

Week ending July 7, 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 \$21.5 Billion to the market. The issue was mildly under-subscribed which resulted in a Weighted Average Yield of 10.86% which is an 88bps increase over last week's auction.
- The market is expected to trade with low 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 | June 7, 2023 | June 7, 2023 | May 10, 2023 |
| Current Yield | 7.86% | 7.89% | 8.00% |
| Previous Yield | 7.82% | 7.97% | 8.36% |
| Net Change | 0.04% | -0.09% | -0.36% |
| Next Auction | July 12, 2023 | July 12, 2023 | TBA |

(Source: Bank of Jamaica)

GLOBAL BOND MARKET

- The CARICOM bloc of Caribbean nations urged the US to drop sanctions against Cuba and Venezuela during its annual meeting attended by US Secretary of State Antony Blinken.
- Bonds from El Salvador are expected to keep topping peers in the second half of the year on the back of high carry returns, but outperformance may slow amid a lack of conviction on whether the nation's debt is sustainable in the medium-term, according to Santander
- Tentative signs of weakness in the US labor market won't be enough to sway the Federal Reserve from additional interest-rate increases, according to Bloomberg Economics. "The trend pace of hiring is slowing, but remains too swift for the Fed's comfort," Stuart Paul, an economist at Bloomberg, wrote Thursday in a preview of Friday's jobs report
- Some Federal Reserve officials suspect that robust gains in payrolls may be overstating the strength of the labor market

(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 once 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 July 07, 2023, the Jamaican dollar was valued at \$155.45 against the US\$ which represents an approximately \$0.83 depreciation in the value of the JA\$ for the week.

| | Weighted Avg. Sell Rates | | | | | | Weekly Change (\$) |
|-----|--------------------------|----------|----------|----------|----------|----------|--------------------|
| | 30-Jun-23 | 3-Jul-23 | 4-Jul-23 | 5-Jul-23 | 6-Jul-23 | 7-Jul-23 | |
| USD | 154.6212 | 155.1673 | 155.1087 | 155.4754 | 155.71 | 155.4556 | (0.8344) |
| CAD | 117.5245 | 117.9015 | 117.5294 | 117.7298 | 116.0296 | 116.7634 | 0.7611 |
| GBP | 197.2435 | 195.7572 | 195.4242 | 198.0864 | 196.5487 | 199.6700 | (2.4265) |
| EUR | 171.4222 | 168.2094 | 171.103 | 169.2531 | 169.2076 | 172.1778 | (0.7556) |

REGIONAL EQUITY MARKETS

JAMAICA

Weekly Market activity resulted from trading in 120 stocks of which 38 advanced, 71 declined and 11 traded firm.

The Market volume amounted 171,686,879 units valued at over \$1,069,981,229.40.

The market volume leaders JMMB Group 7.25% VR JMD CR Preference Shares with 50,641,419 units, followed by Transjamaican Highway Limited with 16,234,823 units and Ciboney Group Limited with 14,213,770 units.

The US\$ market volume (excluding blocks) amounted to 2,924,826 units valued at over US\$94,652.33.

The following reflect the movement of the JSE Indices:

- The JSE Index declined by 5,409.01 points (1.63%) to close at 326,625.92.
- The Junior Market Index advanced by 27.00 points (0.68 %) to close at 4,011.23.
- The JSE Combined Index declined by 4,799.93 points (1.39 %) to close at 341,482.60.
- The JSE All Jamaican Composite Index declined by 7,285.95 points (1.97 %) to close at 363,287.98.
- The JSE Select Index declined by 132.24 points (1.64 %) to close at 7,938.81.
- The JSE USD Equities Index declined by 12.58 points (4.91 %) to close at 243.84.
- The JSE Cross Listed Index declined by 0.06 points (0.10 %) to close at 60.58.
- The JSE Financial Index declined by 1.50 points (2.06 %) to close at 71.45.
- The JSE Manufacturing & Distribution Index declined by 0.39 points (0.38 %) to close at 101.19.

(Source: Jamaica Stock Exchange)

TRINIDAD

Weekly market activity resulted from trading 26 securities of which 13 advanced, 5 declined and 8 traded firm.

The Market volume amounted to volume of 987,291 shares crossing the floor of the Exchange valued at TT\$16,373,145.83..

The volume leaders are National Enterprises Limited with 315,065 shares, followed by GraceKennedy Limited with 239,640 shares and Republic Financial Holdings Limited with 60,408 shares.

The following reflect the movement of the TTSE Indices: -

- The COMPOSITE Index advanced by 18.58 points (1.53%) to close at 1,234.94.
- The ALL T&T Index advanced by 10.49 points (0.56%) to close at 1,880.48.
- The CROSS-LISTED Index advanced by 3.81 points (5.27%) to close at 76.14.
- The SME Index advanced by 0.58 points (0.83%) to close at 0.71.

(Source: Trinidad and Tobago Stock Exchange)

BARBADOS

This week, the Regular Market traded a total volume of 804,274 shares. The top three securities traded were Eppley Caribbean Property Fund SCC - Value Fund with 787,155, FirstCaribbean International Bank with 10,000 and Goddard Enterprises Limited with 4,069 shares.

The BSE Indices ending July 7, 2023

| INDICES | TODAY'S TRADING | LAST TRADING | CHANGES |
|------------|-----------------|--------------|---------|
| | 7-Jul-23 | 30-Jun-23 | |
| Local | 2,542.76 | 2,542.57 | 0.19 |
| Cross-list | 803.79 | 803.79 | - |
| Composite | 616.78 | 616.73 | 0.05 |

(Source: Barbados Stock Exchange)

REGIONAL EQUITY MARKETS

- Regency Petroleum Co. Limited (RPL) has advised that it has privately placed, by way of an exempt distribution, US\$1,400,000 in Secured Notes Due 2025 – arranged by GK Capital Management Limited. The US\$ Fixed Rate Secured Notes will be issued in two tranches with Tranche A amounting to US\$600,000 issued as of June 30, 2023, and Tranche B amounting to US\$800,000 expected to be drawn-down on or before September 29, 2023. The proceeds from this debt raise will be used to construct a service station located on Spanish Town Road.
- Sagikor Group (SJ) wishes to advise that Miss Joanna Banks tendered her resignation as a Director of Sagikor Group Jamaica Limited (SGJ) and the following subsidiaries: Sagikor Life Jamaica Limited (SLJ); Sagikor Bank Jamaica Limited (SBJ) and Sagikor Investments Jamaica Limited (SIJ), effective June 30, 2023. Additionally, we are pleased to advise that the Boards of Directors of SGJ, SLJ, SBJ and SIJ have appointed Mr. Jeffrey Hall as a Director of these companies effective, July 1, 2023, subject to regulatory approval. Mr. Jeffrey Hall was appointed to fill the casual vacancy created by the resignation of Ms. Banks, who will assume the executive position of Executive Vice President, Strategy and Business Development at SGJ on July 17, 2023.
- The Board of Directors (the “Board”) of Ciboney Group Limited (CBNY) wishes to confirm that it has received Notice of a firm intention by IEC Energy Company Limited (IEC) to make an offer to acquire all the shares held by minority shareholders in the Company. IEC has indicated its intention to publish a Takeover Bid Circular (TOBC) within 30 days of June 29, 2023, as required by the Securities (Takeovers and Mergers) Regulations, (the “Regulations”) and the Take-over and Mergers Rules of the Jamaica Stock Exchange Rules (the “Code”). The Board and the new majority owner have confirmed their mutual commitment to comply with the respective requirements and timelines of the Regulations and the Code.

JSE Top Gainers and Decliners for the week

| Advancers | | | | Decliners | | | |
|-----------|------------------|-------------|--------|--------------|------------------|-------------|---------|
| Symbol | Close Price (\$) | Change (\$) | % | Symbol | Close Price (\$) | Change (\$) | % |
| CBNY | 1.41 | 0.54 | 62.07% | FIRSTROCKUSD | 0.04 | (0.02) | -27.27% |
| 138SLVR | 104.99 | 22.58 | 27.40% | JPS7 | 50.00 | (17.67) | -26.11% |
| MPCCEL | 77.32 | 16.32 | 26.75% | MDS | 4.74 | (1.11) | -18.97% |

(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 | 94.98 | 101.33 | 6.06% |
| Credito Real SAB De CV 9.50% 02/07/2026 | 9.500% | 400.000 | NR | 10.85 | 12.85 | 136.55% |
| Digicel Group 0.5 Ltd 8.00% 04/01/2025 | 8.000% | 438.053 | C+ | 39.95 | 47.24 | 59.85% |
| Digicel Group Ltd 7.125% 04/01/2022 | 7.125% | 21.004 | NR | 0.62 | 3.56 | 200.37% |
| Digicel Group Two Ltd 8.25% 09/30/2022 | 8.250% | 27.166 | NR | 2.21 | 7.97 | 103.49% |
| Digicel Group Two Ltd 9.125% 04/01/2024 | 9.125% | 7.817 | NR | 0.71 | 5.95 | 1264.35% |
| Genworth Holdings Inc 6.50% 06/15/2034 | 6.500% | 287.493 | BB | 82.53 | 90.22 | 7.85% |
| Govt. of Aruba 4.625% 09/14/2023 | 4.625% | 85.000 | BBB- | 97.76 | 100.15 | 3.72% |
| Govt. of Bahamas 5.75% 01/16/2024 | 5.750% | 300.000 | B+ | 93.28 | 100.42 | 4.92% |
| Govt. of Bahamas 6.00% 11/21/2028 | 6.000% | 750.000 | B+ | 76.87 | 82.98 | 11.05% |
| Govt. of Bahamas 6.95% 11/20/2029 | 6.950% | 300.000 | B+ | 75.78 | 83.44 | 10.59% |
| Govt. of Bahamas 8.95% 10/15/2032 | 8.950% | 825.000 | B+ | 82.23 | 88.51 | 10.95% |
| Govt. of Barbados 6.50% 10/01/2029 | 6.500% | 530.584 | B- | 87.95 | 95.32 | 7.92% |
| Govt. of Costa Rica 4.375% 04/30/2025 | 4.375% | 500.000 | B+ | 94.06 | 99.79 | 4.49% |
| Govt. of Dominican Republic 5.875% 04/18/2024 | 5.875% | 24.999 | BB- | 95.70 | 100.00 | 5.86% |
| Govt. of Dominican Republic 4.875% 09/23/2032 | 4.875% | 3,066.000 | BB- | 81.96 | 87.13 | 6.78% |
| Govt. of Dominican Republic 5.875% 01/30/2060 | 5.875% | 3,200.000 | BB- | 73.92 | 79.32 | 7.55% |
| Govt. of Panama 9.375% 04/01/2029 | 9.375% | 951.425 | BBB- | 116.33 | 121.69 | 4.97% |
| Govt. of Trinidad 4.375% 01/16/2024 | 4.375% | 550.000 | BB+ | 96.26 | 101.13 | 2.14% |
| Govt. of Trinidad 4.5% 06/26/2030 | 4.500% | 500.000 | BB+ | 91.29 | 96.84 | 5.04% |
| Govt. of Venezuela 9.250% 05/07/2028 | 9.250% | 2,000.000 | NR | 4.63 | 13.00 | 79.03% |
| Govt. of Venezuela 9.25% 09/15/2027 | 9.250% | 4,000.000 | NR | 4.71 | 13.00 | 90.13% |
| National Gas Company 6.05% 01/15/2036 | 6.050% | 400.000 | BB+ | 88.72 | 95.75 | 6.55% |
| Petrobras Global Finance 4.75% 01/14/2025 Euro Denom | 4.750% | 271.945 | BB- | 96.88 | 101.62 | 3.62% |
| Petroleos De Venezuela SA 12.75% 02/17/2022 | 12.750% | 3,000.000 | NR | 1.73 | 6.75 | 188.86% |
| Petroleos De Venezuela SA 5.375% 04/12/2027 | 5.375% | 3,000.000 | NR | 2.00 | 5.76 | - |
| Petroleos De Venezuela SA 9.75% 05/17/2035 | 9.750% | 3,000.000 | NR | 1.76 | 7.14 | 102.47% |
| Sagikor Financial Co. 5.30% 05/13/2028 | 5.300% | 550.000 | BB | 91.45 | 97.06 | 6.01% |
| Telecom Services TT 8.875% 10/18/2029 | 8.875% | 300.000 | B | 77.45 | 83.18 | 13.63% |
| Trinidad Generation Unlimited 5.25% 11/04/2027 | 5.250% | 600.000 | BB | 93.59 | 99.15 | 5.55% |
| Trinidad Petroleum Holdings Ltd. 9.00% 08/12/2029 | 9.000% | 500.000 | BB- | 101.23 | 106.23 | 7.12% |
| Unicomer 7.875% 04/01/2024 | 7.875% | 350.000 | B+ | 96.88 | 101.10 | -7.15% |

GOJ Global Bond Indicative Prices

| BOND | CURRENCY | SIZE (M) | COUPON | BID | OFFER | Offer Yield |
|-------------|----------|----------|--------|--------|--------|-------------|
| GOJ 2025 | USD | 381.176 | 7.625% | 99.05 | 104.80 | 4.264% |
| GOJ 2025 | USD | 85.225 | 9.250% | 103.75 | 109.75 | 4.66% |
| GOJ 2028 | USD | 1421.447 | 6.750% | 101.30 | 106.55 | 4.83% |
| GOJ 2036 | USD | 250.000 | 8.500% | 115.00 | 122.50 | 5.94% |
| GOJ 2039 | USD | 1243.238 | 8.000% | 115.10 | 121.60 | 5.79% |
| GOJ 2045 | USD | 1815.000 | 7.875% | 111.15 | 117.65 | 6.37% |
| AIRJAM 2027 | USD | 47.619 | 8.125% | 97.50 | 103.50 | 6.34% |
| NROCC 2024 | USD | 294.180 | 9.375% | 99.00 | 104.20 | 4.13% |