	-0.74%	-5.09%	-14.42%
JSE Junior Market Index	3,986.44	3,938.05	3,940.47	0.06%	-1.15%	-0.86%
JSE Combined Index	368,591.98	353,613.49	351,286.59	-0.66%	-4.69%	-13.22%

### Upcoming Week: February 6 - February 10, 2023

Country	Report	Period	Forecast	Prior
US	Initial Jobless Claims	4-Feb	190,000	183,000
US	U. of Mich. Sentiment	Feb P	65	64.9
US	Wholesale Inventories MoM	Dec F	0.10%	0.10%
UK	GDP QoQ	4Q P	0.00%	-0.30%
UK	GDP YoY	4Q P	0.40%	1.90%
UK	Industrial Production MoM	Dec	-0.20%	-0.20%
CA	Unemployment Rate	Jan	5.10%	5.00%
JN	PPI YoY	Jan	9.70%	10.20%

# LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE		
February 3, 2023								
Grace Kennedy Ltd (GK)	Current Price	\$78.57	EPS	\$8.39	ROE	12.08%	 <b>ROE 10.77%</b>  <b>P/E 9.36</b>  <b>P/B 1.13</b>	<p>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 segments 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.</p>
	52 Week High	\$115.00	BVPS	\$69.46	ROE	10.77%		
BUY	53 Week Low	\$74.50	T12M Div.	\$2.57	P/E	11.57	 <b>P/E 15.87</b>  <b>P/B 1.23</b>	<p>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.</p>
	WoW %	-0.53%	Div. Yield %	2.52%	P/E	11.57		
	YTD %	-5.59%			P/B	1.38		
								
Jamaica Producers Group (JP)	Current Price	\$20.56	EPS	\$1.30	ROE	7.75%	 <b>ROE 10.77%</b>  <b>P/E 15.87</b>  <b>P/B 1.23</b>	<p>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.</p>
	52 Week High	\$28.00	BVPS	\$16.71	ROE	10.77%		
BUY	53 Week Low	\$17.10	T12M Div.	\$0.00	P/E	11.57	 <b>P/E 14.63</b>  <b>P/B 3.36</b>	<p>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.</p>
	WoW %	-2.00%	Div. Yield %	0.00%	P/E	13.48		
	YTD %	-6.33%			P/B	2.47		
								
Wisynco Ltd (WISYNCO)	Current Price	\$17.08	EPS	\$1.17	ROE	22.93%	 <b>ROE 17.20%</b>  <b>P/E 14.63</b>  <b>P/B 3.36</b>	<p>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.</p>
	52 Week High	\$26.90	BVPS	\$5.09	ROE	17.20%		
BUY	53 Week Low	\$16.00	T12M Div.	\$0.40	P/E	13.48	 <b>P/E 22.65</b>  <b>P/B 1.38</b>	<p>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.</p>
	WoW %	0.83%	Div. Yield %	2.27%	P/E	11.01		
	YTD %	-3.34%			P/B	1.52		
								
JMMB Group Ltd (JMMBGL)	Current Price	\$32.90	EPS	\$1.45	ROE	6.11%	 <b>ROE 12.41%</b>  <b>P/E 22.65</b>  <b>P/B 1.38</b>	<p>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.</p>
	52 Week High	\$61.24	BVPS	\$23.78	ROE	12.41%		
BUY	53 Week Low	\$30.00	T12M Div.	\$0.50	P/E	11.01	 <b>P/E 22.65</b>  <b>P/B 1.38</b>	<p>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.</p>
	WoW %	-6.03%	Div. Yield %	1.17%	P/E	11.01		
	YTD %	-0.15%			P/B	1.52		
								

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# LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE				
February 3, 2023									
Jamaica Broilers Group Ltd (JBG)	Current Price	\$29.06	EPS	\$3.60	ROE	18.71%	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	P/E	8.07	P/E	13.48	
BUY	53 Week Low	\$25.00	T12M Div.	\$0.67	P/B	1.51	P/B	2.47	
	WoW %	-2.97%	Div. Yield %	2.47%					
Sygnus Real Estate Finance Limited (SRFJMD)	Current Price	\$10.49	EPS	\$1.90	ROE	8.37%	ROE	9.76%	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	\$18.24	BVPS	\$22.71	P/E	5.52	P/E	14.29	
BUY	53 Week Low	\$9.00	T12M Div.	\$0.00	P/B	0.46	P/B	0.88	
	WoW %	16.43%	Div. Yield %	0.00%					
Pan-Jamaican Investment Trust (PJAM)	Current Price	\$57.02	EPS	\$4.00	ROE	8.72%	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	P/E	14.27	P/E	11.57	
BUY	53 Week Low	\$47.50	T12M Div.	\$1.28	P/B	1.24	P/B	1.38	
	WoW %	-0.12%	Div. Yield %	1.95%					
YTD %	-6.26%								

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# Mutual Funds



A member of the Group

## JN MUTUAL FUNDS

February 2, 2023

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
<b>Global Diversified Income</b>	J\$12.9190	-8.34%	-0.23%	2.75%
<b>Global Equity</b>	J\$14.3253	-6.57%	-1.76%	0.00%
<b>Global Fixed Income</b>	J\$13.9499	5.19%	1.21%	5.96%
<b>Global Money Market (US\$)</b>	US\$11.4404	4.16%	0.39%	4.20%
<b>Global Fixed Income (US\$)</b>	US\$11.5173	1.89%	0.66%	4.15%
<b>Local Money Market</b>	J\$12.2154	5.03%	1.17%	6.82%

	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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