

US Retail Sales Increases by 0.6% in June

The United States (US) Census Bureau monthly retail sales report showed that retail sales rose by 0.6% in June, which was above market expectations for a decline of 0.4%. June's retail sales was also better than May's outturn where retail sales declined by 1.7%. Ten of the 14 major retail categories posted an increase in sales for June, with the largest gains occurring in categories such as 'Miscellaneous store retailers' up by 3.4%; 'Electronics & appliance stores' up by 3.3%; Clothing & clothing accessories stores up by 2.6% and Gasoline stations up by 2.5%. However, the overall increase in US retail sales was offset by declines in the categories of: Furniture & home Store', 'Motor vehicle & parts dealers', 'Sporting goods, hobby, musical instrument, & book stores' and 'Building material & garden equipment & supplies dealers', which were down by 3.6%, 2.0% 1.7%, and 1.6% respectively.

The ongoing vaccination against COVID-19 and stimulus spending have bolstered retail sales and a rise in inflation. It is anticipated that as the economy continues to reopen, spending is likely to continue to shift to services such as restaurant meals and on items related to outside activities. However, waning consumer confidence due to inflation concerns, coupled with the fact that some states have declared to optout of expanded federal benefits programmes early and the emergence of more transmissible variants could likely temper consumer spending and economic growth over the ensuing months.

Currency Markets

International Currency Market

Currency	16-Jul	9-Jul	DoD % Δ	WoW % Δ	YTD% Δ	YoY% Δ
EUR: USD	1.181	1.188	-0.05%	-0.59%	-3.36%	3.71%
GBP: USD	1.376	1.390	-0.47%	-0.99%	0.69%	9.65%
USD: CAD	1.262	1.240	0.17%	1.36%	-0.86%	-7.06%
USD: JPY	110.060	110.140	0.21%	-0.07%	6.60%	2.60%

Local Foreign Currency Market

Currency	16-Jul	15-Jul	9-Jul	DoD % Δ	WoW % Δ	YTD% Δ
USD:JMD	155.00	155.25	153.89	-0.16%	0.72%	8.66%
GBP:JMD	214.32	208.94	207.38	2.57%	3.35%	12.8%
CAD:JMD	124.49	121.56	119.35	2.41%	4.31%	12.7%

Global Interest Rates

Rates	16-Jul	9-Jul	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	1.30%	1.36%	0.00	-6.00	39.00	68.00
10 Year UK Gilt	0.63%	0.66%	-3.00	-3.00	43.00	49.00
GOJ 2025 Global Bond	3.43%	3.48%	0.00	-5.00	-2.00	-125.00
5 Year US Treasury Bond	0.78%	0.79%	0.00	-1.00	42.00	50.00
5 Year UK Gilt	0.33%	0.30%	-3.00	3.00	42.00	41.00

Week in Review: July 12 - July 16, 2021

Local Equity Market

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
SILUS	21.69%	MPCCEL	-18.71%
KEX	18.79%	CAC	-15.10%
ISP	16.28%	PAL	-14.00%

JSE Main Market activity (excluding preference shares) resulted from trading in **45** stocks of which **13** advanced, **31** declined and **1** traded firm. Market volume (excluding preference shares) amounted to **132,557,603** units valued at over **14,102,194,660**. JSE Junior Market activity (excluding preference shares) resulted from trading in **41** stocks of which **20** advanced, **18** declined and **3** traded firm. Market volume (excluding preference shares) amounted to **35,662,647** units valued at over **\$97,041,056**.
















Global Equity Indices

Index	31-Dec	9-Jul	16-Jul	WoW % Δ	YTD% Δ	YoY% Δ
S&P 500	3,756.07	4,369.55	4,327.16	-0.97%	15.20%	34.57%
Euro Stoxx 50	3,552.64	4,068.09	4,035.77	-0.79%	13.60%	19.92%
MXWD Index	646.27	723.60	718.98	-0.64%	11.25%	31.59%
JSE Main Market Index	395,614.93	426,626.34	420,071.66	-1.54%	6.18%	12.28%
JSE Junior Market Index	2,643.38	3,355.95	3,400.73	1.33%	28.65%	34.42%
JSE Combined Index	392,435.92	428,675.22	423,042.60	-1.31%	7.80%	13.89%

Upcoming Week: July 19 - July 23, 2021

Country	Report	Period	Forecast	Prior
US	Initial Jobless	17-Jul	350,000	360,000
US	Existing Home	Jun	5,900,000	5,800,000
US	Markit US	Jul P	62.00	62.10
UK	Markit UK PMI	Jul P	62.50	63.90
JN	Natl CPI YoY	Jun	0.20%	-0.10%
GE	Markit/BME	Jul P	64.30	65.10
EC	Markit	Jul P	62.50	63.40
FR	Markit France	Jul P	58.20	59.00

LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE		
July 15, 2021								
PLEASE NOTE: Due to technical difficulties, weekly info reflect Friday - Thursday as closing prices for Friday July 16, 2021 were not available.								
Guardian Holdings Ltd. (GHL)	Current Price	\$657.62	EPS	\$91.05	ROE	20.98%	 ROE 14.58%  P/E 15.99  P/B 2.17	<p>Guardian is one of the region's leading financial institutions with a long history of delivering strong revenue growth and profitability. The company operates in most of the countries in the Caribbean and is rated among the top five in the major markets in which it operates. Like most companies regionally, the Guardian Group was severely challenged in 2020. However, in 2020, the Group delivered operational and financial results which were creditable along several metrics and especially when taken in the context of the pandemic. While we are very aware that the COVID-19 pandemic is not over, it is very likely that the worst is behind us. With vaccination programme being rolled out regionally and as respective governments continue to ease out of the pandemic the companies within the region continue to gradually recover from the crisis. This recovery is also evident for Guardian Group which posted revenues and profits in Q1 2021 which are significantly above its previous year's.</p>
	52 Week High	\$1,134.90	BVPS	\$434.00	P/E	7.22		
Derrimon Trading Co Ltd (DTL)	53 Week Low	\$640.00	T12M Div.	\$0.00	P/B	1.52	 ROE 6.79%  P/E 30.18  P/B 2.05	<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>
	WoW %	-2.53%	Div. Yield %	0.00%	P/B	3.35		
Sepro Ltd (SEP)	YTD %	12.90%					 ROE 16.16%  P/E 18.62  P/B 3.01	<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 company's 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	\$3.10	BVPS	\$1.21	P/E	29.41		
Jamaica Producers Group (JP)	53 Week Low	\$2.05	T12M Div.	\$0.01	P/B	4.39	 ROE 11.92%  P/E 7.33  P/B 0.87	<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>
	WoW %	-0.71%	Div. Yield %	0.49%	P/B	1.38		
Wisynco Ltd (WISYNCO)	YTD %	4.45%					 ROE 17.64%  P/E 22.33  P/B 3.94	<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	\$70.84	BVPS	\$23.55	P/E	29.44		

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Mutual Funds

JN MUTUAL FUNDS

July 15, 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\$14.0799	3.53%	1.73%	1.99%
Global Equity	J\$16.2510	15.59%	7.94%	0.00%
Global Fixed Income	J\$13.0249	4.83%	2.91%	5.40%
Global Money Market (US\$)	US\$10.8192	3.55%	1.89%	2.40%
Global Fixed Income (US\$)	US\$11.2026	7.78%	1.72%	3.21%
Local Money Market	J\$11.3613	4.72%	3.00%	4.13%

	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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