

Eurozone's Business Activity Expanded at a 15-Year High

The IHS Markit Flash Eurozone PMI Composite Output Index, which measures services and manufacturing activities, rose to a 15-year high of 59.2 in June, up from the final reading of 57.1 in May. The preliminary June reading is above the 50.0-point threshold, indicating that private sector output expanded. Eurozone's private sector activity increased as vaccine progress boosted confidence and the economy re-opened further as COVID-19 restrictions were gradually lifted. As a result, demand improved further, and new order growth increased at the fastest pace since June 2006. Although the manufacturing sector reported the stronger pace of growth, the services sector showed the largest improvement in performance, with business activity growth expanding at a pace not seen since July 2007. This renewed surge in demand and improving outlook prompted firms to hire new staff for a fifth consecutive month. As demand outpaced supply for many goods and services, inflationary pressures increased again in June.

If the governments of the Eurozone region can maintain their vaccination plan and continue to ease COVID-19 restrictions, business activity in the Eurozone will likely continue to expand over the short term. However, the ongoing uncertainty surrounding COVID-19 and its variants continue to cloud our outlook for the region, as more supply chain disruptions are likely to emerge, which will stifle short term private sector output growth.

Currency Markets

International Currency Market

Currency	25-Jun	18-Jun	DoD % Δ	WoW % Δ	YTD% Δ	YoY% Δ
EUR: USD	1.194	1.186	0.03%	0.61%	-2.29%	6.40%
GBP: USD	1.388	1.380	-0.29%	0.52%	1.55%	11.78%
USD: CAD	1.230	1.250	-0.24%	-1.36%	-3.38%	-9.85%
USD: JPY	110.800	110.210	-0.06%	0.54%	7.31%	3.37%

Local Foreign Currency Market

Currency	25-Jun	24-Jun	18-Jun	DoD % Δ	WoW % Δ	YTD% Δ
USD:JMD	151.28	150.49	150.55	0.53%	0.49%	6.05%
GBP:JMD	210.05	207.77	209.09	1.10%	0.46%	10.5%
CAD:JMD	123.48	121.19	122.19	1.89%	1.06%	11.8%

Global Interest Rates

Rates	25-Jun	18-Jun	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	1.52%	1.44%	3.00	8.00	61.00	83.00
10 Year UK Gilt	0.78%	0.75%	4.00	3.00	58.00	63.00
GOJ 2025 Global Bond	3.47%	3.40%	0.00	7.00	2.00	-159.00
5 Year US Treasury Bond	0.92%	0.87%	1.00	5.00	56.00	59.00
5 Year UK Gilt	0.38%	0.38%	3.00	0.00	47.00	43.00

Week in Review: June 21 - June 25, 2021

Local Equity Market

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
MPCCEL	27.33%	ECL	-14.02%
CPFV	19.19%	KPREIT	-13.11%
ISP	17.98%	GHL	-12.53%

JSE Main Market activity (excluding preference shares) resulted from trading in **46** stocks of which **19** advanced, **25** declined and **2** traded firm. Market volume (excluding preference shares) amounted to **51,464,845** units valued at over **600,925,671**. JSE Junior Market activity (excluding preference shares) resulted from trading in **41** stocks of which **21** advanced, **19** declined and **1** traded firm. Market volume (excluding preference shares) amounted to **28,440,678** units valued at over **\$102,252,131**.




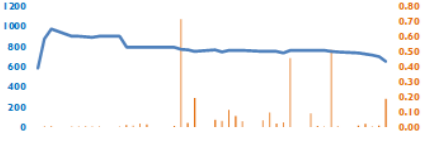



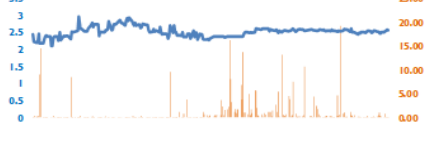











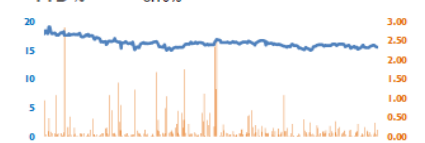
Global Equity Indices

Index	31-Dec	18-Jun	25-Jun	WoW % Δ	YTD% Δ	YoY% Δ
S&P 500	3,756.07	4,166.45	4,280.70	2.74%	13.97%	38.81%
Euro Stoxx 50	3,552.64	4,083.37	4,120.66	0.91%	15.99%	28.01%
MXWD Index	646.27	705.97	721.91	2.26%	11.70%	37.83%
JSE Main Market Index	395,614.93	437,322.11	431,109.83	-1.42%	8.97%	13.68%
JSE Junior Market Index	2,643.38	3,367.03	3,338.17	-0.86%	26.28%	27.65%
JSE Combined Index	392,435.92	438,670.37	432,634.29	-1.38%	10.24%	14.74%

Upcoming Week: June 28 - July 2, 2021

Country	Report	Period	Forecast	Prior
US	Change in Nonfarm Payrolls	Jun	700,000	559,000
US	Initial Jobless Claims	26-Jun	384,000	411,000
US	ISM Manufacturing	Jun	61.00	61.20
US	Conf. Board Consumer Confidence	Jun	119	117
UK	GDP QoQ	I Q F	-1.50%	-1.50%
UK	GDP YoY	I Q F	-0.06	-0.06
JN	Industrial Production MoM	May P	-2.00%	2.90%
JN	Jobless Rate	May	2.90%	2.80%

LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE
June 25, 2021					
Guardian Holdings Ltd. (GHL)	Current Price \$650.68	EPS \$91.05	 ROE 20.98%	ROE 14.35%	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.
	52 Week High \$1,134.90	BVPS \$434.00	 P/E 7.15	P/E 16.66	
BUY	53 Week Low \$650.00	T 12M Div. \$0.00	 P/B 1.50	P/B 2.22	
	WoW % -12.53%	Div. Yield % 0.00%			
Derrimon Trading Co Ltd (DTL)	Current Price \$2.56	EPS \$0.08	 ROE 6.79%	ROE 13.51%	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.
	52 Week High \$3.10	BVPS \$1.21	 P/E 31.12	P/E 35.24	
BUY	53 Week Low \$2.05	T 12M Div. \$0.01	 P/B 2.11	P/B 3.30	
	WoW % 2.40%	Div. Yield % 0.49%			
Sepro Ltd (SEP)	Current Price \$72.28	EPS \$3.81	 ROE 16.16%	ROE 16.66%	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.
	52 Week High \$85.00	BVPS \$23.55	 P/E 19.00	P/E 30.52	
HOLD	53 Week Low \$50.00	T 12M Div. \$0.60	 P/B 3.07	P/B 4.53	
	WoW % -1.28%	Div. Yield % 1.14%			
Jamaica Producers Group (JP)	Current Price \$23.89	EPS \$3.34	 ROE 11.92%	ROE 10.74%	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 \$31.00	BVPS \$28.03	 P/E 7.15	P/E 14.10	
HOLD	53 Week Low \$19.00	T 12M Div. \$0.20	 P/B 0.85	P/B 1.45	
	WoW % -2.25%	Div. Yield % 0.83%			
Wisynco Ltd (WISYNCO)	Current Price \$15.48	EPS \$0.70	 ROE 17.64%	ROE 16.66%	Wisynco's customers typically include restaurants, supermarkets retail and wholesale 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 acknowledge, 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 2024FY 2025.
	52 Week High \$19.50	BVPS \$3.97	 P/E 22.09	P/E 30.52	
BUY	53 Week Low \$13.00	T 12M Div. \$0.19	 P/B 3.89	P/B 4.53	
	WoW % -0.96%	Div. Yield % 1.07%			

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Mutual Funds



A member of the Group

JN MUTUAL FUNDS

June 24, 2021

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$14.3004	4.21%	3.32%	1.50%
Global Equity	J\$16.6045	14.47%	10.29%	0.00%
Global Fixed Income	J\$12.9504	5.01%	2.32%	4.88%
Global Money Market (US\$)	US\$10.7974	3.59%	1.69%	2.44%
Global Fixed Income (US\$)	US\$11.1454	8.50%	1.20%	3.00%
Local Money Market	J\$11.2729	4.26%	2.20%	4.08%

	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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