

U.S. business activity nears stand-still in September, survey says

The United States (US) business activity showed little change in September, with the vast services sector essentially idling at the slowest pace since February, and overall new order activity slipping to the lowest level this year, a survey published Friday showed. S&P Global said its flash U.S. Composite Purchasing Managers' (PMI) Index, which tracks the manufacturing and service sectors, dipped to a reading of 50.1 in September from a final reading for August of 50.2. September's result was negligibly above the 50 level that separates expansion and contraction.

The survey's composite new orders index slid to the lowest since December at 47.7 from 49.2 last month, marking the second straight month of declining new business. Input cost pressures ticked higher for a second month as well. The U.S. economy so far this year has defied projections for sliding into a recession that most economists had expected would be triggered by the Federal Reserve's aggressive interest rate increases aimed at quelling inflation. Job growth and consumer spending have all held up, and the pace of inflation has slowed markedly, leading Fed officials on Wednesday to upgrade their economic forecasts to a degree that suggests many of them now believe a recession may be averted altogether.

At the same time, the Fed left interest rates unchanged but indicated borrowing costs will remain high well into next year, which could hamper the economy's progress from here. Indeed, a range of indicators in the last month have signalled momentum is slowing, and Friday's PMI figures buttressed that view. The survey's services PMI edged down to an eight-month low of 50.2, fractionally lower than the reading of 50.6 expected by economists in a Reuters poll. S&P's manufacturing PMI ticked higher to 48.9 from 47.9 in August but was still the fifth straight month of contraction. Economists had forecast a manufacturing PMI of 48.0. Despite the softening environment, both manufacturing and services survey respondents indicated companies kept adding to staff levels this month. Overall employment growth was the strongest in four months, led by the services sector, but that may prove difficult to replicate in the months ahead.

Source: Reuters

Currency Markets						
International Currency Market						
Currency	22-Sep	15-Sep	DoD % Δ	WoW % Δ	YTD% Δ	YoY% Δ
EUR: USD	1.065	1.066	-0.08%	-0.04%	-0.49%	8.31%
GBP: USD	1.224	1.240	-0.46%	-1.15%	1.31%	8.70%
USD: CAD	1.348	1.350	0.00%	-0.31%	-0.52%	-0.03%
USD: JPY	148.370	147.850	0.53%	0.35%	13.16%	4.20%

Local Foreign Currency Market						
Currency	22-Sep	21-Sep	15-Sep	DoD % Δ	WoW % Δ	YTD% Δ
USD:JMD	155.42	155.43	155.60	-0.01%	-0.12%	2.21%
GBP:JMD	190.43	193.56	195.17	-1.61%	-2.43%	4.6%
CAD:JMD	116.00	115.80	115.30	0.17%	0.60%	6.9%

Global Interest Rates

Rates	22-Sep	15-Sep	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	4.43%	4.33%	-6.00	10.00	56.00	72.00
10 Year UK Gilt	4.25%	4.36%	-6.00	-11.00	58.00	75.00
GOJ 2025 Global Bond	6.82%	6.82%	-1.00	0.00	278.00	76.00
5 Year US Treasury Bond	4.56%	4.46%	-6.00	10.00	56.00	62.00
5 Year UK Gilt	4.36%	4.53%	-7.00	-17.00	74.00	80.00

Week in Review: September 18 - September 22, 2023

Local Equity Market

BEST AND WORST PERFORMERS			
ADVANCERS		DECLINERS	
CAC	26.70%	FIRSTROCKUSD	-23.62%
GENAC	14.29%	ISP	-22.14%
LUMBER	12.56%	MPCCEL	-14.11%

JSE Main Market activity (excluding preference shares) resulted from trading in **48** stocks of which **17** advanced, **28** declined and **3** traded firm. Market Volume (excluding preference shares) amounted to **24,645,627** units valued at over **\$308,869,951**. JSE Junior Market activity (excluding preference shares) resulted from trading in **47** stocks of which **17** advanced, **26** declined and **4** traded firm. Market volume (excluding preference shares) amounted to **74,817,500** units valued at over **\$111,429,397**.






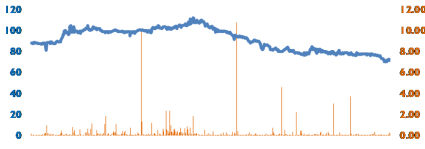





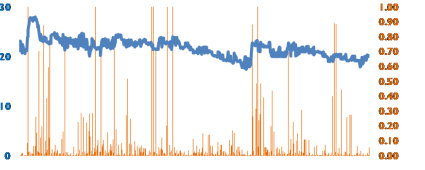





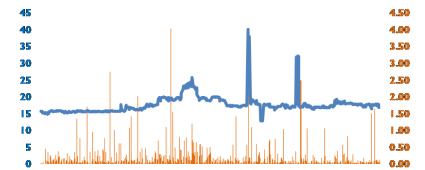






Global Equity Indices

Index	30-Dec	15-Sep	22-Sep	WoW % Δ	YTD% Δ	YoY% Δ
S&P 500	3,839.50	4,450.32	4,320.06	-2.93%	12.52%	14.96%
Euro Stoxx 50	3,793.62	4,295.05	4,207.16	-2.05%	10.90%	22.76%
MXWD Index	605.38	681.34	663.14	-2.67%	9.54%	14.42%
JSE Main Market Index	355,896.64	314,347.08	312,277.29	-0.66%	-12.26%	-12.24%
JSE Junior Market Index	3,986.44	3,829.44	3,809.59	-0.52%	-4.44%	-7.71%
JSE Combined Index	368,591.98	328,361.75	326,253.01	-0.64%	-11.49%	-11.78%

Upcoming Week: September 25 — September 29, 2023

Country	Report	Period	Forecast	Prior
US	Initial Jobless Claims	23-Sep	215,000	201,000
US	GDP Annualized QoQ	2Q T	2.20%	2.10%
US	U. of Mich. Sentiment	Sep F	67.7	67.7
US	Conf. Board Consumer	Sep	105.5	106.1
UK	GDP QoQ	2Q F	0.20%	0.20%
UK	GDP YoY	2Q F	0.40%	0.40%
CA	GDP MoM	Jul	0.10%	-0.20%
JN	Industrial Production MoM	Aug P	-0.80%	-1.80%

LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE		
September 22, 2023								
Grace Kennedy Ltd (GK)	Current Price	\$72.43	EPS	\$7.59	ROE	9.88%	 ROE 18.46%  P/E 9.55  P/B 0.94	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.
	52 Week High	\$93.60	BVPS	\$76.78	ROE	18.46%		
BUY	53 Week Low	\$70.00	T12M Div.	\$2.06	P/E	9.80	 P/E 9.80  P/B 1.34	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. Further, inflation, supply chain issues, reduced business confidence and trading due to the war in Ukraine, and ongoing economic uncertainty related to the pandemic will present challenges 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 anticipated in some. JP remains strong along several key financial metrics, including its relatively large equity base and growing cash and securities balance, providing the group with the flexibility to manage and execute on strategies of acquiring undervalued assets as they become available. Most 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.
	WoW %	0.64%	Div. Yield %	2.23%	P/E	9.80		
	YTD %	-12.97%			P/B	1.34		
								
Jamaica Producers Group (JP)	Current Price	\$20.01	EPS	\$11.89	ROE	42.52%	 ROE 18.46%  P/E 1.68  P/B 0.72	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. Further, inflation, supply chain issues, reduced business confidence and trading due to the war in Ukraine, and ongoing economic uncertainty related to the pandemic will present challenges 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 anticipated in some. JP remains strong along several key financial metrics, including its relatively large equity base and growing cash and securities balance, providing the group with the flexibility to manage and execute on strategies of acquiring undervalued assets as they become available. Most 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.
	52 Week High	\$28.00	BVPS	\$27.97	ROE	18.46%		
BUY	53 Week Low	\$17.10	T12M Div.	\$0.30	P/E	9.80	 P/E 9.80  P/B 1.34	Today, Wisynco is a prominent manufacturer and distributor of beverages and food items in Jamaica. With one of the largest sales forces locally, with 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.
	WoW %	3.63%	Div. Yield %	1.58%	P/E	9.80		
	YTD %	-8.84%			P/B	1.34		
								
Wisynco Ltd (WISYNCO)	Current Price	\$17.03	EPS	\$1.27	ROE	22.99%	 ROE 12.96%  P/E 13.44  P/B 3.09	Today, Wisynco is a prominent manufacturer and distributor of beverages and food items in Jamaica. With one of the largest sales forces locally, with 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	\$20.00	BVPS	\$5.51	ROE	12.96%		
BUY	53 Week Low	\$16.00	T12M Div.	\$0.42	P/E	10.98	 P/E 10.98  P/B 2.14	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. To that end JMMBGL has grown its operations from strictly investment management, trading, stockbroking, and market-making activities to include commercial banking and while Jamaica remains the core of its operations, it has a significant presence in Trinidad and the Dominican Republic. Looking ahead, we anticipate that JMMBGL's earnings will be further diversified and boosted through its equity stake into "Sagicor 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.
	WoW %	-2.07%	Div. Yield %	2.40%	P/E	10.98		
	YTD %	-3.62%			P/B	2.14		
								
JMMB Group Ltd (JMMBGL)	Current Price	\$27.31	EPS	\$5.58	ROE	20.08%	 ROE 5.78%  P/E 4.90  P/B 0.98	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. To that end JMMBGL has grown its operations from strictly investment management, trading, stockbroking, and market-making activities to include commercial banking and while Jamaica remains the core of its operations, it has a significant presence in Trinidad and the Dominican Republic. Looking ahead, we anticipate that JMMBGL's earnings will be further diversified and boosted through its equity stake into "Sagicor 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.
	52 Week High	\$43.00	BVPS	\$27.77	ROE	5.78%		
BUY	53 Week Low	\$25.01	T12M Div.	\$0.00	P/E	8.59	 P/E 8.59  P/B 1.29	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. To that end JMMBGL has grown its operations from strictly investment management, trading, stockbroking, and market-making activities to include commercial banking and while Jamaica remains the core of its operations, it has a significant presence in Trinidad and the Dominican Republic. Looking ahead, we anticipate that JMMBGL's earnings will be further diversified and boosted through its equity stake into "Sagicor 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.
	WoW %	-1.69%	Div. Yield %	0.00%	P/E	8.59		
	YTD %	-17.12%			P/B	1.29		
								

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LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE				
September 22, 2023									
Jamaica Broilers Group Ltd (JBG)	Current Price	\$30.53	EPS	\$3.85	ROE	17.21%	ROE	12.96%	Having been in operation for over sixty years, JBG has grown into an iconic Jamaican company with 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. The Group is best described as a vertically integrated poultry business with operations spanning the full gamut of poultry rearing as a means for food production. In our view, these acquisitions and other inorganic initiatives are expected to be the catalyst for JBG's growth going forward.
	52 Week High	\$39.99	BVPS	\$22.35	P/E	7.94	P/E	10.98	
	53 Week Low	\$26.00	T12M Div.	\$0.78	P/B	1.37	P/B	2.14	
	WoW %	-5.66%	Div. Yield %	2.72%					
	YTD %	-1.52%							
BUY									
Sygnus Real Estate Finance Limited (SRFJMD)	Current Price	\$10.05	EPS	\$1.30	ROE	5.97%	ROE	7.07%	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	\$15.00	BVPS	\$21.82	P/E	7.72	P/E	19.11	
	53 Week Low	\$9.00	T12M Div.	\$0.00	P/B	0.46	P/B	0.76	
	WoW %	0.50%	Div. Yield %	0.00%					
	YTD %	0.50%							
BUY									
Pan-Jamaican Investment Trust (PJAM)	Current Price	\$42.51	EPS	\$3.34	ROE	7.46%	ROE	18.46%	Panjam has an expanding real estate portfolio where it owns some of the most iconic properties across the island plus strong brownfield investments generating steady flows of rental income and providing a strong base for investment. However, Panjam is much more than real estate powerhouse. Its strategy is built on three main pillars: strategic equity, tradeable securities and real estate. A key feature of this strategy is its investment portfolio which includes its over 30% stake in Sagico Group Jamaica. Overall, the Panjam's investments are very well diversified, providing sector exposure to real estate, insurance, financial services, manufacturing, tourism and business process outsourcing services. Over the next few years Panjam will pursue strategies to continue to broaden its footprint across the region and continue to deliver great value for its shareholders.
	52 Week High	\$65.00	BVPS	\$44.80	P/E	12.72	P/E	9.80	
	53 Week Low	\$40.01	T12M Div.	\$0.43	P/B	0.95	P/B	1.34	
	WoW %	0.33%	Div. Yield %	0.73%					
	YTD %	-25.72%							
BUY									

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Mutual Funds



A member of the Group

JN MUTUAL FUNDS

September 21, 2023

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$13.2440	2.64%	2.28%	3.25%
Global Equity	J\$13.8113	-5.61%	-5.28%	0.00%
Global Fixed Income	J\$14.7546	9.16%	7.05%	7.12%
Global Money Market (US\$)	US\$11.6857	3.59%	2.54%	4.22%
Global Fixed Income (US\$)	US\$11.6968	3.07%	2.23%	5.22%
Local Money Market	J\$13.1028	10.62%	8.52%	7.59%

	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.

Contact us

Kingston & St. Andrew

Kimberly Savage – 876-307-9461 ksavage@jngroup.com

Tamara Honeyghan - 876-557-0082 tamarah@jngroup.com

Gayon Knight - 876-564-9563 gknight@jngroup.com

Jason Adams - 876-550-9504 jyadams@jngroup.com

Mandeville

Horace Walters – 876-487-9267 waltersh@jngroup.com

St. Catherine

Nickesha Mullings-Gilling - 876-891-4736 nmullings@jngroup.com

Montego Bay

Marissa Williams - 876-465-3726 mwilliams1@jngroup.com

Anna-kaye Lynfatt - 876-564-8276 alynfatt@jngroup.com

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