

Week ending July 3, 2020

JA\$ FIXED INCOME

- The JA\$ Fixed income market traded with moderate liquidity conditions during the week.
- The BOJ auctioned its 30-day CD this week offering JA\$ 6 Billion to the market. The auction continues to be oversubscribed; the weighted average increased by 9 bps to 0.56% from 0.46%.
- The market is expected to trade with fair liquidity conditions next week.

See closing repo rates below:

Tenor	Current Rate %
Overnight	0.35 – 0.50
30 days	1.50 – 1.90
90 days	2.25 – 2.50
180 days	2.75 - 3.00
365 days	3.25 – 3.50

US\$ FIXED INCOME

The US\$ Fixed income market continues to trade with fair liquidity conditions over the week. There continues to be broker demand for long-term repo funding in the market, while supply is mainly for short-term placements. See closing repo rates below:

Tenor	Current Rate %
Overnight	1.00 -1.25
30 days	1.75-2.00
90 days	2.25-2.50
180 days	2.75-3.00
365 days	3.25-3.50

JA\$ Treasury-Bill Weighted Average Yields

Instrument	90 Day Treasury Bill	180 Day Treasury Bill	270 Day Treasury Bill
Last Auction	June 10, 2020	June 10, 2020	May 15, 2020
Current Yield	1.28%	1.36%	1.83%
Previous Yield	1.78%	1.53%	1.73%
Net Change	-0.50%	-0.17%	0.10%

(Source: Bank of Jamaica)

GLOBAL BOND MARKET

- GOJ bonds continued to experience moderate to strong demand this week as buyers outnumbered sellers.
- The Republic of Suriname has so far not paid coupon and principal as scheduled on its 9.875% 2023 global bond originally due June 30.
- S&P downgrades Belize to CC from CCC. Belize already announced its intention to undertake an exchange offer on its 2034 global bond
- Despite positive strides in relation to the development of covid-19 treatments, the market is bracing for the effects a second wave as cases rise in some jurisdictions.
- The US and China relations could experience further strains; this time with Hong Kong at the center due to China's new security laws.

(Source: Bloomberg)

FX MARKET

- The foreign exchange market traded with moderate to high demand over the week amidst improved supply.
- The Bank of Jamaica (BOJ) did not intervene in the market via B-FXITT this week.
- At the end of trading, Friday July 03, 2020, the Jamaican dollar was valued at \$142.20 against the US\$ which represents an approximately \$2.20 depreciation in the value of the JA\$ for the week.

	Weighted Avg. Sell Rates						Weekly Change (\$)
	26-Jun-20	29-Jun-20	30-Jun-20	1-Jul-20	2-Jul-20	3-Jul-20	
USD	139.9985	140.0885	140.0111	139.5089	140.6288	142.2022	(2.2037)
CAD	106.0039	105.572	105.1658	104.5689	103.6366	106.3245	(0.3206)
GBP	177.5205	175.4686	177.1609	179.1623	180.2492	179.5666	(2.0461)
EUR	159.1841	161.7597	163.8322	160.9589	160.4059	160.1338	(0.9497)

(Source: Bank of Jamaica)

REGIONAL EQUITY MARKETS

JAMAICA

Market activity resulted from trading in 94 stocks of which 35 advanced, 50 declined and 9 traded firm.

The Market volume amounted to 207,778,361 units valued at over J\$1,062,587,909.01.

The market volume leaders are Mayberry Jamaican Equities Limited with 50,098,084 units (24.11%) followed by Pulse Investments Limited with 28,730,123 units (13.83%) and Derrimon Trading Limited with 24,186,486 units (11.64%).

US\$ market volume (excluding blocks) amounted to 9,252,255 units valued at over US\$220,206.00.

- The JSE Combined Index declined by 1,912.35 points (0.51%) to close at 375,664.33.
- The JSE Index declined by 1,552.64 points (0.41%) to close at 378,603.79.
- The JSE All Jamaican Composite Index declined by 1,718.02 points (0.41%) to close at 415,049.61.
- The JSE Select Index declined by 111.32 points (1.18%) to close at 9,327.40.
- The JSE Cross Listed Index advanced by 0.11 points (0.12%) to close at 95.55.
- The Junior Market Index declined by 45.10 points (1.75%) to close at 2,539.19.
- The JSE USD Equities Index declined by 7.65 points (4.07%) to close at 180.19.
- The JSE Financial Index declined by 0.07 points (0.07%) to close at 98.31.
- The JSE Manufacturing & Distribution Index declined by 1.44 points (1.84%) to close at 76.88.

(Source: Jamaica Stock Exchange)

TRINIDAD

The Market activity resulted from trading 25 stocks of which 7 advanced, 10 declined and 8 traded firm.

The Market volume amounted to 701,618 units valued at over TT\$10,110,345.31.

The volume leaders are JMMB Group Limited with 210,050 units (29.94%) followed by National Flour Mills Limited with 102,651 units (14.63%) and Unilever Caribbean Limited with 70,469 units (10.04%).

The following reflect the movement of the TTSE Indices: -

- The Composite Index advanced by 0.20 points (0.02%) to close at 1,309.85.
- The All T&T Index declined by 1.23 points (0.07%) to close at 1,767.77.
- The Cross Listed Index advanced by 0.22 points (0.19%) to close at 115.12.
- The SME Index remained unchanged at 67.47.

(Source: Trinidad and Tobago Stock Exchange)

BARBADOS

This week, the Regular Market traded a total volume of 2,771 shares. The three companies traded were Goddard Enterprises Limited with 2,373 shares (85.64%), FirstCaribbean International Bank with 348 shares (12.56%) and Cave Shepherd and Company Limited with 50 shares (1.80%).

The BSE Indices ending June 19, 2020.

INDICES	TODAY'S TRADING	LAST TRADING	CHANGES	
	3-Jul-20	26-Jun-20		% Change
Local	2,889.65	3,011.88	-122.23	-4.058%
Cross-list	1,400.14	1,400.14	-	-
Composite	708.63	737.76	-29.13	-3.948%

(Source: Barbados Stock Exchange)

REGIONAL EQUITY MARKETS

In other JSE news:

- **INDIES Pharma limited** has negotiated with Sagicor Investments Jamaica Limited for a loan by way of a Private Placement Bond in the amount of J\$1.12 billion. The funds raised will repay Biporist Holdings Inc. the amount of J\$398,750,000.00, which was used to purchase 3 acres of land in Montego Bay, St. James and to develop and get approval for at least two Abbreviated New Drug Applications (ANDA) from the U.S. Food and Drug Administration (USFDA). INDIES has further advised that this transaction is currently pending and the Company will provide further disclosure to the market in due course.
- **NCBFG** has started the process of streamlining the insurance business currently offered by its competing subsidiaries NCB Insurance Company Limited (“NCBIC”/“the Company”) and Guardian Life Limited (“GLL”). NCBIC has submitted applications to the Financial Services Commission seeking approval for the following to the transfer of 100% of the Company’s portfolio of insurance and annuities business to Guardian Life Limited; to be licensed as a dealer under the Securities Act, and for the registration of the Company as an insurance agent under the Insurance Act.
- **The Palace Amusement Company (1921) Limited (PAL)** has advised that the Jamaican Government has announced that cinemas and places of entertainment can re-open, effective Sunday, July 5, 2020 and that PAL has proposed to reopen its cinemas on Wednesday, July 8, 2020.

See below for top advancers and losers for the week:

Advancers				Decliners			
Symbol	Close Price (\$)	Change (\$)	%	Symbol	Close Price (\$)	Change (\$)	%
PULS	3.67	0.71	23.99%	LASM	3.20	(0.75)	-18.99%
MAILPAC	2.37	0.43	22.16%	JETCON	0.93	(0.17)	-15.45%
CFE	13.72	2.02	17.26%	PBS US\$	0.55	(0.09)	-14.06%

(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-	91.32	100.39	3.72%
Banco De Credito Del Peru 4.25% 04/01/2023	4.250%	716.301	BBB+	97.73	106.96	1.63%
Bancolumbia SA 5.125% 09/11/2022	5.125%	2.945	NR	96.04	105.47	2.53%
Centrais Electricas Brasileiras 5.75% 10/27/2021	5.750%	625.702	BB-	95.29	104.56	2.19%
Chicago Board of Education US\$ Bond 6.319% 11/01/2029	6.319%	257.125	BB-	90.83	100.83	6.20%
Credito Real SAB De CV 9.50% 02/07/2026	9.500%	400.000	BB	98.58	108.37	7.63%
Digicel Group Ltd 7.125% 04/01/2022	7.125%	21.004	NR	1.99	9.94	224.95%
Digicel Group Ltd 8.25% 09/30/2020	8.250%	62.851	NR	1.00	8.11	3936.60%
Digicel Group Two Ltd 8.25% 09/30/2022	8.250%	27.166	NR	1.72	11.20	156.70%
Digicel Group One Ltd 8.25% 12/30/2022	8.250%	-	NR	59.91	69.19	24.61%
Digicel Group Two Ltd 9.125% 04/01/2024	9.125%	7.817	NR	0.95	7.25	126.32%
Genworth Holdings Inc 6.50% 06/15/2034	6.500%	300.000	B-	71.27	82.80	8.65%
Govt. of Aruba 4.625% 09/14/2023	4.625%	253.000	BBB-	93.85	102.93	3.22%
Govt. of Bahamas 5.75% 01/16/2024	5.750%	300.000	BB	88.16	97.54	6.54%
Govt. of Bahamas 6.00% 11/21/2028	6.000%	750.000	BB	86.19	96.00	6.70%
Govt. of Bahamas 6.95% 11/20/2029	6.950%	300.000	BB	87.17	97.75	7.28%
Govt. of Barbados 6.50% 10/01/2029	6.500%	530.595	NR	88.63	98.51	6.77%
Govt. of Barbados 6.50% 02/01/2021	6.500%	32.482	NR	95.99	99.87	7.94%
Govt. of Bermuda 4.138% 01/03/2023	4.138%	475.000	A	101.51	108.91	0.53%
Govt. of Bermuda 4.854% 02/06/2024	4.854%	550.000	A	106.35	113.57	0.99%
Govt. of Costa Rica 4.375% 04/30/2025	4.375%	500.000	B	86.26	96.52	5.20%
Govt. of Dominican Republic 5.875% 04/18/2024	5.875%	1,000.000	BB-	99.46	108.54	2.66%
Govt. of Panama 9.375% 04/01/2029	9.375%	951.425	BBB	148.07	157.17	2.16%
Govt. of Trinidad 4.375% 01/16/2024	4.375%	550.000	BB+	99.39	107.03	2.29%
Govt. of Venezuela 9.250% 05/07/2028	9.250%	2,000.000	DD+	2.00	10.72	74.22%
Govt. of Venezuela 9.25% 09/15/2027	9.250%	4,000.000	DD+	1.96	10.72	80.92%
Instituto Costa de Electricidad 6.95% 11/10/2021	6.950%	500.000	B	94.39	104.36	3.58%
National Gas Company 6.05% 01/15/2036	6.050%	400.000	BB+	92.00	102.00	5.85%
Petrobras Global Finance 4.375% 05/20/2023	4.375%	1,405.620	BB-	93.79	103.17	3.21%
Petrobras Global Finance 4.75% 01/14/2025 Euro Denom	4.750%	639.649	BB-	96.89	109.31	2.54%
Petroleos De Venezuela SA 12.75% 02/17/2022	12.750%	3,000.000	NR	0.41	6.28	361.22%
Petroleos De Venezuela SA 5.375% 04/12/2027	5.375%	3,000.000	NR	0.91	7.56	73.39%
Petroleos De Venezuela SA 9.00% 11/17/2021	9.000%	2,394.240	NR	0.91	6.50	244.77%
Petroleos De Venezuela SA 9.75% 05/17/2035	9.750%	3,000.000	NR	0.59	6.37	111.24%
Sagicor Finance Ltd 8.875% 08/11/2022	8.875%	318.103	BB-	97.81	105.03	0.64%
Scotiabank Peru S.A.A 4.50% 12/13/2027	4.500%	400.000	BBB	96.11	105.77	2.06%
Transjamaica 5.75% 10/10/2036	5.750%	225.000	B+	94.56	102.03	4.73%
Trinidad Petroleum Holdings Ltd. 9.75% 06/15/2026	9.750%	570.265	BB-	96.83	107.11	8.08%
Unicomer 7.875% 04/01/2024	7.875%	350.000	BB-	86.90	99.13	14.39%

GOJ Global Bond Indicative Prices

BOND	CURRENCY	SIZE (M)	COUPON	BID	OFFER	Offer YTM
GOJ 2022	USD	208.24	11.625%	103.10	116.10	1.02%
GOJ 2025	USD	401.18	7.625%	109.20	120.20	3.23%
GOJ 2025	USD	85.23	9.250%	112.30	123.20	4.30%
GOJ 2028	USD	1421.45	6.750%	109.15	120.65	3.69%
GOJ 2036	USD	250	8.500%	118.20	129.10	5.67%
GOJ 2039	USD	1243.24	8.000%	119.90	131.40	5.33%
GOJ 2045	USD	1815	7.875%	119.15	130.65	5.59%
AIRJAM 2027	USD	89,2857	8.125%	95.00	108.50	5.47%
NROCC 2024	USD	294.18	9.375%	101.00	113.50	5.82%