

Bank of Jamaica Holds Policy Rate in November but Widens Interest-rate Corridor

The Bank of Jamaica's (BOJ) Monetary Policy Committee (MPC) announced on November 21, 2023, that it will again hold its policy interest rate (the rate offered to deposit-taking institutions on overnight placements with BOJ) at 7.0% per annum. This month's decision marks a year since the policy rate was initially raised to 7.0%, and is against the background of October's 5.1% inflation reported by STATIN this week. Inflation is currently within the BOJ's target range of 4.0 – 6.0% and is at a level not seen since August 2020. The Committee's decision to maintain the policy rate once again, was based on the incoming data on inflation being generally positive. October's inflation rate of 5.1% was below September's 5.9% whilst core inflation (which excludes food and fuel prices) came in at 5.7%, well below the 8.4% in April 2022. Furthermore, the key external drivers of headline inflation, such as grains, fuel and shipping prices, continued to trend downwards, in line with the BOJ's expectations. The decision to hold, was also based on the continued creditable performance of the Jamaican economy. Gross Domestic Product (GDP) for the September quarter is estimated to have grown by 1.90%, according to the Planning Institute of Jamaica and there are signs that the economy continued to expand in the fourth quarter of 2023. In addition, the US Federal Reserve (Fed) maintained its monetary policy target for interest rates at 5.25 – 5.50% in November, following an increase in July. The Fed also suggested that future monetary policy decisions will continue to be data dependent. Nonetheless, the BOJ expects that the inflation rate may temporarily rise during the Christmas period, especially following from the expected impact of the recent heavy rains on agricultural produce prices.

Other factors which could impact inflation upwards include the increase in selected public passenger fares (mainly private operators-PPV) in October and the second increase expected in April 2024, albeit the possible cushioning impact of the announced reduction in fares for the government-operated JUTC. Higher-than-projected future wage adjustments in the context of the tight domestic labour market, second-round effects from the PPV fare increases and worsening supply chain conditions could also push prices up. The BOJ also anticipates that oil prices will be elevated over the next three quarters (into June 2024), however international grains prices are projected to continue falling given buoyant supplies and shipping prices are forecasted to remain low and stable, given the projected slowdown in global growth. In summary, the BOJ expects that risks to the inflation outlook are skewed to the downside, which means that inflation could track below projection. The MPC also noted that future monetary policy decisions will depend on incoming data and that they have decided to maintain heightened surveillance of the risks to the inflation outlook. Furthermore, the MPC is committed to taking the necessary actions, including further tightening of monetary policy, if emerging upside risks to inflation materialize. Further to the policy rate announcement, the BOJ has also made the decision to widen the interest-rate corridor to 300 basis points, which means that effective November 21, 2023, the rate on the bank's Standing Liquidity Facility will increase from 9.0% to 10.0% per annum.

Source: The Bank of Jamaica, PIOJ

Currency Markets

International Currency Market

Currency	24-Nov	17-Nov	DoD % Δ	WoW % Δ	YTD% Δ	YoY% Δ
EUR: USD	1.095	1.092	0.37%	0.27%	2.24%	5.14%
GBP: USD	1.261	1.250	0.61%	1.20%	4.37%	4.11%
USD: CAD	1.363	1.370	-0.47%	-0.66%	0.58%	2.21%
USD: JPY	149.480	149.630	-0.05%	-0.10%	14.00%	7.90%

Local Foreign Currency Market

Currency	24-Nov	23-Nov	17-Nov	DoD % Δ	WoW % Δ	YTD% Δ
USD:JMD	156.12	155.95	156.43	0.11%	-0.20%	2.68%
GBP:JMD	196.70	197.17	194.95	-0.24%	0.90%	8.0%
CAD:JMD	114.17	114.76	116.53	-0.52%	-2.02%	5.2%

Global Interest Rates

Rates	24-Nov	17-Nov	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	4.47%	4.44%	7.00	3.00	60.00	78.00
10 Year UK Gilt	4.28%	4.10%	2.00	18.00	61.00	124.00
GOJ 2025 Global Bond	6.35%	6.70%	-3.00	-35.00	231.00	-12.00
5 Year US Treasury Bond	4.49%	4.44%	6.00	5.00	49.00	61.00
5 Year UK Gilt	4.33%	4.12%	2.00	21.00	71.00	111.00

Week in Review: November 20 - November 24, 2023

Local Equity Market

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
ICREATE	22.81%	SRFJMD	-22.20%
KLE	21.14%	JETCON	-18.89%
ELITE	10.83%	BRG	-15.94%

JSE Main Market activity (excluding preference shares) resulted from trading in 50 stocks of which 17 advanced, 30 declined and 3 traded firm. Market Volume (excluding preference shares) amounted to 86,582,243 units valued at over \$1,291,572,263. JSE Junior Market activity (excluding preference shares) resulted from trading in 48 stocks of which 16 advanced, 27 declined and 5 traded firm. Market volume (excluding preference shares) amounted to 27,722,837 units valued at over \$59,163,753.

Global Equity Indices

Index	30-Dec	17-Nov	24-Nov	WoW % Δ	YTD% Δ	YoY% Δ
S&P 500	3,839.50	4,514.02	4,559.34	1.00%	18.75%	13.21%
Euro Stoxx 50	3,793.62	4,340.77	4,372.10	0.72%	15.25%	10.35%
MXWD Index	605.38	685.70	692.15	0.94%	14.33%	10.57%
JSE Main Market Index	355,896.64	314,658.33	315,890.19	0.39%	-11.24%	-6.00%
JSE Junior Market Index	3,986.44	3,773.17	3,687.21	-2.28%	-7.51%	-4.97%
JSE Combined Index	368,591.98	328,147.03	328,547.74	0.12%	-10.86%	-5.89%

Upcoming Week: November 27 — December 1, 2023

Country	Report	Period	Forecast	Prior
US	Initial Jobless Claims	25-Nov	220,000	209,000
US	GDP Annualized QoQ	3Q S	5.00%	4.90%
US	ISM Manufacturing	Nov	47.7	46.7
US	Conf. Board Consumer	Nov	101	102.6
UK	S&P UK Manufacturing PMI	Nov F	46.7	46.7
UK	Mortgage Approvals	Oct	45,000	43,300
CA	Unemployment Rate	Nov	5.80%	5.70%
JN	Industrial Production MoM	Oct P	0.70%	0.50%

LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	
November 24, 2023						
Grace Kennedy Ltd (GK)	Current Price	\$75.49	EPS	\$7.86	ROE	10.05%
	52 Week High	\$85.50	BVPS	\$78.16	ROE	20.10%
	53 Week Low	\$60.00	T12M Div.	\$2.06	P/E	9.61
	WoW %	3.09%	Div. Yield %	2.51%	P/B	0.97
BUY	YTD %	-9.29%				
Jamaica Producers Group (JP)	Current Price	\$21.85	EPS	\$11.81	ROE	41.56%
	52 Week High	\$28.00	BVPS	\$28.41	ROE	20.10%
	53 Week Low	\$18.00	T12M Div.	\$0.30	P/E	1.85
	WoW %	-1.49%	Div. Yield %	1.33%	P/B	0.77
BUY	YTD %	-0.46%				
Wisynco Ltd (WISYNCO)	Current Price	\$20.98	EPS	\$1.38	ROE	22.82%
	52 Week High	\$22.00	BVPS	\$6.04	ROE	11.42%
	53 Week Low	\$16.00	T12M Div.	\$0.42	P/E	15.23
	WoW %	7.10%	Div. Yield %	2.37%	P/B	3.48
BUY	YTD %	18.73%				
JMMB Group Ltd (JMMBGL)	Current Price	\$26.32	EPS	\$6.24	ROE	24.27%
	52 Week High	\$36.00	BVPS	\$25.70	ROE	5.39%
	53 Week Low	\$25.00	T12M Div.	\$0.00	P/E	4.22
	WoW %	-2.52%	Div. Yield %	0.00%	P/B	1.02
BUY	YTD %	-20.12%				

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LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS			
November 24, 2023								
Jamaica Broilers Group Ltd (JBG)	Current Price	\$34.00	EPS	\$3.85	ROE	17.21%	ROE	11.42%
	52 Week High	\$39.99	BVPS	\$22.35	P/E	8.84	P/E	12.02
BUY	53 Week Low	\$26.03	T12M Div.	\$0.78	P/B	1.52	P/B	2.39
	WoW %	-2.41%	Div. Yield %	2.87%				
Sygnus Real Estate Finance Limited (SRFJMD)	Current Price	\$8.90	EPS	\$1.30	ROE	5.97%	ROE	6.91%
	52 Week High	\$15.00	BVPS	\$21.82	P/E	6.83	P/E	15.02
BUY	53 Week Low	\$8.90	T12M Div.	\$0.00	P/B	0.41	P/B	0.80
	WoW %	-22.20%	Div. Yield %	0.00%				
Scotia Group Jamaica Ltd (SGJ)	Current Price	\$34.00	EPS	\$5.50	ROE	15.05%	ROE	5.39%
	52 Week High	\$35.10	BVPS	\$36.58	P/E	6.18	P/E	11.04
BUY	53 Week Low	\$30.00	T12M Div.	\$1.30	P/B	0.93	P/B	1.28
	WoW %	1.22%	Div. Yield %	3.98%				
YTD %	9.68%							

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Mutual Funds



A member of the Group

JN MUTUAL FUNDS

November 23, 2023

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$13.1680	3.39%	1.70%	3.17%
Global Equity	J\$13.9776	-1.69%	-4.14%	0.00%
Global Fixed Income	J\$14.8679	8.08%	7.87%	7.24%
Global Money Market (US\$)	US\$11.4585	0.94%	0.55%	3.98%
Global Fixed Income (US\$)	US\$11.3235	-0.57%	-1.03%	5.18%
Local Money Market	J\$12.9489	7.52%	7.25%	7.56%

	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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