

## Jamaica's Economy Contracted by 8.3% in Q4 2020

According to the Statistical Institute of Jamaica (STATIN), Jamaica's Gross Domestic Product (GDP) contracted by 8.3% during the fourth quarter of 2020 when compared to the same quarter in 2019. The fourth-quarter contraction was due largely to an 11.1% decline in the Services Industries. The decline in the Services Industries was primarily due to measures implemented to limit the spread of COVID-19 as well as the decline in the global travel industry. All sub-industries within the Service Industries, excluding the Producers of Government Services, recorded declines in the quarter. Of the industries within the Services Industries, that contributed to the decline are: Hotels & Restaurants, Wholesale & Retail Trade; Repairs; Installation of Machinery & Equipment, Other Services, and Transport, Storage & Communication. The overall contraction in the economy was however tempered by the 0.2% growth in the Goods Producing industries, up mainly from the increased output levels in Construction and Mining & Quarrying, despite the decline in Agriculture, Forestry & Fishing.

For the calendar year 2020, the economy is estimated to have contracted by 9.9%. This contraction, which follows seven consecutive years of growth, was due mainly to the negative impact of COVID-19 on the economy. Production fell in both the Services and Goods Producing Industries by 11.8% and 4.5%, respectively in 2020. The ongoing rise in COVID-19 cases in Jamaica, as well as the implementation of tighter containment measures, travel restrictions and the ongoing uncertainty surrounding COVID-19, continue to present downside risks to the economy, especially in the Services Industries. However, with vaccines being rolled out locally in phases and with the United States, Jamaica's main trading partner, planning an accelerated vaccination programme, Jamaica's economy could recover at a faster pace over the medium to long term.

### Currency Markets

#### International Currency Market

Currency	1-Apr	25-Mar	DoD % Δ	WoW % Δ	YTD % Δ	YoY % Δ
EUR: USD	1.178	1.176	0.40%	0.11%	-3.59%	7.42%
GBP: USD	1.383	1.373	0.36%	0.72%	1.19%	11.82%
USD: CAD	1.255	1.261	-0.11%	-0.52%	-1.39%	-11.58%
USD: JPY	110.620	109.190	-0.09%	1.31%	7.14%	3.22%

#### Local Foreign Currency Market

Currency	1-Apr	31-Mar	25-Mar	DoD % Δ	WoW % Δ	YTD % Δ
USD:JMD	146.86	146.58	146.52	0.19%	0.23%	2.95%
GBP:JMD	202.41	202.83	201.23	-0.21%	0.59%	4.5%
CAD:JMD	117.76	120.15	117.69	-1.99%	0.07%	5.7%

### Global Interest Rates

Rates	1-Apr	25-Mar	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	1.67%	1.63%	-7.05	3.67	75.67	108.67
10 Year UK Gilt	0.80%	0.73%	-5.00	6.60	59.80	48.10
GOJ 2025 Global Bond	3.51%	3.51%	-2.00	-0.70	5.60	-277.60
5 Year US Treasury Bond	0.90%	0.83%	-3.84	6.62	54.01	54.94
5 Year UK Gilt	0.37%	0.32%	-2.80	5.10	45.10	18.20

### Week in Review: Mar 29 - Apr 1 2021

#### Local Equity Market

##### BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
SALF	38.06%	KLE	-17.74%
PBS	12.24%	KEX	-13.23%
MTL	11.11%	MDS	-11.21%

JSE Main Market activity (excluding preference shares) resulted from trading in 44 stocks of which 16 advanced, 26 declined and 2 traded firm. Market volume (excluding preference shares) amounted to 68,397,430 units valued at over \$501,586,956. JSE Junior Market activity (excluding preference shares) resulted from trading in 40 stocks of which 20 advanced, 17 declined and 3 traded firm. Market volume (excluding preference shares) amounted to 30,062,530 units valued at over \$81,923,835.








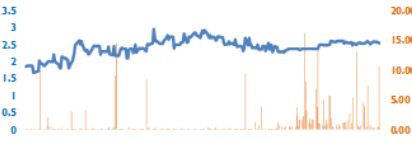








#### Global Equity Indices

Index	31-Dec	25-Mar	1-Apr	WoW % Δ	YTD % Δ	YoY % Δ
S&P 500	3,756.07	3,909.52	4,019.87	2.82%	7.02%	62.71%
Euro Stoxx 50	3,552.64	3,832.57	3,945.96	2.96%	11.07%	47.22%
MXWD Index	646.27	663.79	680.47	2.51%	5.29%	59.73%
JSE Main Market Index	395,614.93	392,618.43	397,354.26	1.21%	0.44%	5.23%
JSE Junior Market Index	2,643.38	2,972.19	2,996.49	0.82%	13.36%	25.17%
JSE Combined Index	392,435.92	393,196.23	397,812.53	1.17%	1.37%	6.60%

### Upcoming Week: Apr 5 - Apr 9 2021

Country	Report	Period	Forecast	Prior
US	Initial Jobless Claims	3-Apr	--	719,000
US	MBA Mortgage Applications	2-Apr	--	-2.20%
US	Durable Goods Orders	Feb F	-1.10%	-1.10%
US	PPI Final Demand MoM	Mar	0.50%	0.50%
US	Trade Balance	Feb	-\$70.3b	-\$68.2b
US	Wholesale Inventories MoM	Feb F	0.50%	0.50%
CA	Unemployment Rate	Mar	8.00%	8.20%
JN	BoP Current Account Balance	Feb	¥1898.0b	¥646.8b

# LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	JS	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE				
April 1, 2021										
JMMB Group Ltd (JMMBGL)	Current Price	\$32.89	EPS	\$3.42	ROE	13.08%	  	ROE	12.63%	<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 Sagiv or Financial Corporation allows JMMBGL to achieve further diversification and increased profitability.</p>
	52 Week High	\$39.98	BVPS	\$26.13	P/E	9.63		P/E	19.26	
BUY	53 Week Low	\$28.00	T12M Div.	\$0.25	P/B	1.26	P/B	2.08		
	WoW %	2.15%	Div. Yield %	0.66%						
Derrimon Trading Co Ltd (DTL)	Current Price	\$2.55	EPS	\$0.07	ROE	19.40%	  	ROE	13.22%	<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	\$0.35	P/E	37.21		P/E	32.25	
BUY	53 Week Low	\$1.61	T12M Div.	\$0.01	P/B	7.22	P/B	3.42		
	WoW %	-1.42%	Div. Yield %	0.65%						
Seprod Ltd (SEP)	Current Price	\$73.01	EPS	\$3.92	ROE	17.00%	  	ROE	17.30%	<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	\$83.99	BVPS	\$23.03	P/E	18.65		P/E	16.45	
BUY	53 Week Low	\$35.01	T12M Div.	\$0.30	P/B	3.17	P/B	2.89		
	WoW %	5.56%	Div. Yield %	0.64%						
Wigton Windfarm Ltd (WIG)	Current Price	\$0.63	EPS	\$0.07	ROE	18.12%	  	ROE	6.77%	<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	\$0.95	BVPS	\$0.37	P/E	9.52		P/E	28.80	
HOLD	53 Week Low	\$0.62	T12M Div.	\$0.00	P/B	1.73	P/B	1.10		
	WoW %	-1.44%	Div. Yield %	0.00%						
	YTD %	-16.03%								

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# LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE		
April 1, 2021							
Jamaica Broilers Group Ltd (JBG)	Current Price	\$29.32	EPS	\$1.74	ROE 11.53%	<p>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.</p>	
	52 Week High	\$34.00	BVPS	\$15.09	ROE 17.30%		
	53 Week Low	\$23.00	T12M Div.	\$0.31	P/E 16.86		P/E 16.45
	WoW %	-0.29%	Div. Yield %	1.07%	P/B 1.94		P/B 2.89
BUY	YTD %	-0.46%					
Wisynco Ltd (WISYNCO)	Current Price	\$15.34	EPS	\$0.68	ROE 17.38%	<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	\$20.80	BVPS	\$3.89	ROE 17.30%		
	53 Week Low	\$13.00	T12M Div.	\$0.19	P/E 22.70		P/E 16.45
	WoW %	-2.75%	Div. Yield %	1.43%	P/B 3.94		P/B 2.89
HOLD	YTD %	-8.96%					
Jamaica Producers Group (JP)	Current Price	\$22.50	EPS	\$3.33	ROE 12.08%	<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>	
	52 Week High	\$25.00	BVPS	\$27.56	ROE 8.50%		
	53 Week Low	\$16.00	T12M Div.	\$0.20	P/E 6.76		P/E 20.80
	WoW %	-3.10%	Div. Yield %	0.90%	P/B 0.82		P/B 1.30
BUY	YTD %	7.14%					

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# Mutual Funds

## JN MUTUAL FUNDS

March 31, 2021

Managed by



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\$13.9051	2.43%	0.46%	2.08%
<b>Global Equity</b>	J\$15.0735	3.43%	0.12%	0.00%
<b>Global Fixed Income</b>	J\$12.8146	5.49%	1.25%	5.49%
<b>Global Money Market (US\$)</b>	US\$10.7007	3.51%	0.78%	3.68%
<b>Global Fixed Income (US\$)</b>	US\$10.9026	9.31%	-1.01%	4.60%
<b>Local Money Market</b>	J\$11.1552	4.33%	1.13%	4.29%

	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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