

UK's GDP Up 0.8% in First Quarter Despite March's Decline

United Kingdom (UK) recorded an unexpected decline of 0.1% in Gross Domestic Product (GDP) for the month of March but grew by 0.8% in the first quarter. The three-month outturn of 0.8% was lower than the Bank of England's expectation of 0.9% for the quarter. The decline recorded for March was mostly due to a 0.2% decline in services industry but tempered by a 1.7% growth in construction. The UK's dominant Services industry was the main contributor to the first quarter's overall increase. Britain's GDP is now 1.2% above its pre-pandemic level.

The United Kingdom's economy shrank by 9.3% in 2020 and grew by approximately 7.4% in 2021, for the sharpest swing in output of any G7 economy during the COVID19 pandemic. Now with the war raging in Ukraine, it is anticipated that the bottlenecks and high prices, which surfaced post-pandemic, could push inflation in the UK past 10% by the end of 2022. Further, it was recently forecasted by Britain's National Institute of Economic and Social Research that Britain could fall into a recession by the fourth quarter of this year.

Currency Markets

International Currency Market

Currency	13-May	6-May	DoD % Δ	WoW % Δ	YTD% Δ	YoY% Δ
EUR: USD	1.041	1.055	0.31%	-1.32%	-8.43%	-13.82%
GBP: USD	1.226	1.235	0.49%	-0.70%	-9.39%	-12.74%
USD: CAD	1.293	1.288	-0.90%	0.42%	2.31%	6.31%
USD: JPY	129.220	130.560	0.69%	-1.03%	12.29%	18.04%

Local Foreign Currency Market

Currency	13-May	12-May	6-May	DoD % Δ	WoW % Δ	YTD% Δ
USD:JMD	155.57	155.89	155.83	-0.21%	-0.17%	0.31%
GBP:JMD	189.61	191.14	191.44	-0.80%	-0.95%	-9.8%
CAD:JMD	120.34	120.12	122.47	0.19%	-1.74%	-2.0%

Global Interest Rates

Rates	13-May	6-May	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	2.92%	3.13%	7.06	-20.80	140.84	126.11
10 Year UK Gilt	1.74%	2.00%	8.30	-25.10	77.30	84.60
GOJ 2025 Global Bond	5.63%	5.52%	-0.30	11.30	217.70	213.40
5 Year US Treasury Bond	2.87%	3.08%	4.44	-21.17	160.26	203.83
5 Year UK Gilt	1.38%	1.66%	8.20	-27.80	56.20	97.30

Week in Review: May 9– May 13, 2022

Local Equity Market

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
MIL	27.70%	JETCON	-21.11%
JFP	26.36%	PJX	-20.46%
ICREATE	17.94%	ISP	-17.41%

JSE Main Market activity (excluding preference shares) resulted from trading in 49 stocks of which 20 advanced, 29 declined and 0 traded firm. Market Volume (excluding preference shares) amounted to 64,247,280 units valued at over \$723,525,678. JSE Junior 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 119,465,780 units valued at over \$497,258,279.00.

Global Equity Indices

Index	31-Dec	6-May	13-May	WoW % Δ	YTD% Δ	YoY% Δ
S&P 500	4,766.18	4,123.34	4,023.89	-2.41%	-15.57%	-2.15%
Euro Stoxx 50	4,298.41	3,629.17	3,703.42	2.05%	-13.84%	-6.30%
MXWD Index	754.83	643.67	629.19	-2.25%	-16.64%	-8.62%
JSE Main Market Index	396,155.61	401,715.42	402,589.33	0.22%	1.62%	-5.81%
JSE Junior Market Index	3,428.30	4,537.15	4,444.25	-2.05%	29.63%	32.81%
JSE Combined Index	401,130.23	416,382.22	416,375.44	0.00%	3.80%	-3.02%

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	Statistics	COMPANY VITALS	INDUSTRY VITALS	RATIONALE
May 13, 2022					
Grace Kennedy Ltd (GK)	<p>Current Price \$107.35</p> <p>52 Week High \$115.00</p> <p>53 Week Low \$80.00</p> <p>WoW % -0.04%</p> <p>YTD % 7.33%</p>	<p>EPS \$8.23</p> <p>BVPS \$71.36</p> <p>T12M Div. \$1.96</p> <p>Div. Yield % 2.19%</p>	ROE 11.54% P/E 13.04 P/B 1.50	ROE 11.78% P/E 11.97 P/B 1.38	<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 \$3.29</p> <p>52 Week High \$3.50</p> <p>53 Week Low \$2.00</p> <p>WoW % 5.11%</p> <p>YTD % 42.85%</p>	<p>EPS \$0.10</p> <p>BVPS \$1.27</p> <p>T12M Div. \$0.00</p> <p>Div. Yield % 0.00%</p>	ROE 7.78% P/E 33.28 P/B 2.59	ROE 18.22% P/E 24.72 P/B 4.58	<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 \$71.85</p> <p>52 Week High \$80.57</p> <p>53 Week Low \$50.00</p> <p>WoW % -2.40%</p> <p>YTD % 10.95%</p>	<p>EPS \$2.72</p> <p>BVPS \$31.97</p> <p>T12M Div. \$1.00</p> <p>Div. Yield % 1.29%</p>	ROE 8.50% P/E 26.44 P/B 2.25	ROE 15.77% P/E 21.83 P/B 3.31	<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 \$23.29</p> <p>52 Week High \$27.50</p> <p>53 Week Low \$20.00</p> <p>WoW % 4.53%</p> <p>YTD % 5.33%</p>	<p>EPS \$1.64</p> <p>BVPS \$30.45</p> <p>T12M Div. \$0.00</p> <p>Div. Yield % 0.00%</p>	ROE 5.40% P/E 14.17 P/B 0.76	ROE 11.78% P/E 11.97 P/B 1.38	<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				




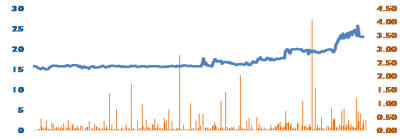



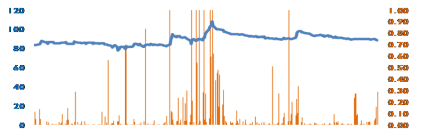



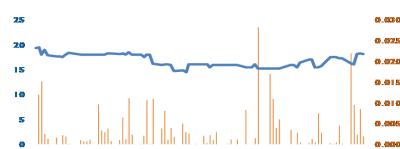
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LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE
May 13, 2022					
Wisynco Ltd (WISYNCO)	Current Price \$23.03	EPS \$1.02	 ROE 21.90%	ROE 15.77%	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 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.
	52 Week High \$26.90	BVPS \$4.64	 P/E 22.68	P/E 21.83	
BUY	53 Week Low \$15.04	T12M Div. \$0.40	 P/B 4.97	P/B 3.31	
	WoW % -10.46%	Div. Yield % 2.50%			
JMMB Group Ltd (JMMBGL)	Current Price \$46.28	EPS \$6.10	 ROE 18.18%	ROE 14.54%	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.
	52 Week High \$61.24	BVPS \$33.58	 P/E 7.58	P/E 14.17	
BUY	53 Week Low \$31.02	T12M Div. \$0.85	 P/B 1.38	P/B 2.14	
	WoW % -1.11%	Div. Yield % 2.58%			
Sygnus Real Estate Finance Limited (SRFJMD)	Current Price \$16.80	EPS \$2.11	 ROE 10.17%	ROE 8.75%	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 \$22.20	BVPS \$20.74	 P/E 7.97	P/E 9.46	
BUY	53 Week Low \$14.05	T12M Div. \$0.00	 P/B 0.81	P/B 0.83	
	WoW % -0.30%	Div. Yield % 0.00%			
YTD % 37.94%					

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Mutual Funds

JN MUTUAL FUNDS

May 12, 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\$14.0948	-0.16%	-0.37%	1.30%
Global Equity	J\$15.4912	-2.08%	-1.39%	0.00%
Global Fixed Income	J\$13.4747	4.15%	1.56%	3.76%
Global Money Market (US\$)	US\$11.0865	3.10%	0.90%	2.62%
Global Fixed Income (US\$)	US\$11.3227	2.89%	-0.17%	2.25%
Local Money Market	J\$11.7340	4.22%	1.29%	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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