

Week ending June 15, 2018

## JA\$ FIXED INCOME

- The JA\$ Fixed income market continued to trade with relatively strong liquidity over the week.
- The BOJ conducted its 30-day CD auction this week. The auction was heavily oversubscribed, resulting in a 2bps reduction in the average yield from 2.51% to 2.49%.
- Strong liquidity conditions is expected to dominate the market in the upcoming week.

See closing repo rates below:

Tenor	Current Rate %
Overnight	1.25
30 days	2.25-2.50
90 days	2.70-2.80
180 days	2.90-3.10
365 days	3.15-3.25

## US\$ FIXED INCOME

- The US\$ Fixed income market traded with moderate to strong demand over the week, predominantly driven by demand for longer term funding
- Supply remains concentrated on the shorter end of the curve as market participants continue to monitor the effects of strengthened demand.

See closing repo rates below:

Tenor	Current Rate %
Overnight	0.5
30 days	1.20-1.30
90 days	1.40-1.50
180 days	1.70-1.80
365 days	1.90-2.00

### GOJ Treasury Bill Yields

Instrument	90 Day Treasury Bill	180 Day Treasury Bill	270 Day Treasury Bill
Last Auction	June 15, 2018	June 15, 2018	February 14, 2018
Current Yield	2.54%	2.66%	4.00%
Previous Yield	2.71%	3.08%	4.79%
Net Change	-0.17%	-0.42%	-0.79%

(Source: Bank of Jamaica)

## GLOBAL BOND MARKET

- GOJ global bonds experienced a modest uptick in demand this week amidst relatively low volume.
- There was activity across the curve as the market anticipates interest and part principal payment from the amortization of the GOJ 8.00% 2019 global bond on the 24<sup>th</sup> of June.
- US Federal Reserve this week increased interest rates a further 25 basis points which was largely in line with market expectations. This represents the second increase since the start of 2018 and paves the way for as much as four (4) in total for the year.
- Barbados bonds continued trading firmly in default territory since the country announced it will be suspending payments on debt obligations.

(Source: JMMB, Bloomberg)

## FX MARKET

- The foreign exchange market traded with strong demand this week.
- The Bank of Jamaica (BOJ) intervened in the market once via B-FXITT, offering to purchase US\$ from eligible authorized foreign exchange dealers. Of note, the offer was undersubscribed.
- At the end of trading, Friday June 15, 2018, the Jamaican dollar was valued at 132.52 against the US\$ which represents an approximately \$2.33 depreciation of the JA\$ for the week.

	Weighted Avg. Sell Rates						Weekly Change (\$)
	8-Jun-18	11-Jun-18	12-Jun-18	13-Jun-18	14-Jun-18	15-Jun-18	
USD	130.1977	130.2206	130.2939	131.5807	132.0635	132.5296	(2.3319)
CAD	100.0057	99.3093	101.4563	99.9601	100.7977	101.3053	(1.2996)
GBP	173.5297	172.1114	174.6915	176.28	176.2578	174.4173	(0.8876)
EUR	153.4313	153.4364	155.064	156.2871	155.7168	152.0567	1.3746

(Source: Bank of Jamaica)

## REGIONAL EQUITY MARKETS

### JAMAICA

Market activity resulted from trading in 94 stocks of which 30 advanced, 32 declined and 32 traded firm.

Market volume amounted to 38,714,455 units valued at over \$919,705,593.56.

Lasco Manufacturing Limited was the volume leader with 8,865,027 units followed by NCB Financial Group Limited with 5,936,261 units And Supreme Ventures Limited with 2,619,929 units.

US\$ market volume amounted to 617,134 units valued at over US\$110,311.35.

The closing indices for the week were as follows:-

- The JSE Combined Index advanced by 1,186.00 points ( 0.38 %) to close at 311,665.66.
- The JSE Index advanced by 1,422.53 points ( 0.7 %) to close at 303,452.35.
- The JSE All Jamaican Composite Index advanced by 1,561.33 points ( 0.47 %) to close at 333,056.79.
- The JSE Select Index declined by 25.17 points ( 0.28 %) to close at 9,051.82.
- The Junior Market Index declined by 11.15 points ( 0.37 %) to close at 2,993.40.
- The JSE USD Equities Index declined by 5.14 points ( 3.18 %) to close at 161.81.

(Source: Jamaica Stock Exchange)

### TRINIDAD

Market activity resulted from trading in 22 stocks of which 6 advanced, 10 declined and 6 traded firm. Market volume amounted to 784,252 units valued at over TT\$17,078,898.38.

Angostura Holdings Limited was the volume leader with 162,349 units followed by JMMB Group Limited with 157,705 units and Massy Holdings Limited with 114,463 units

The following reflect the movement of the TTSE Indices: -

- The Composite Index declined by 4.10 points (0.33%) to close at 1,237.39.
- The All T&T Index advanced by 8.91 points (0.52%) to close at 1,730.50.
- The Cross Listed Index declined by 2.39 points (2.33%) to close at 100.01

(Source: Trinidad and Tobago Stock Exchange)

### BARBADOS

This week, the Regular Market traded a total volume of 80,821 shares. The top three companies traded were One Caribbean Media Limited with 50,282, Goddard Enterprises Limited with 17,953 and Sagicor Financial Corporation Limited with 6,086 shares.

The following reflect the movement of the BSE Indices: -

INDICES	TODAY'S TRADING	LAST TRADING	CHANGES
	15-Jun-18	8-Jun-18	
Local	2,931.74	2,763.41	168.33
Cross-list	1,442.80	1,458.49	(15.69)
Composite	729.27	694.01	35.26

(Source: Barbados Stock Exchange)

**In other JSE news:**

- Kingston Properties Limited (KPREIT) has advised of the decision of their Board of Directors to repurchase up to 0.75% of the Company's issued shares as part of a buyback programme and that 2,400 KPREIT shares were purchased under this programme on June 13, 2018.
- GraceKennedy Limited announced that it will acquire 35% share in Catherine's Peak pure spring bottled water brand, which is owned by Peak Bottling Company Limited, subject to further due diligence. GraceKennedy has also been appointed as the exclusive distributor for the Catherine's Peak brand.
- Supreme Ventures Limited (SVL) has advised of the appointment of Miss Cheryl Hylton as Chief Information Officer of the Supreme Ventures Group, effective July 2, 2018.
- Caribbean Flavours and Fragrances Limited (CFF) has advised of the appointment of Mr. Howard Mitchell as a member of the Board of Directors, effective July 1, 2018.

**Below is a summary table of the top advancers and decliners for the week:**

Advancers				Decliners			
Symbol	Close Price (\$)	Change (\$)	%	Symbol	Close Price (\$)	Change (\$)	%
DTL	11.50	2.32	20.2%	KPREIT	5.07	(1.46)	-28.80%
SIL	9.50	1.50	15.8%	MTL	0.20	(0.05)	-25.31%
CAC	9.00	1.00	11.1%	Ttech	5.45	(0.65)	-11.93%

(Source: Jamaica Stock Exchange)

**Non-GOJ Global Bond Indicative Prices**

Bond	Coupon	Size (US\$M)	Moody's	Fitch	S&P	Buyback Price	Sale Price	Indicative Offer Yield
Banco BMG SA Eurobond 8.87500% 08/05/2020	8.875%	169.630	B2	B-	#N/A N/A	96.18	101.00	8.35%
Banco De Credito Del Peru Eurobond 4.25000% 04/01/2023	4.250%	716.301	Baa1	BBB+	BBB+	96.44	102.69	3.63%
Bancolombia SA Eurobond 5.12500% 09/11/2022	5.125%	2.945	#N/A N/A	BBB-	#N/A N/A	97.86	103.73	4.15%
CENTRAIS ELETRICAS BRASILEIRAS Eurobond 5.75000% 10/27/2021	5.750%	1,750.0	Ba3	BB-	BB-	94.93	100.37	5.62%
CENTRAIS ELETRICAS BRASILEIRAS Eurobond 6.87500% 07/30/2019	6.875%	1,000.0	#N/A N/A	BB-	BB-	99.72	105.24	2.09%
Chicago Board of Education US\$ Bond 6.31900% 11/01/2029	6.319%	257.13	B3	BB-	B	93.55	99.20	6.42%
Digicel Group Ltd Eurobond 7.12500% 04/01/2022	7.125%	1,000.0	Caa1	B-	#N/A N/A	67.15	73.40	16.91%
Digicel Group Ltd Eurobond 8.25000% 09/30/2020	8.250%	2,000.0	Caa1	B-	#N/A N/A	76.99	83.70	17.17%
GENWORTH HOLDINGS INC Eurobond 4.90000% 08/15/2023	4.900%	400.00	B2	#N/A N/A	B *	87.32	92.88	6.55%
GENWORTH HOLDINGS INC Eurobond 6.50000% 06/15/2034	6.500%	300.00	B2	NR	B *	86.08	91.79	7.38%
Govt. of Aruba Eurobond 4.62500% 09/14/2023	4.625%	253.00	#N/A N/A	BBB-	BBB+	99.87	103.81	3.64%
Govt. of Aruba Eurobond 6.55000% 11/28/2018	6.550%	51.90	#N/A N/A	BBB-	BBB+	99.35	101.58	2.91%
Govt. of Bahamas Eurobond 5.75000% 01/16/2024	5.750%	300.00	Baa3	#N/A N/A	BB+	98.05	104.16	4.89%
Govt. of Bahamas Eurobond 6.0000% 11/21/2028	6.000%	750.00	Baa3	#N/A N/A	BB+	99.27	103.68	5.49%
Govt. of Bahamas Eurobond 6.95000% 11/20/2029	6.950%	300.00	Baa3	#N/A N/A	BB+	104.99	110.70	5.66%
Govt. of Barbados Eurobond 6.62500% 12/05/2035	6.625%	255.00	Caa3	#N/A N/A	D	44.00	60.58	12.15%
Govt. of Barbados Eurobond 7.00000% 08/04/2022	7.000%	200.00	#N/A N/A	#N/A N/A	CC *	44.40	61.75	22.79%
Govt. of Barbados Eurobond 7.25000% 12/15/2021	7.250%	150.00	Caa3	#N/A N/A	CC *	44.67	60.33	24.97%
Govt. of Barbados Eurobond 7.80000% 08/06/2019	7.800%	8.57	#N/A N/A	#N/A N/A	CC *	44.63	58.83	155.37%
Govt. of Bermuda Eurobond 4.13800% 01/03/2023	4.138%	475.00	A2	WD	A+	97.89	104.12	3.16%
Govt. of Bermuda Eurobond 4.85400% 02/06/2024	4.854%	750.00	A2	WD	A+	99.54	105.65	3.73%
Govt. of Costa Rica Eurobond 4.37500% 04/30/2025	4.375%	500.00	Baa2	BB	BB-	90.12	95.53	5.16%
Govt. of Dominican Republic Eurobond 5.87500% 04/18/2024	5.875%	1,000.00	Baa3	BB-	BB-	100.04	104.90	4.72%
Govt. of Ecuador Eurobond 10.50000% 03/24/2020	10.500%	1,500.00	#N/A N/A	B	B-	100.40	105.78	6.95%
Govt. of Panama Eurobond 9.37500% 04/01/2029	9.375%	951.43	Baa2	BBB	BBB	138.25	143.03	4.34%
Govt. of Trinidad Eurobond 4.37500% 01/16/2024	4.375%	550.00	Ba1	#N/A N/A	BBB+	96.49	102.49	3.87%
Govt. of Venezuela Eurobond 13.62500% 08/15/2018	13.625%	300.00	C	WD	D	25.80	34.75	1206.88%
Govt. of Venezuela Eurobond 7.00000% 12/01/2018	7.000%	1,000.00	C	WD	D	28.25	35.33	406.77%
Govt. of Venezuela Eurobond 9.25000% 05/07/2028	9.250%	2,000.00	C	WD	D	26.00	32.40	29.75%
Govt. of Venezuela Eurobond 9.25000% 09/15/2027	9.250%	4,000.00	C	WD	D	27.84	34.02	30.04%
Instituto Costa de Electricidad Eurobond 6.95000% 11/10/2021	6.950%	500.00	Ba2	BB	#N/A N/A	100.81	106.54	4.84%
JBS Investments GMBH Eurobond 7.25000% 04/03/2024	7.250%	750.00	#N/A N/A	BB-	B+	93.79	99.81	11.99%
National Gas Company Eurobond 6.05000% 01/15/2036	6.050%	400.00	Ba1	#N/A N/A	BBB	97.35	104.55	5.64%
Petrobras Global Finance Eurobond 4.37500% 05/20/2023	4.375%	3,500.00	Ba2	BB-	BB-	89.10	95.17	5.51%
Petrobras Global Finance Eurobond 4.75000% 01/14/2025 Euro Denom	4.750%	800.00	Ba2	BB-	BB-	99.76	105.15	3.84%
Petroleos De Venezuela S Eurobond 5.37500% 04/12/2027	5.375%	3,000.00	#N/A N/A	C	D	20.38	26.88	29.09%
Petroleos De Venezuela S Eurobond 9.00000% 11/17/2021	9.000%	2,394.24	#N/A N/A	C	D	23.00	29.50	87.27%
Petroleos De Venezuela S Eurobond 9.75000% 05/17/2035	9.750%	3,000.00	C	C	#N/A N/A	22.25	28.75	35.43%
Petroleum Company of Trinidad and Tobago Eurobond 9.75000% 08/14/2019	9.750%	850.00	B1	#N/A N/A	BB	101.22	105.24	5.00%
Sagicor Finance Ltd Eurobond 8.87500% 08/11/2022	8.875%	320.00	#N/A N/A	B	BB- *	105.86	111.90	2.14%
Scotiabank Peru S.A.A Eurobond 4.50000% 12/13/2027	4.500%	400.00	Baa2	A-	#N/A N/A	97.61	102.81	3.81%
Unicomer 7.875% 04/01/2024	7.875%	350.00	#N/A N/A	BB-	BB-	102.74	107.20	6.32%

**GOJ Global Bond Indicative Prices**

BOND	CURRENCY	SIZE (M)	COUPON	BID	OFFER	Offer YTM
GOJ 2019	USD	174.821	8.000%	100.00	103.50	1.10%
GOJ 2021	USD	6.149	8.500%	104.00	109.00	3.53%
GOJ 2022	USD	248.974	11.625%	123.25	129.25	2.97%
GOJ 2025	USD	800	7.625%	111.75	116.00	4.92%
GOJ 2025	USD	183.518	9.250%	124.00	128.50	4.62%
GOJ 2028	USD	1850.45	6.750%	106.25	111.00	5.30%
GOJ 2036	USD	250	8.500%	118.00	123.00	6.32%
GOJ 2039	USD	1243.24	8.000%	113.25	117.00	6.50%
GOJ 2045	USD	1000	7.875%	111.50	116.00	6.60%
AIRJAM 2027	USD	113.095	8.125%	105.25	110.50	5.49%
JPS 2021	USD	179.189	11.000%	101.75	108.00	8.00%
NROCC 2024	USD	294.18	9.375%	119.50	124.50	4.87%

ALL INFORMATION CONTAINED HEREIN IS OBTAINED BY JMMB® TRADING DEPARTMENT FROM SOURCES BELIEVED BY IT TO BE ACCURATE AND RELIABLE. ALL OPINIONS AND ESTIMATES CONSTITUTE THE ANALYST'S JUDGMENT AS OF THE DATE OF THE REPORT. HOWEVER, NEITHER ITS ACCURACY AND COMPLETENESS NOR THE OPINIONS BASED THEREON ARE GUARANTEED. AS SUCH NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS OR COMPLETENESS OF THIS REPORT IS GIVEN OR MADE BY JMMB GROUP® IN ANY FORM WHATSOEVER.