

## US Retail Sales Unchanged in April after Surging in March

The monthly retail sales report from the United States (US) Census Bureau showed that retail sales were unchanged in April 2021, falling short of market expectations for a 1% rise and following an upwardly revised 10.2% surge in March. Five of the 13 retail categories saw increased sales in April, with the largest percentage increases of 3.0% and 2.9% in 'food and drinking places' and 'motor vehicle & parts dealers', respectively. Other than those, there were declines in the other eight categories that mirrored the overall increases. Sales at clothing stores fell by 5.1% and displayed the largest percentage decrease among those that declined. Excluding motor vehicle & parts & gasoline stations, retail sales fell by 0.8% month-over-month in April 2021.

The rapid pace of the vaccination programme, as well as the additional stimulus, has supported the gradually reopening of the US economy and is expected to continue to underpin US retail spending over the short term. However, the pace of increase is likely to be slowed by the ongoing uncertainty of COVID-19 and its variants, which could further negatively impact demand and supply chains and overall consumer activities in the US.

### Currency Markets

#### International Currency Market

Currency	14-May	7-May	DoD % Δ	WoW % Δ	YTD% Δ	YoY% Δ
EUR: USD	1.214	1.217	0.51%	-0.19%	8.29%	12.38%
GBP: USD	1.410	1.398	0.31%	0.79%	6.32%	15.25%
USD: CAD	1.211	1.213	-0.42%	-0.18%	-6.77%	-13.80%
USD: JPY	109.360	108.600	-0.10%	0.70%	0.69%	1.97%

#### Local Foreign Currency Market

Currency	14-May	13-May	7-May	DoD % Δ	WoW % Δ	YTD% Δ
USD:JMD	150.97	151.55	152.15	-0.38%	-0.77%	5.84%
GBP:JMD	211.90	212.62	212.95	-0.33%	-0.49%	9.4%
CAD:JMD	126.31	127.13	126.08	-0.64%	0.18%	13.4%

### Global Interest Rates

Rates	14-May	7-May	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	1.63%	1.58%	-2.73	5.30	-28.74	100.83
10 Year UK Gilt	0.86%	0.78%	-4.10	8.20	3.50	65.30
GOJ 2025 Global Bond	3.54%	3.38%	4.30	15.50	-31.70	-305.80
5 Year US Treasury Bond	0.81%	0.77%	-1.28	4.04	-87.65	50.94
5 Year UK Gilt	0.38%	0.31%	-2.90	6.70	-22.10	33.10

### Week in Review: May 10 - May 14, 2021

#### Local Equity Market

##### BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
PJX	46.27%	SALF	-23.19%
FIRSTROCKUSD	31.11%	MDS	-19.51%
LASF	23.13%	EFRESH	-13.79%

JSE Main Market activity (excluding preference shares) resulted from trading in 46 stocks of which 23 advanced, 22 declined and 1 traded firm. Market volume (excluding preference shares) amounted to 69,560,557 units valued at over \$642,807,685. JSE Junior Market activity (excluding preference shares) resulted from trading in 42 stocks of which 28 advanced, 12 declined and 2 traded firm. Market volume (excluding preference shares) amounted to 62,708,181 units valued at over \$145,751,109.

#### Global Equity Indices

Index	31-Dec	7-May	14-May	WoW % Δ	YTD% Δ	YoY% Δ
S&P 500	3,230.65	4,232.60	4,173.85	-1.39%	29.20%	46.32%
Euro Stoxx 50	3,745.15	4,034.25	4,017.44	-0.42%	7.27%	45.55%
MXWD Index	565.24	710.36	699.15	-1.58%	23.69%	46.71%
JSE Main Market Index	395,614.93	429,532.30	428,015.27	-0.35%	8.19%	13.51%
JSE Junior Market Index	2,643.38	3,243.93	3,321.55	2.39%	25.66%	35.44%
JSE Combined Index	392,435.92	430,207.64	429,604.72	-0.14%	9.47%	15.08%

### Upcoming Week: May 17 - May 21, 2021

Country	Report	Period	Forecast	Prior
US	Initial Jobless Claims	15-May	460,000	473,000
US	MBA Mortgage Applications	14-May	--	2.10%
US	Markit US Manufacturing PMI	May P	60.20	60.50
UK	CPI YoY	Apr	1.40%	0.70%
UK	CPI MoM	Apr	0.60%	0.30%
UK	Jobless Claims Change	Apr	--	10,100
JN	Industrial Production MoM	Mar F	--	2.20%
JN	GDP SA QoQ	IQ P	-1.20%	2.80%

# LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE
May 14, 2021						
JMMB Group Ltd (JMMBGL)	<p>Current Price <b>\$32.90</b></p> <p>52 Week High \$37.00</p> <p>53 Week Low \$28.00</p> <p>WoW % -0.27%</p> <p>YTD % -5.17%</p>	<p>EPS \$3.42</p> <p>BVPS \$26.13</p> <p>T12M Div. \$0.25</p> <p>Div. Yield % 0.74%</p>	<b>ROE 13.08%</b> <b>P/E 9.63</b> <b>P/B 1.26</b>	<b>ROE 13.49%</b> <b>P/E 18.74</b> <b>P/B 2.09</b>	<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 Sagico Financial Corporation allows JMMBGL to achieve further diversification and increased profitability.</p>	
BUY						
Derrimon Trading Co Ltd (DTL)	<p>Current Price <b>\$2.58</b></p> <p>52 Week High \$3.10</p> <p>53 Week Low \$1.81</p> <p>WoW % 1.98%</p> <p>YTD % 8.56%</p>	<p>EPS \$0.07</p> <p>BVPS \$0.35</p> <p>T12M Div. \$0.01</p> <p>Div. Yield % 0.59%</p>	<b>ROE 19.40%</b> <b>P/E 37.60</b> <b>P/B 7.29</b>	<b>ROE 14.83%</b> <b>P/E 36.51</b> <b>P/B 3.59</b>	<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>	
BUY						
Seprod Ltd (SEP)	<p>Current Price <b>\$77.57</b></p> <p>52 Week High \$85.00</p> <p>53 Week Low \$46.50</p> <p>WoW % 9.72%</p> <p>YTD % 19.53%</p>	<p>EPS \$3.81</p> <p>BVPS \$23.55</p> <p>T12M Div. \$0.60</p> <p>Div. Yield % 1.21%</p>	<b>ROE 16.16%</b> <b>P/E 20.39</b> <b>P/B 3.29</b>	<b>ROE 16.66%</b> <b>P/E 22.58</b> <b>P/B 3.08</b>	<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>	
HOLD						
Wigton Windfarm Ltd(WIG)	<p>Current Price <b>\$0.65</b></p> <p>52 Week High \$0.95</p> <p>53 Week Low \$0.60</p> <p>WoW % 1.56%</p> <p>YTD % -13.48%</p>	<p>EPS \$0.07</p> <p>BVPS \$0.37</p> <p>T12M Div. \$0.00</p> <p>Div. Yield % 0.00%</p>	<b>ROE 18.12%</b> <b>P/E 9.81</b> <b>P/B 1.78</b>	<b>ROE 10.06%</b> <b>P/E 26.62</b> <b>P/B 1.09</b>	<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>	
HOLD						













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# LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	RATIONALE				
May 14, 2021										
Jamaica Broilers Group Ltd (JBG)	Current Price	\$34.58	EPS	\$1.74	ROE	11.53%	  	ROE	16.66%	<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	\$36.00	BVPS	\$15.09	P/E	19.88		P/E	22.58	
	53 Week Low	\$23.00	T12M Div.	\$0.41	P/B	2.29		P/B	3.08	
	WoW %	13.82%	Div. Yield %	1.64%						
	YTD %	17.38%								
BUY										
Wisynco Ltd (WISYNCO)	Current Price	\$15.99	EPS	\$0.70	ROE	17.64%	  	ROE	16.66%	<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	\$20.00	BVPS	\$3.97	P/E	22.81		P/E	22.58	
	53 Week Low	\$13.00	T12M Div.	\$0.19	P/B	4.02		P/B	3.08	
	WoW %	0.13%	Div. Yield %	1.07%						
	YTD %	-5.07%								
HOLD										
Jamaica Producers Group (JP)	Current Price	\$25.10	EPS	\$3.33	ROE	12.08%	  	ROE	8.87%	<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	\$31.00	BVPS	\$27.56	P/E	7.54		P/E	18.10	
	53 Week Low	\$19.00	T12M Div.	\$0.20	P/B	0.91		P/B	1.35	
	WoW %	-8.73%	Div. Yield %	1.02%						
	YTD %	19.52%								
HOLD										

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# Mutual Funds

## JN MUTUAL FUNDS

May 13, 2021



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\$14.0794	3.84%	1.72%	2.48%
<b>Global Equity</b>	J\$15.7325	10.13%	4.49%	0.00%
<b>Global Fixed Income</b>	J\$12.9332	4.87%	2.18%	5.14%
<b>Global Money Market (US\$)</b>	US\$10.7541	3.62%	1.28%	2.46%
<b>Global Fixed Income (US\$)</b>	US\$10.9969	10.57%	-0.15%	3.11%
<b>Local Money Market</b>	J\$11.2517	4.18%	2.00%	4.31%

	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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