

Week ending August 4, 2023

## JA\$ FIXED INCOME

- The JA\$ Fixed income market traded with low levels of liquidity conditions during the week.
- The BOJ auctioned its weekly 30-day CD offering \$22.5 Billion to the market. The issue was over-subscribed resulting in a Weighted Average Yield of 8.87% which is an 4bps decrease over last week's auction.
- The market is expected to trade with moderate levels of liquidity next week.

See closing repo rates below:

| Tenor     | Current Rate % |
|-----------|----------------|
| Overnight | 7.50 - 8.00    |
| 30 days   | 8.15 - 8.35    |
| 90 days   | 8.50 - 8.65    |
| 180 days  | 8.75 - 8.95    |
| 365 days  | 9.00 - 9.15    |

## US\$ FIXED INCOME

The US\$ Fixed income market continues to trade with moderate liquidity conditions over the week. Supply of US\$ funding has decreased in recent weeks. Liquidity is expected to remain relatively tight in the near term.

| Tenor     | Current Rate % |
|-----------|----------------|
| Overnight | 2.75 - 3.00    |
| 30 days   | 4.85 - 5.00    |
| 90 days   | 5.25 - 5.50    |
| 180 days  | 5.65 - 5.75    |
| 365 days  | 5.85 - 5.95    |

## JA\$ Treasury-Bill Weighted Average Yields

| Instrument     | 90 Day Treasury Bill | 180 Day Treasury Bill | 270 Day Treasury Bill |
|----------------|----------------------|-----------------------|-----------------------|
| Last Auction   | July 12, 2023        | July 12, 2023         | July 12, 2023         |
| Current Yield  | 7.79%                | 7.80%                 | 8.42%                 |
| Previous Yield | 7.86%                | 7.89%                 | 8.00%                 |
| Net Change     | -0.07%               | -0.09%                | 0.42%                 |
| Next Auction   | August 9, 2023       | August 9, 2023        | August 9, 2023        |

(Source: Bank of Jamaica)

## GLOBAL BOND MARKET

- The move by Fitch Ratings to downgrade US government credit has put a renewed focus on the nation's debt trajectory, just when the world's largest economy is shaking off forecasts for a looming recession. In the past week, Chairman Jerome Powell said the Federal Reserve is no longer expecting a US downturn, even after the most aggressive interest rate hikes in decades, and economists at Bank of America Corp. also scrapped their recession forecast.
- US employment increased at a solid pace in July while wages rose at a faster-than-expected clip, consistent with sustained labor demand that's at the root of renewed momentum in the economy. Nonfarm payrolls increased 187,000 last month following a similar advance in June, a Bureau of Labor Statistics report showed Friday. The unemployment rate unexpectedly dropped to 3.5%, one of the lowest readings in decades.

(Source: Bloomberg)

## FX MARKET

- The foreign exchange market traded with moderate to high demand over the week amidst low to moderate supply.
- The Bank of Jamaica (BOJ) intervened in the market twice during the week via B-FXITT (flash sale) offering to sell USD to authorized foreign exchange dealers for resale only to non-financial end users
- At the end of trading, Friday August 04, 2023, the Jamaican dollar was valued at \$155.52 against the US\$ which represents an approximately \$0.16 appreciation in the value of the JA\$ for the week.

|     | Weighted Avg. Sell Rates |           |          |          |          |          |                    |
|-----|--------------------------|-----------|----------|----------|----------|----------|--------------------|
|     | 28-Jul-23                | 31-Jul-23 | 1-Aug-23 | 2-Aug-23 | 3-Aug-23 | 4-Aug-23 | Weekly Change (\$) |
| USD | 155.6806                 | 155.6297  | Holiday  | 155.5849 | 155.3871 | 155.5203 | 0.1603             |
| CAD | 118.0801                 | 118.8709  | Holiday  | 116.9115 | 117.1491 | 116.7807 | 1.2994             |
| GBP | 201.1535                 | 200.4165  | Holiday  | 198.153  | 197.7062 | 198.5497 | 2.6038             |
| EUR | 175.0946                 | 174.99    | Holiday  | 170.8547 | 171.3568 | 172.8602 | 2.2344             |

(Source: Bank of Jamaica)

## REGIONAL EQUITY MARKETS

### JAMAICA

Weekly market activity resulted from trading in 123 stocks of which 53 advanced, 56 declined and 14 traded firm.

The Market volume amounted 209,558,716 units valued at over J\$624,231,003.83.

The market volume leaders are TransJamaica Highway Limited 8.00% Preference with 113,649,653 units (53.69%), followed by Sagicor Select Fund Limited –Financial with 8,886,719 units (4.20%) and TransJamaica Highway Limited J\$ Ordinary with 7,560,911 units (3.57%).

The US\$ market volume (excluding blocks) amounted to 2,118,747 units valued at over US\$111,030.27.

#### The following reflect the movement of the JSE Indices:

- The JSE Index advanced by 817.76 points (0.25%) to close at 326,087.84.
- The Junior Market Index advanced by 32.75 points (0.84%) to close at 3,942.02.
- The JSE Combined Index advanced by 1,062.82 points (0.31%) to close at 340,347.08.
- The JSE All Jamaican Composite Index advanced by 1,506.99 points (0.42%) to close at 361,593.66.
- The JSE Select Index advanced by 30.61 points (0.37%) to close at 8,218.78.
- The JSE USD Equities Index declined by 3.40 points (1.39%) to close at 240.62.
- The JSE Cross Listed Index declined by 0.31 points (0.50%) to close at 61.33.
- The JSE Financial Index advanced by 1.07 points (1.49%) to close at 72.65.
- The JSE Manufacturing & Distribution Index declined by 1.25 points (1.24%) to close at 99.40.

(Source: Jamaica Stock Exchange)

### TRINIDAD

Weekly market activity resulted from trading 23 securities of which 8 advanced, 12 declined and 3 traded firm.

The Market volume amounted to 574,794 shares crossing the floor of the Exchange valued at TT\$24.797 million.

The volume leaders are GraceKennedy Limited with 164,138 shares (28.56%), followed by Massy Holdings Limited with 86,038 shares (14.97%) and National Enterprises Limited with 54,566 shares (9.49%).

#### The following reflect the movement of the TTSE Indices: -

- The COMPOSITE Index advanced by 4.03 points (0.32%) to close at 1,254.14.
- The ALL T&T Index advanced by 13.10 points (0.69%) to close at 1,909.25.
- The CROSS-LISTED Index declined by 0.80 points (1.02%) to close at 77.40.
- The SME Index traded firm to close at 70.47.

(Source: Trinidad and Tobago Stock Exchange)

### BARBADOS

This week, the Regular Market traded a total volume of 414,280 shares. The sole security traded was Goddard Enterprises Limited with 414,280 shares.

#### The BSE Indices ending August 4, 2023

| INDICES    | TODAY'S TRADING | LAST TRADING | CHANGES | % Change |
|------------|-----------------|--------------|---------|----------|
|            | 4-Aug-23        | 28-Jul-23    |         |          |
| Local      | 2,622.73        | 2,623.43     | -0.70   | -0.027%  |
| Cross-list | 803.79          | 803.79       | 0.00    | 0.000%   |
| Composite  | 635.78          | 635.95       | -0.17   | -0.027%  |

(Source: Barbados Stock Exchange)

## REGIONAL EQUITY MARKETS

- GraceKennedy Limited (GK) has advised that the Company has come to an agreement to acquire Unibev Limited, a privately owned Jamaican manufacturing company which specializes in fully integrated beverage solutions.
- Carreras Limited (CAR) has advised that at a meeting of its Board of Directors held on May 26, 2023, a resolution was passed to change its existing financial year end from March 31 to December 31 to agree with that of parent company, British American Tobacco plc., as this would provide uniformity in financial reporting. This proposed change is to take effect as of December 31, 2023. CAR has further advised that approval was requested from the Commissioner General, Tax Administration Jamaica, for the change and as soon as response is received it will be communicated. Carreras Limited (CAR) wishes to advise that Ms. Imega Breese McNab will be joining Carreras Limited in the of role of Legal & External Affairs Manager effective August 8, 2023.
- DOLLA has advised that Mr. Kenroy Kerr, the current Deputy Chief Executive Officer, has been appointed as the Interim Chief Executive Officer for DOLLA as the current Chief Executive Officer, Mr. Kadeen Mairs, has tendered his resignation and commenced his garden leave on July 28, 2023.
- ISP Finance Services Ltd (ISP) has advised that the Company has received the approval of the Bank of Jamaica to be granted a Microcredit license.
- PROVEN has advised that a dividend payment of US\$0.002 per share was declared at a Board meeting held on July 31, 2023. Ordinary shareholders who have requested payment in Jamaican Dollars will receive the equivalent of JA\$0.3092 per share. The dividend payment will be made to all ordinary shareholders on record as at August 17, 2023, and will be paid on August 31, 2023. The ex-dividend date is August 16, 2023.

### JSE Top Gainers and Decliners for the week

| Symbol   | Close Price (\$) | Change (\$) | %      | Symbol              | Close Price (\$) | Change (\$) | %       |
|----------|------------------|-------------|--------|---------------------|------------------|-------------|---------|
| MTL US\$ | 0.11             | 0.02        | 25.14% | TJH 8.00 (PREF.)    | 1.48             | (0.88)      | -37.29% |
| MDS      | 4.85             | 0.77        | 18.87% | JMMBGL 7.50 (PREF.) | 2.12             | (0.75)      | -26.13% |
| CAC      | 5.98             | 0.88        | 17.25% | SOS                 | 2.24             | (0.73)      | -24.58% |

(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 |
|--|--------|--------------|----------------------------|---------------|------------|------------------------|
| Chicago Board of Education US\$ Bond 6.319% 11/01/2029 | 6.319% | 257.125      | BB                         | 93.50         | 99.50      | 6.42%                  |
| Digicel Group 0.5 Ltd 8.00% 04/01/2025                 | 8.00%  | 438.053      | C+                         | 39.75         | 46.97      | 62.66%                 |
| Genworth Holdings Inc 6.50% 06/15/2034                 | 6.50%  | 287.493      | BB                         | 84.97         | 90.69      | 7.78%                  |
| Govt. of Aruba 4.625% 09/14/2023                       | 4.625% | 85.000       | BBB-                       | 97.76         | 100.88     | -2.64%                 |
| Govt. of Bahamas 5.75% 01/16/2024                      | 5.75%  | 300.000      | B+                         | 96.03         | 101.18     | 3.13%                  |
| Govt. of Bahamas 6.00% 11/21/2028                      | 6.00%  | 750.000      | B+                         | 79.11         | 84.25      | 10.68%                 |
| Govt. of Bahamas 6.95% 11/20/2029                      | 6.95%  | 300.000      | B+                         | 77.33         | 83.22      | 10.67%                 |
| Govt. of Bahamas 8.95% 10/15/2032                      | 8.95%  | 825.000      | B+                         | 83.95         | 88.99      | 10.87%                 |
| Govt. of Barbados 6.50% 10/01/2029                     | 6.50%  | 530.584      | B-                         | 90.01         | 96.26      | 7.64%                  |
| Govt. of Bolivia 4.25% 3/20/2028                       | 4.500% | 1,000.000    | CCC+                       | 66.50         | 73.70      | 14.07%                 |
| Govt. of Costa Rica 4.375% 04/30/2025                  | 4.375% | 500.000      | B+                         | 94.40         | 100.10     | 4.31%                  |
| Govt. of Dominican Republic 5.875% 04/18/2024          | 5.875% | 24.999       | BB-                        | 95.56         | 99.81      | 6.14%                  |
| Govt. of Dominican Republic 4.875% 09/23/2032          | 4.875% | 3,066.000    | BB-                        | 83.52         | 88.92      | 6.50%                  |
| Govt. of Dominican Republic 5.875% 01/30/2060          | 5.875% | 3,200.000    | BB-                        | 75.59         | 80.46      | 7.44%                  |
| Govt. of Mexico 5.4% 02/09/2028                        | 5.400% | 1,250.000    | BBB-                       | 98.01         | 102.68     | 4.74%                  |
| Govt. of Panama 9.375% 04/01/2029                      | 9.375% | 951.425      | BBB-                       | 116.96        | 122.09     | 4.87%                  |
| Govt. of Trinidad 4.375% 01/16/2024                    | 4.375% | 550.000      | BB+                        | 96.63         | 100.97     | 2.22%                  |
| Govt. of Trinidad 4.5% 06/26/2030                      | 4.500% | 500.000      | BB+                        | 91.51         | 97.53      | 4.93%                  |
| Govt. of Uruguay 4.375% 1/23/2031                      | 4.375% | 2,072.529    | BBB                        | 95.73         | 100.19     | 4.35%                  |
| Govt. of Venezuela 9.250% 05/07/2028                   | 9.250% | 2,000.000    | NR                         | 4.53          | 13.24      | 80.00%                 |
| Govt. of Venezuela 9.25% 09/15/2027                    | 9.250% | 4,000.000    | NR                         | 4.88          | 13.16      | 91.89%                 |
| National Gas Company 6.05% 01/15/2036                  | 6.050% | 400.000      | BB+                        | 88.32         | 95.78      | 6.55%                  |
| Petrobras Global Finance 4.75% 01/14/2025 Euro Denom   | 4.750% | 271.945      | BB-                        | 96.98         | 101.93     | 3.35%                  |
| Petroleos De Venezuela SA 9.75% 05/17/2035             | 9.750% | 3,000.000    | NR                         | 1.72          | 7.01       | 107.79%                |
| Sagicor Financial Co. 5.30% 05/13/2028                 | 5.300% | 550.000      | BB                         | 92.20         | 96.33      | 6.20%                  |
| Telecom Services TT 8.875% 10/18/2029                  | 8.875% | 300.000      | B                          | 79.87         | 84.60      | 13.23%                 |
| Trinidad Generation Unlimited 5.25% 11/04/2027         | 5.250% | 600.000      | BB                         | 93.65         | 99.20      | 5.54%                  |
| Trinidad Petroleum Holdings Ltd. 9.00% 08/12/2029      | 9.000% | 500.000      | BB-                        | 100.78        | 106.78     | 6.93%                  |
| Unicomer 7.875% 04/01/2024                             | 7.875% | 350.000      | B+                         | 96.43         | 100.25     | 4.36%                  |

## GOJ Global Bond Indicative Prices

| BOND        | CURRENCY | COUPON | BID    | OFFER Max | Offer Yield |
|-------------|----------|--------|--------|-----------|-------------|
| GOJ 2025    | USD      | 7.625% | 99.45  | 105.20    | 3.88%       |
| GOJ 2025    | USD      | 9.250% | 103.75 | 109.75    | 4.57%       |
| GOJ 2028    | USD      | 6.750% | 102.70 | 107.95    | 4.42%       |
| GOJ 2036    | USD      | 8.500% | 115.00 | 122.00    | 5.99%       |
| GOJ 2039    | USD      | 8.000% | 118.10 | 124.10    | 5.57%       |
| GOJ 2045    | USD      | 7.875% | 114.40 | 120.90    | 6.13%       |
| AIRJAM 2027 | USD      | 8.125% | 97.50  | 103.50    | 6.30%       |
| NROCC 2024  | USD      | 9.375% | 99.65  | 104.65    | 3.27%       |