

US Non-Farm Payrolls Above Market Expectations in April

According to the U.S. Bureau of Labor Statistics, Non-Farm Payrolls in the US increased by 428,000 in April 2022 and above market expectations for an increase of 390,000. The total number of Non-farm jobs added in April was the same as the prior month and largely attributed to expansion in the leisure and hospitality sectors. The Manufacturing sector added 55,000 jobs. The unemployment rate remained at 3.6% while the number of unemployed individuals remained levelled at 5.9 million. Both the participation rate and employment population saw marginal changes in the month as well.

The solid ADP Non-Farm Payrolls data suggests that the job market strengthened in April and the demand for labour remains very strong. However, with US employment expanding at this rapid pace, a tightening labour market may soon force employers to increase wages as they compete for scarce labour or as they try to force workers to come back. This scenario would make the Federal Reserve's already complicated job that more difficult as they try to temper the demand for workers, slow wage growth and inflation.

Currency Markets

International Currency Market

Currency	6-May	29-Apr	DoD % Δ	WoW % Δ	YTD% Δ	YoY% Δ
EUR: USD	1.054	1.055	0.01%	-0.02%	-7.27%	-12.62%
GBP: USD	1.233	1.260	-0.23%	-1.91%	-8.85%	-11.20%
USD: CAD	1.291	1.280	0.58%	0.47%	2.14%	6.25%
USD: JPY	130.590	129.700	0.30%	0.69%	13.48%	19.71%

Local Foreign Currency Market

Currency	6-May	5-May	29-Apr	DoD % Δ	WoW % Δ	YTD% Δ
USD:JMD	155.83	155.69	154.86	0.09%	0.63%	0.48%
GBP:JMD	191.44	192.17	196.87	-0.38%	-2.76%	-8.9%
CAD:JMD	122.47	121.71	129.58	0.63%	-5.49%	-0.2%

Global Interest Rates

Rates	6-May	29-Apr	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	3.14%	2.93%	10.00	21.00	163.00	157.00
10 Year UK Gilt	2.00%	1.91%	4.00	9.00	103.00	121.00
GOJ 2025 Global Bond	5.52%	5.29%	1.00	23.00	148.00	213.00
5 Year US Treasury Bond	3.08%	2.95%	7.00	13.00	182.00	228.00
5 Year UK Gilt	1.66%	1.67%	-1.00	-1.00	84.00	133.00

Week in Review: May 2– May 6, 2022

Local Equity Market

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
AFS	22.37%	MTLJA	-17.65%
SEP	22.17%	PURITY	-11.51%
FESCO	19.60%	FIRSTROCKUSD	-11.21%

JSE Main Market activity (excluding preference shares) resulted from trading in **49** stocks of which **24** advanced, **25** declined and **0** traded firm. Market Volume (excluding preference shares) amounted to **56,804,931** units valued at over **\$719,192,956.36**. JSE Junior Market activity (excluding preference shares) resulted from trading in **44** stocks of which **22** advanced, **21** declined and **1** traded firm. Market volume (excluding preference shares) amounted to **88,585,661** units valued at over **\$449,858,095.58**.

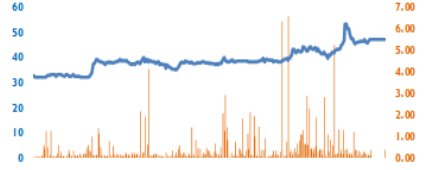


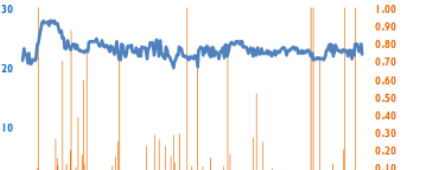
Global Equity Indices

Index	31-Dec	29-Apr	6-May	WoW % Δ	YTD% Δ	YoY% Δ
S&P 500	4,766.18	4,131.93	4,123.34	-0.21%	-13.49%	-1.86%
Euro Stoxx 50	4,298.41	3,802.86	3,629.17	-4.57%	-15.57%	-9.26%
MXWD Index	754.83	653.67	643.67	-1.53%	-14.73%	-8.59%
JSE Main Market Index	396,155.61	401,858.38	401,715.42	-0.04%	1.40%	-4.97%
JSE Junior Market Index	3,428.30	4,451.62	4,537.15	1.92%	32.34%	40.86%
JSE Combined Index	401,130.23	415,756.52	416,382.22	0.15%	3.80%	-1.73%

Upcoming Week: May 9 - May 13, 2022

Country	Report	Period	Forecast	Prior
US	Change in Nonfarm	Apr	380,000	431,000
US	Initial Jobless Claims	7-May	190000	200000
US	CPI MoM	Apr	0.20%	1.20%
US	U. of Mich. Sentiment	May P	64.00	65.20
CA	Unemployment Rate	Apr	5.20%	5.30%
UK	GDP QoQ	IQ P	0.01	0.01
UK	GDP YoY	IQ P	8.90%	6.60%
JN	BoP Current Account	Mar	1.75T	1.65T

LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE
May 6, 2022						
Grace Kennedy Ltd (GK)	<p>Current Price \$107.39</p> <p>52 Week High \$115.00</p> <p>53 Week Low \$80.00</p> <p>WoW % -0.79%</p> <p>YTD % 7.37%</p> 	<p>EPS \$8.23</p> <p>BVPS \$71.36</p> <p>T12M Div. \$1.96</p> <p>Div. Yield % 2.21%</p>	<p>ROE 11.54%</p> <p>P/E 13.05</p> <p>P/B 1.50</p>	<p>ROE 11.46%</p> <p>P/E 11.94</p> <p>P/B 1.34</p>	<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>	
BUY						
Derrimon Trading Co Ltd (DTL)	<p>Current Price \$3.13</p> <p>52 Week High \$3.20</p> <p>53 Week Low \$2.00</p> <p>WoW % 8.30%</p> <p>YTD % 35.90%</p> 	<p>EPS \$0.10</p> <p>BVPS \$1.27</p> <p>T12M Div. \$0.00</p> <p>Div. Yield % 0.00%</p>	<p>ROE 7.78%</p> <p>P/E 31.66</p> <p>P/B 2.46</p>	<p>ROE 18.22%</p> <p>P/E 24.07</p> <p>P/B 4.57</p>	<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 organic growth in its primary distribution segment and through acquisitions; Recently, the company raised additional equity through an APO which was used to lower its debt and to execute on its growth strategy including its acquisition of the Spicy Hill Farms, its expansion into central Jamaica and their recent expansion into the US. It is anticipated that these expansions as well as others likely in the pipeline will continue to lower the risk profile of the entity and drive its earnings growth in the short to medium term.</p>	
BUY						
Seprod Ltd (SEP)	<p>Current Price \$73.62</p> <p>52 Week High \$80.57</p> <p>53 Week Low \$50.00</p> <p>WoW % 22.17%</p> <p>YTD % 13.68%</p> 	<p>EPS \$2.72</p> <p>BVPS \$31.97</p> <p>T12M Div. \$1.00</p> <p>Div. Yield % 1.28%</p>	<p>ROE 8.50%</p> <p>P/E 27.09</p> <p>P/B 2.30</p>	<p>ROE 14.65%</p> <p>P/E 27.10</p> <p>P/B 3.55</p>	<p>Seprod is one of Jamaica's premier food manufacturing companies with over 75 years' experience operating locally. Over the period, the group has grown to include several diverse food subsidiaries with easily recognizable household brands. The group currently enjoys a very strong presence in the local market, where it leads in several segments, and continues to enjoy reasonable success within the Caribbean and strong growth prospects in the United Kingdom, Africa, United States and Canada.</p> <p>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 performance could likely see further improvements from the relaxation in covid which importantly includes the resumption of face-to-face school and the reopening of the entertainment sector.</p>	
HOLD						
Jamaica Producers Group (JP)	<p>Current Price \$22.28</p> <p>52 Week High \$31.00</p> <p>53 Week Low \$20.00</p> <p>WoW % -6.86%</p> <p>YTD % 0.76%</p> 	<p>EPS \$1.64</p> <p>BVPS \$30.45</p> <p>T12M Div. \$0.00</p> <p>Div. Yield % 0.00%</p>	<p>ROE 5.40%</p> <p>P/E 13.55</p> <p>P/B 0.73</p>	<p>ROE 11.46%</p> <p>P/E 11.94</p> <p>P/B 1.34</p>	<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. However, the JP Group has remained strong, and the pandemic has created opportunities for new retail channels to offset the downturn in other areas.</p> <p>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. 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>	
HOLD						

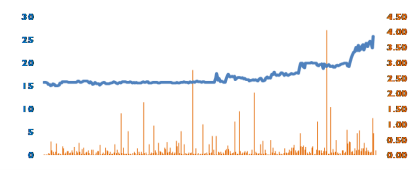
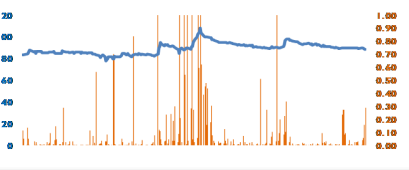
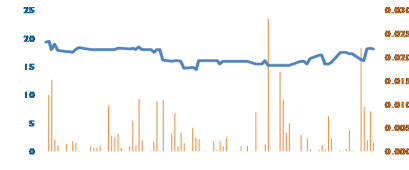
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LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE
May 6, 2022						
Wisynco Ltd (WISYNCO)	<p>Current Price \$25.72</p> <p>52 Week High \$26.90</p> <p>53 Week Low \$15.04</p> <p>WoW % 9.45%</p> <p>YTD % 54.05%</p> 	<p>EPS \$1.02</p> <p>BVPS \$4.64</p> <p>T12M Div. \$0.40</p> <p>Div. Yield % 2.53%</p>	<p>ROE 21.90%</p> <p>P/E 25.32</p> <p>P/B 5.55</p>	<p>ROE 14.65%</p> <p>P/E 27.10</p> <p>P/B 3.55</p>	<p>Today, Wisynco is a prominent manufacturer and distributor of beverages and food items in Jamaica. With one of the largest sales forces in Jamaica comprised of 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 flip 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>	
						BUY
JMMB Group Ltd (JMMBGL)	<p>Current Price \$46.80</p> <p>52 Week High \$61.24</p> <p>53 Week Low \$31.02</p> <p>WoW % 0.04%</p> <p>YTD % 18.67%</p> 	<p>EPS \$6.10</p> <p>BVPS \$33.58</p> <p>T12M Div. \$0.85</p> <p>Div. Yield % 2.57%</p>	<p>ROE 18.18%</p> <p>P/E 7.67</p> <p>P/B 1.39</p>	<p>ROE 13.74%</p> <p>P/E 14.15</p> <p>P/B 2.05</p>	<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.</p> <p>JMMBGL has grown its operations from strictly investment management, trading, stockbroking, and market-making activities to include commercial banking. Jamaica remains the core of its operations, but it has a significant presence in Trinidad and the Dominican Republic. Looking ahead, we anticipate that JMMB's earnings will be further diversified and boosted through its equity stake into "Sagcor 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>	
						BUY
Sygnus Real Estate Finance Limited (SRFJMD)	<p>Current Price \$16.85</p> <p>52 Week High \$22.20</p> <p>53 Week Low \$14.05</p> <p>WoW % 3.37%</p> <p>YTD % 2.37%</p> 	<p>EPS \$2.11</p> <p>BVPS \$20.74</p> <p>T12M Div. \$0.00</p> <p>Div. Yield % 0.00%</p>	<p>ROE 10.17%</p> <p>P/E 7.99</p> <p>P/B 0.81</p>	<p>ROE 8.41%</p> <p>P/E 9.58</p> <p>P/B 0.84</p>	<p>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.</p>	
						BUY

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Mutual Funds

JN MUTUAL FUNDS

May 5, 2022



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\$14.2134	1.04%	0.46%	1.30%
Global Equity	J\$15.6842	0.57%	-0.16%	0.00%
Global Fixed Income	J\$13.4499	3.94%	1.37%	3.76%
Global Money Market (US\$)	US\$11.0802	3.09%	0.84%	2.62%
Global Fixed Income (US\$)	US\$11.3101	2.38%	-0.28%	2.25%
Local Money Market	J\$11.7096	3.92%	1.08%	4.49%

	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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