

Week ending January 10, 2020

JA\$ FIXED INCOME

- The JA\$ Fixed income market traded with low liquidity conditions during the week.
- The BOJ auctioned its 30-day CD this week offering \$10 Billion to the market. The auction was oversubscribed; the weighted average yield increased marginally by 1 bps compared to last week's result, moving from 0.93% to 0.92%.
- The market is expected to trade with low to moderate liquidity conditions as liquidity slowly returns to the market.

See closing repo rates below:

Tenor	Current Rate %
Overnight	0.35 – 0.45
30 days	2.00 – 2.20
90 days	2.30 - 2.50
180 days	2.75 - 3.00
365 days	3.25 – 3.50

US\$ FIXED INCOME

The US\$ Fixed income market traded with moderate demand over the week, predominantly driven by broker demand for longer tenured funding. Supply for funding remains concentrated for shorter tenors as market participants continue to monitor the effects of strengthened demand.

See closing repo rates below:

Tenor	Current Rate %
Overnight	1.00 -1.50
30 days	2.20-2.50
90 days	2.75-3.00
180 days	3.20-3.40
365 days	3.50-3.75

JA\$ Treasury-Bill Weighted Average Yields

Instrument	90 Day Treasury Bill	180 Day Treasury Bill	270 Day Treasury Bill
Last Auction	December 11, 2019	December 11, 2019	November 13, 2019
Current Yield	1.32%	1.60%	1.73%
Previous Yield	1.61%	1.58%	1.82%
Net Change	-0.29%	0.02%	-0.09%

(Source: Bank of Jamaica)

GLOBAL BOND MARKET

- GOJ bond prices moved higher this week with the long end of the curve (2036, 2039 and 2045) leading the gains.
- Sagicor Financial has offered to repurchase all or part of their 8.875% 2022 bonds at \$101.00. The offer is set to expire on January 22, 2020.
- The IMF projects Barbados' economy expanding at 0.6% in 2020.
- Heightened tension between the US and Iran are again at the fore, escalating further into undesired territory.
- The first phase trade deal agreed between the US and China is expected to be signed next week.

(Source: Bloomberg)

FX MARKET

- The foreign exchange market traded with increased demand over the week against moderate supply.
- The Bank of Jamaica (BOJ) did not intervene in the market via B-FXITT this week.
- At the end of trading, Friday January 20, 2020, the Jamaican dollar was valued at \$135.74 against the US\$ which represents an approximately \$1.77 depreciation in value of the JA\$ for the week.

Weighted Avg. Sell Rates							
	3-Jan-20	6-Jan-20	7-Jan-20	8-Jan-20	9-Jan-20	10-Jan-20	Weekly Change (\$)
USD	133.9737	133.6634	133.8095	134.1255	135.0344	135.7425	(1.7688)
CAD	104.5824	100.4677	100.9545	104.2858	105.4633	104.6900	(0.1076)
GBP	172.7711	172.0492	170.1527	173.4488	177.1173	174.9382	(2.1671)
EUR	149.6748	148.5030	151.5051	151.9525	150.0526	151.2252	(1.5504)

(Source: Bank of Jamaica)

REGIONAL EQUITY MARKETS

JAMAICA

Market activity resulted from trading in 92 stocks of which 38 advanced, 47 declined and 7 traded firm.

The Market volume amounted to 132,556,212 units valued at over J\$557,066,299.83.

The market volume leaders are Wigton Windfarm Limited with 40,647,919 units (30.66%) followed by Sagicor select Fund-Financial with 29,894,078 units (22.55%) and Fontana Limited with 11,095,138 units (8.37%).

US\$ market volume (excluding blocks) amounted to 3,033,461 units valued at over US\$878,286.08.

- The JSE Combined Index declined by 9,341.88 points (1.84%) to close at 498,510.46.
- The JSE Index declined by 9,058.89 points (1.77%) to close at 503,336.51.
- The JSE All Jamaican Composite Index declined by 9,908.00 points (1.76%) to close at 552,660.28.
- The JSE Select Index declined by 298.10 points (2.26%) to close at 12,885.43.
- The JSE Cross Listed Index declined by 4.20 points (3.94%) to close at 102.49.
- The Junior Market Index declined by 92.83 points (2.75%) to close at 3,285.36.
- The JSE USD Equities Index declined by 2.19 points (0.94%) to close at 229.84.
- The JSE Financial Index declined by 2.35 points (1.70%) to close at 136.03.
- The JSE Manufacturing & Distribution Index declined by 3.27 points (3.27%) to close at 96.67.

(Source: Jamaica Stock Exchange)

TRINIDAD

The Market activity resulted from trading 25 stocks of which 9 advanced, 8 declined and 8 traded firm.

The Market volume amounted to 1,471,282 units valued at over TT\$24,542,856.33.

The volume leaders are Trinidad and Tobago NGL Limited was the volume leader with 429,634 units (29.20%) followed by L.J. Williams Limited with 290,400 units (19.74%) and Trinidad Cement Limited with 189,736 units (12.90%).

The following reflect the movement of the TTSE Indices: -

- The Composite Index advanced by 17.05 points (1.16%) to close at 1,489.10.
- The All T&T Index advanced by 28.07 points (1.50%) to close at 1,899.89.
- The Cross Listed Index advanced by 0.80 points (0.55%) to close at 146.06.
- The SME Index advanced by 0.57 points (0.84%) to close at 68.33.

(Source: Trinidad and Tobago Stock Exchange)

BARBADOS

This week, the Regular Market traded a total volume of 28,336 shares. The three companies traded were Goddard Enterprises Limited with 28,162 (99.39%), Insurance Corporation of Barbados Limited with 153 (0.54%) and FirstCaribbean International Bank with 21 (0.07%).

The following reflect the movement of the BSE Indices: -

INDICES	TODAY'S TRADING	LAST TRADING	CHANGES	% Change
	10-Jan-20	3-Jan-20		
Local	3,144.52	3,035.64	108.88	3.587%
Cross-list	1,400.14	1,400.14	-	0.000%
Composit	769.38	743.43	25.95	3.491%

(Source: Barbados Stock Exchange)

REGIONAL EQUITY MARKETS

In other JSE news:

- Jamaica Stock Exchange Limited (JSE) has advised that at a Special Board Meeting of the Company, held on January 10, 2020, Mr. Julian Mair was appointed Chairman of the Board of Directors of the Jamaica Stock Exchange. Mr. Livingstone Morrison remains the Deputy Chairman of the Board.
- PROVEN has advised that its Board of Directors has authorised the Company to take formal steps to obtain all necessary regulatory approvals to launch an invitation to the public in Jamaica for subscription of an additional block of ordinary shares, such New Ordinary Shares to rank pari passu upon issue in all respects with the existing ordinary shares in the capital of the Company, and to be made available for subscription as aforesaid on such terms and conditions as shall be approved by the Directors of the Company. Details of the amount of New Ordinary Shares to be made available for subscription and the applicable terms and conditions will be advised once the Directors of the Company have approved them.
- MPC Caribbean Clean Energy Limited Rights Issue Offer Closed MPC Caribbean Clean Energy Limited (MPCCEL) has advised that the Rights Issue Offer closed at 4:30 p.m. (local time) today, January 10, 2020, according to the deadline of the latest extension.
- KLE Group, owners of Usain Bolt's Tracks & Records, has recently acquired full ownership of all its local franchises across Jamaica. The most recent acquisition is of the Montego Bay franchise owned by hotelier Chris Issa.

See below for top advancers and losers for the week:

Advancers				Decliners			
Symbol	Close Price (\$)	Change (\$)	%	Symbol	Close Price (\$)	Change (\$)	%
EPPLEY 7.50%	6.10	1.50	32.61%	MEEG	5.20	(1.23)	-19.13%
JSX	9.00	1.80	25.00%	SALF	30.00	(6.84)	-18.57%
GWEST	1.25	0.19	17.92%	DTL 9%	1.80	(0.38)	-17.43%

(Source: Jamaica Stock Exchange)

Non-GOJ Global Bond Indicative Prices

Bond	Coupon	Size (US\$m)	Bloomberg Composite Rating	Buyback Price	Sale Price	Indicative Offer Yield
Banco BMG SA 8.875% 08/05/2020	8.875%	169.630	B-	100.00	104.31	1.10%
Banco De Credito Del Peru 4.25% 04/01/2023	4.250%	716.301	BBB+	102.32	108.39	1.56%
Bancolumbia SA 5.125% 09/11/2022	5.125%	2.945	NR	102.72	108.08	1.99%
Centrais Eletricas Brasileiras 5.75% 10/27/2021	5.750%	1,750,000	BB-	101.78	107.00	1.75%
Chicago Board of Education US\$ Bond 6.319% 11/01/2029	6.319%	257,125	BB-	107.20	112.45	4.72%
Credito Real SAB De CV 9.50% 02/07/2026	9.500%	400,000	BB+	114.29	119.86	5.59%
Digicel Group Ltd 7.125% 04/01/2022	7.125%	21,004	C+	19.00	28.51	81.94%
Digicel Group Ltd 8.25% 09/30/2020	8.250%	62,851	C+	61.15	70.80	65.68%
Digicel Group Two Ltd 8.25% 09/30/2022	8.250%	937,149	C+	18.95	28.31	71.38%
Digicel Group One Ltd 8.25% 12/30/2022	8.250%	1,000,000	CCC	54.28	64.21	26.40%
Digicel Group Two Ltd 9.125% 04/01/2024	9.125%	993,016	NR	11.36	20.94	63.61%
Genworth Holdings Inc 6.50% 06/15/2034	6.500%	300,000	B	96.17	102.04	6.28%
Govt. of Aruba 4.625% 01/14/2023	4.625%	253,000	BBB	101.38	107.13	1.87%
Govt. of Bahamas 5.75% 01/16/2024	5.750%	300,000	BB+	105.39	111.46	2.71%
Govt. of Bahamas 6.00% 11/21/2028	6.000%	750,000	BB+	109.48	115.28	3.73%
Govt. of Bahamas 6.95% 11/20/2029	6.950%	300,000	BB+	113.31	118.94	4.54%
Govt. of Barbados 6.50% 10/01/2029	6.500%	530,595	NR	97.65	101.47	6.25%
Govt. of Bermuda 4.138% 01/03/2023	4.138%	475,000	A	102.15	108.45	1.23%
Govt. of Bermuda 4.854% 02/06/2024	4.854%	550,000	A	106.62	113.17	1.50%
Govt. of Costa Rica 4.375% 04/30/2025	4.375%	500,000	B+	97.66	103.80	3.58%
Govt. of Dominican Republic 5.875% 04/18/2024	5.875%	1,000,000	BB-	104.67	110.33	2.54%
Govt. of Ecuador 10.50% 03/24/2020	10.500%	324,630	B-	98.98	101.59	2.23%
Govt. of Panama 9.375% 04/01/2029	9.375%	951,425	BBB	150.58	155.17	2.60%
Govt. of Trinidad 4.375% 01/16/2024	4.375%	550,000	BBB-	103.97	110.19	1.73%
Govt. of Venezuela 9.250% 05/07/2028	9.250%	2,000,000	DD+	8.42	14.88	57.80%
Govt. of Venezuela 9.25% 09/15/2027	9.250%	4,000,000	DD+	8.57	15.06	61.70%
Instituto Costa de Electricidad 6.95% 11/10/2021	6.950%	500,000	B+	101.01	106.74	3.11%
National Gas Company 6.05% 01/15/2036	6.050%	400,000	BBB-	102.32	108.63	5.25%
Petrobras Global Finance 4.375% 05/20/2023	4.375%	1,405,620	BB-	101.42	107.93	1.92%
Petrobras Global Finance 4.75% 01/14/2025 Euro Denom	4.750%	639,649	BB-	112.97	118.28	0.99%
Petroleos De Venezuela SA 12.75% 02/17/2022	12.750%	3,000,000	NR	4.07	11.58	210.82%
Petroleos De Venezuela SA 5.375% 04/12/2027	5.375%	3,000,000	NR	2.95	11.51	54.52%
Petroleos De Venezuela SA 9.00% 11/17/2021	9.000%	2,394,240	NR	3.60	11.51	345.61%
Petroleos De Venezuela SA 9.75% 05/17/2035	9.750%	3,000,000	NR	3.69	11.71	68.27%
Sagor Finance Ltd 8.875% 08/11/2022	8.875%	320,000	BB-	102.71	105.35	-3.46%
Scotiabank Peru S.A.A 4.50% 12/13/2027	4.500%	400,000	BBB+	101.20	106.81	2.08%
Trinidad Petroleum Holdings Ltd. 9.75% 06/15/2026	9.750%	570,265	BB-	109.81	114.21	6.29%
Unicomer 7.875% 04/01/2024	7.875%	350,000	BB-	107.05	111.48	1.52%

GOJ Global Bond Indicative Prices

BOND	CURRENCY	SIZE (M)	COUPON	BID	OFFER	Offer YTM
GOJ 2025	USD	401.18	7.625%	117.00	120.25	3.54%
GOJ 2025	USD	85.23	9.250%	125.90	129.90	3.48%
GOJ 2028	USD	1421.45	6.750%	117.20	120.70	3.81%
GOJ 2036	USD	250	8.500%	135.25	139.50	4.92%
GOJ 2039	USD	1243.24	8.000%	136.25	139.50	4.82%
GOJ 2045	USD	1815	7.875%	134.50	138.25	5.16%
AIRJAM 2027	USD	89.2857	8.125%	107.25	112.25	4.58%
NROCC 2024	USD	294.18	9.375%	117.75	122.25	4.23%