



Wednesday, June 10th **MAKE SMART CHOICES**

7:10 AM Smile Jamaica TVJ

Roy Reid, Client Relationship Officer, Mandeville Branch, explores the topic of Bonds as a smart investment choice in this segment.

QUICK RECAP:



WHAT IS A BOND?

A Bond is an investment that lasts typically for a period more than one year with the purpose of raising capital by borrowing. A bond is a promise to repay the principal along with interest on a specified date. Governments and Companies sell bonds.

Why are Government Bonds a Smart Choice for investors looking for long term opportunities?

Despite the challenges that the Government of Jamaica will have to face during the upcoming fiscal year, there has always been a strong commitment to repay debt and Jamaica's constitution dictates that debt is the first item which must be paid from revenues.

THE CURRENT SITUATION – GOJ BOND MARKET

As of June 5, 2009, there is an increase in demand coming from both Institutional and Retail investors in GOJ global bond market. This has resulted in upward movement on GOJ bond prices across the entire range of GOJ Globals. We expect this trend to continue.

WHAT ARE THE OPPORTUNITIES – GREAT RETURNS ON US\$

At current prices, GOJ Globals still provide great returns - namely GOJ 2015's, 2017's and 2019's. The most attractive of these issues would be the **GOJ 2019** which is currently yielding approximately **11.25%**.

JMMB SMART CHOICE TIP #1

If you want a great return on US\$ investments, lock in now.

THE CURRENT SITUATION – AIR JAMAICA BONDS

In the last few months due to increased demand, the price for Air Jamaica 2015s has increased. However, last week demand weakened and its price range is around 92-93.

OPPORTUNITY – GREAT RETURNS ON US\$

Great returns are available through the Air Jam 2015's yielding above 12.50%, with an amortization feature which may suit some investors.

JMMB SMART CHOICE TIP #2

For holders of Air Jamaica bonds, depending on the price you bought at, it may be time to take the Gains in your portfolio and Re-invest!

TO GET MORE INFORMATION:

Please visit any of our JMMB Branches in Kingston, Portmore, May Pen, Mandeville, Santa Cruz, MoBay or Ocho Rios. Or call us at 998-JMMB or email us at smart@jmb.com to seize this excellent investment opportunity.