MAKING MONEY WORK FOR YOU.

Weekly Newsletter

August 31st, 2020

NOW OPEN

MAKING MONEY WORK FOR YOU.

NOTICE OF ADDITIONAL PUBLIC OFFER (APO)

The Directors of the Company are pleased to announce an Additional Public Offer of Ordinary Shares to the general public subject to the terms and conditions set out in the Prospectus.

Up to 173,733,220 New Ordinary Shares inclusive of 160,752,450 Reserved Shares will be available for subscription (with the right to upsize).

PRICE PER NEW ORDINARY SHARE (JA$)

Small Investors	Hotel-workers, Farmers and Civil Servants	Cornerstone Investor, Barita Clients, Existing Shareholders and Key Investors	Non-Reserved Share Applicants
J$49.00	J$49.75	J$52.00	J$52.00

MINIMUM SHARE PURCHASE

300 New Ordinary Shares with subsequent amounts in multiples of 100

OPENING DATE

Wednesday, August 26, 2020 at 9:00 a.m.

CLOSING DATE

Wednesday, September 16, 2020 at 4:00 p.m.

APPLICATIONS:

Applicants should read the full terms and conditions of the invitation set out in the Prospectus before submitting an application. Applications are available for download at **www.barita.com** or **www.jamstockex.com**. Electronic applications can also be made using BOSS, the Lead Broker's online application portal accessible at **www.baritaboss.com**.

ARRANGER AND LEAD BROKER

BARITA INVESTMENTS LIMITED

www.barita.com

APPLY NOW

LOCAL EQUITIES MARKET

For the week ended Friday, our local stock market continued it's slight decent, closing lower week-over-week. The Main Market Index decreased 0.56%, the JSE All Jamaican Composite Index declined by 0.61%, the JSE Junior Market Index increased by 0.96%, the JSE Combined Index decreased by 0.45%, and the JSE USD Equities Index increased by 0.08%.

The biggest winner this week is Caribbean Flavours & Fragrances Limited rising by 57.75% to close at J$18.46. The biggest loser was Main Event Entertainment Group falling by 14.31% to close at J$3.40.

Year to date, all the major equity indexes are still down by high double digits (see, the table below); and three months since March, has been relatively flat.

Market volume amounted to 133,347,483 units valued at over $1,052,592,570.70. Carreras Limited was the volume leader with 45,725,914 units (34.29%) followed by Transjamaican Highway Limited with 17,131,942 units (12.85%) and Wigton Windfarm Limited Ordinary Shares with 15,640,626 units (11.73%)

The Producer Price Index (PPI) for the mining and quarrying industry increased by 0.4 per cent for July 2020. The PPI for July was released yesterday by the Statistical Institute of Jamaica. This upward movement was mainly due to an increase of 0.5 per cent in the index for the major group 'bauxite mining and alumina processing'.
http://www.jamaicaobserver.com/business-report/mining-and-quarrying-manufacturing-industries-record-minimal-growth-on-producer-price-index_201903?profile=1056

The Statistical Institute of Jamaica (STATIN) in its latest International Merchandise Trade (IMT) bulletin indicated that the country's imports for the period January to May was valued at US$1,965.2 million—29.4 per cent below the US$2,784.6 million spent in the similar period last year. http://www.jamaicaobserver.com/business-report/jamaica-s-imports-exports-decline-for-january---may-statin_201849?profile=1056

The link below shows how critical sectors of our economy have been impacted by COVID-19, industries which have suffered, shown resilience and those that have benefited from impact of COVID-19.
http://www.jamaicaobserver.com/business-observer-daily-biz/critical-sectors-of-the-economy-impacted-jmea-covid-19-survey-what-are-we-seeing-in-the-manufacturing-sector-_201676?profile=1056

Index	28/8/2020	21/8/2020	31/12/2019	Week/Week	Year-to-Date
JSE Main Market	366,050.38	368,099.13	509,916.44	-0.56%	-28.21%
JSE Junior Market	2,531.26	2,507.17	3,348.97	0.96%	-24.42%
JSE Combined Market	364,025.60	365,653.00	505,253.98	-0.45%	-27.95%
JSE USD Equities Market	185.97	185.83	226.23	0.08%	-17.80%

INTERNATIONAL DEVELOPMENTS

US Stocks rallied last week on positive news about potential vaccines and treatments for COVID-19. Companies that would benefit most from a full reopening of the economy, such as airlines and aircraft manufactures enjoyed strong support during the week

On Monday, news about the Food and Drug Administration's approval of plasma treatment for COVID-19 patients and the Trump administration's discussion of fast-tracking a potential vaccine from AstraZeneca and Oxford University led to a jump in stock prices for airlines. Some U.S. airlines saw daily gains of about 10% as investors anticipated a possible recovery in air travel. Boeing and its suppliers also experienced substantial gains.
https://www.troweprice.com/personal-investing/planning-and-research/t-rowe-price-insights/markets/global-markets-weekly-update.html#US

Federal Reserve Chair Jerome Powell delivered (virtually) a long-anticipated speech at the Kansas City Fed's Economic Policy Symposium, announcing the results of the central bank's review of its monetary policy framework. Powell said that the Fed would adjust its inflation targeting to allow overshoots of its 2% inflation goal to offset undershoots of the target. This will effectively enable the Fed to keep rates at the current near-zero level for a more extended period without raising them to pre-empt inflation.
https://www.troweprice.com/personal-investing/planning-and-research/t-rowe-price-insights/markets/global-markets-weekly-update.html#US

U.S. Treasury yields increased, with much of the move coming after Powell's statements on Thursday. The dovish speech boosted riskier assets at the expense of Treasuries, which investors widely view as a safe haven. (Bond prices and yields move in opposite directions.)
https://www.troweprice.com/personal-investing/planning-and-research/t-rowe-price-insights/markets/global-markets-weekly-update.html#US

European shares rose on further economic stimulus in France and Germany, a recommitment by the U.S. and China to their partial trade deal, and signs of progress in the development of treatments for COVID-19. In local currency terms, the pan-European STOXX Europe 600 Index ended the week 1.02% higher. https://www.troweprice.com/personal-investing/planning-and-research/t-rowe-price-insights/markets/global-markets-weekly-update.html#US

Mainland Chinese stock markets rose for the week. The blue-chip CSI 300 Index gained 2.7% and the benchmark Shanghai Composite Index, which gives a significantly larger weighting to state-owned enterprises https://www.scmp.com/topics/china-stock-market

Index	28/8/2020	21/8/2020	31/12/2019	Week/Week	Year-to-Date
Dow Jones	28,653.87	27,930.33	28,462.14	2.59%	0.67%
S&P 500	3,508.01	3,397.16	3,234.85	3.26%	8.44%
NASDAQ 100	11,995.85	11,555.16	8,733.07	3.81%	37.36%
FTSE 100	5,963.57	6,001.89	7,542.44	-0.64%	-20.93%
Euro Stoxx 50	3,315.54	3,259.75	3,748.47	1.71%	-11.55%

Local Economic Conditions

USD Foreign Exchange Market

- The Jamaican Dollar appreciated against most major currencies last week. Our local currency appreciated 1.56% against the U.S. Dollar week on week to settle at $149.59 as at close of trade Friday, relative to J$151.18 per US$1.00 at the end of the prior closed the period at 12.84%.

- Since the outbreak of the COVID-19, the Bank of Jamaica (BOJ) has been proactive in providing adequate liquidity support to our local institutions. However, this has been difficult especially seeing that manufacturers and importers have been demanding additional foreign exchange to purchase raw materials to carry out their business in preparations for the upcoming hurricane season, as well as market players engaging in precautionary purchasing.

- For the week ended 28 August 2020, no FX Swap applications were received.

- Additionally, no swaps matured via this arrangement this week. The total outstanding under the BOJ FX Swap Arrangement is USD73.00 million.

Currency Pair	28/8/2020	21/8/2020	31/12/2019	Week/Week	Year-to-Date
JMD: USD	149.59	151.18	132.57	1.05%	-12.84 %
JMD:CAD	115.25	114.94	100.70	-0.27%	-14.45 %
JMD:GBP	196.91	198.76	170.64	0.93%	-15.40 %

Unit Trust Performance

- The Money Market Fund increased 0.22% week-on-week, the FX Bond Portfolio increased 0.02% in value, the F.X. Growth Portfolio increased by 5.77% in value, and the Real Estate Portfolio decreased by 7.11% in value. The Capital Growth Fund decreased by 0.101 % week over week.

- Barita's Collective Investment Schemes ("CIS") offer the opportunity for investors to remain invested in the market at this delicate stage of the market cycle; moreover, there is a diversification benefit and opportunity to have a professional portfolio manager make the best-in-class professional judgements on your behalf.

- The F.X. Growth Fund, which is benchmarked against the S&P 500, has been outperforming the benchmark given 11.11% year to date performance relative to S&P 500's performance of 8.44% . This fund helps investors to gain exposure to the U.S. equities market, without taking on the risk of directly investing in a single company.

- The Capital Growth Fund suffered the same fate as our local equity market but remains above the year to date performance of the combined index. This is as attractive as securities were also oversold during the March sell-off and represented an attractive entry point to be capitalized on. The FX Bond Portfolio remains an attractive fixed-income portfolio, especially taking into consideration the large retreat from emerging market (E.M.) securities. With investors seeking "safe haven" in a more developed market (D.M.) securities and essentially selling down their positions in E.M. securities, opportunities were exposed for our fund managers to capitalize on.

"The fool wonders, the wise man asks"— Benjamin Disraeli

CONCLUSION

Unit Trust Fund	28/8/2020	20/8/2020	Week/ Week Return	Year-to-Date Return	1 Year Return	Yield
Capital Growth	75.87	75.95	-0.101%	-21.61%	-18.80%	-
Money Market	14.7449	14.7121	0.22%	2.64%	3.16%	1.47%
Income Portfolio	100.00	100.00	-	-	-	2.49%
FX Bond Portfolio (US$)	1.3062	1.3096	-0.26%	-2.68%	-0.48%	2.06%
Real Estate Portfolio	5,670.81	6,104.62	-7.11%	10.22%	18.57%	-
FX Growth Portfolio	0.9952	0.9409	5.77%	11.11%	16.98%	-

- The Producer Price Index (PPI) for the mining and quarrying industry increased by 0.4 per cent for July 2020. The PPI for July was released yesterday by the Statistical Institute of Jamaica. This upward movement was mainly due to an increase of 0.5 per cent in the index for the influential group 'bauxite mining and alumina processing'.

- The Statistical Institute of Jamaica (STATIN) in its latest International Merchandise Trade (IMT) bulletin indicated that the country's imports for the period January to May was valued at US$1,965.2 million—29.4 per cent below the US$2,784.6 million spent in the similar period last year.

- US Stocks rallied last week on positive new about potential vaccines and treatments for COVID-19. Companies that would benefit most from a full reopening of the economy, such as airlines and aircraft manufactures enjoyed strong support during the week

- Federal Reserve Chair Jerome Powell delivered (virtually) a long-anticipated speech at the Kansas City Fed's Economic Policy Symposium, announcing the results of the central bank's review of its monetary policy framework. Powell said that the Fed would adjust its inflation targeting to allow overshoots of its 2% inflation goal to offset undershoots of the target. This will effectively enable the Fed to keep rates at the current near-zero level for a more extended period without raising them to pre-empt inflation

MAKING MONEY WORK FOR YOU.