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Private Markets Investing

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ANALYST INSIGHT

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Private Markets Investing

Introduction

The last two decades have seen a growth in private markets through funds pooled together from institutional investors to be managed by asset managers, stemming from a demand in longer investment time horizons needs and a low interest rate environment. Private markets refer to non-bank debt and equity investments across different asset classes, primarily in Private Equity, Credit, and Real Assets such as infrastructure and real estate. Private markets fundraising was up by nearly 20 percent year over year in 2021, to reach a record of almost $1.2 trillion, according to McKinsey's Private Markets Annual Review, as dealmakers were active after facing a year of headwinds due to the COVID-19 pandemic. Assets under management saw an increase of 32% year over year to reach an all time high of $9.8 trillion as the year saw $3.5 trillion being deployed across asset classes.

What are the strategies that make up the Private Market?

There are three main strategies that make up the private markets in respect to their different sub-asset classes; These includes Capital Growth, Enhanced Income, and Stable/Core Income. This more narrowed spectrum of strategies include: 1) Capital Growth – Buyouts, Venture Capital, Distressed & Special Situations, Opportunistic Real Estate, Greenfield Infrastructure; 2) Enhanced Income – Mezzanine Corporate Debt, Venture Debt, Core Real Estate, Value-added Real Estate, Subordinate/Junior Real Estate Debt, Brownfield Infrastructure; 3) Stable Income – Direct Lending, Senior Real Estate Debt, and Infrastructure Debt. Private markets investing and access comes with several benefits such as a broader investment strategies than public markets, and long-term investment horizons along with liquidity premiums.

Investment Outlook

Private Equity funds have continued to lead private markets in driving global growth, with fundraising rebounding globally, and record assets under management (AUM) of $6.3 trillion,. Private equity was the highest performing private market asset class with a net internal rate of return performance of 27% in 2021. Private Equity makes up a large percentage of the capital growth strategy, with high-risk strategies such as a buyouts, venture capital, and distressed investing. Distressed investing can take from in multiple ways such as Distressed mergers and acquisitions, loan to own strategies, deep value carveouts, and structured equity solutions. This involves investing in stressed and troubled companies directly through an equity injection, or indirectly through the company's debt. The pandemic has shown the fundamental value and importance for infrastructure, and other real assets such as renewables. Assets exposed to tourism and air travel suffered increased headwinds in the pandemic and will continue to face uncertainties transitioning out, while assets with contractual revenues and/or growth linked revenues have been resilient. Private infrastructure debt typically provides a hedge against inflation, with inflation linked cashflows, or inflation linked interest rates. In 2021, Infrastructure reached all time highs in fundraising, and global AUM passed the $1 trillion mark. Investors continue to fund environmentally friendly and sustainable projects as ESG investing continues to become more prevalent. The disruption from the pandemic saw investors' appetite for real estate sectors shift from office and retail spaces, to primarily residential and industrial. Providers of junior and senior real estate debt curtailed on leverage amounts as risk levels and uncertainties prevailed, which saw loan-to-values (debt capital to property value) ratios falling to lower levels than the 2008 global financial crisis. Fundraising for opportunistic and value-added real estate strategies saw an increase as investors positioned themselves for potential buying opportunities. Credit as an asset class, across all strategies, continues to see growth in fundraising, as it has seen resilience and diversity, resulting in it being the fastest growing asset class by fundraising. Direct lending for 2020-2021 has seen a compounded annual growth rate (CAGR) of 65% and has seen outsized growth since the 2008 crisis. Direct lending is an income strategy where investors provide senior floating rate 1st lien and 2nd lien to companies primarily in the lower middle market to upper middle market. Direct lending tends to generate attractive returns while providing downside risk protection due to its seniority in the capital structure among companies it provides capital to, and protection from interest rate risk due to shorter durations than fixed rate debt.

Conclusion

As economic uncertainty prevails, businesses and consumers alike continue to face supply chain, as well as inflation issues, and central banks are faced with the challenges in navigating this macroeconomic environment. After a period of favorable financial market conditions which saw valuations stretch and leverage rise, investors are now expected to face lower risk-adjusted returns and increased volatility. However, private markets have demonstrated over the years to offer portfolio diversification and lower volatility due to long-term strategic orientation and aligned interests with investors, creating room for alpha, as well as fostering economic growth and development for developed and emerging markets coming out of the pandemic. Private capital is usually deployed through closed-end funds with long term commitments, which alleviates fund managers from short term pressures, bolstering resilience among shocks in investment portfolios. Barita Investments continues to create different products and avenues to allow for investors to participate and take advantage of these strategies to generate above average investment returns.

Investment Playbook

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Equities

Stock Ticker	Stock Information (As of May 20, 2022)	Analyst Outlook
WISYNCO Wisynco Group Limited	P/E: 20.07x P/B: 4.96x Price: $20.47 Div Yield: 1.47%	**OVERWEIGHT** Throughout the pandemic, Wisynco has managed to improve its operational efficiency but given the effects of COVID-19 on industries such as tourism and education, the Company was unable to deliver significant revenue growth. Now, with tourism rebounding and schools operating at a greater level, Wisynco has married its improved operational efficiency with stronger revenue growth, allowing for significant net profit growth. As tourism is expected to continue growing towards its pre-pandemic level of output, we expect Wisynco to continue to perform well. Wisynco Equity Report
JMMBGL JMMB Group Limited	P/E: 7.43x P/B: 1.35x Price: $45.35 Div Yield: 1.847%	**OVERWEIGHT** Given its relatively low P/E ratio and considering the Group's consistently strong performance throughout the pandemic, the market has been underpricing JMMBGL significantly, relative to its local counterparts. In recognition of this, the JMMBGL Directors approved a share buyback program which should begin in FY2022/23 which begins on April 1, 2022. Share buyback programs reduce the number of shares outstanding. As the supply of shares in the market reduces from the share buyback, share price increase is likely to follow as demand for the stock outweighs supply. JMMB Equity Report
MASSY Massy Holdings Limited	P/E: 9.49x P/B: 1.14x Price: J$ 90.14 Div Yield: 2.96%	**OVERWEIGHT** Massy Holdings Limited. (MHL, Massy), through its portfolio companies, engages in trading, manufacturing, distribution, and service industry businesses throughout the Caribbean region. The company operates through three portfolios: Integrated Retail, Gas Products, Motors, and Machine and two business lines: Financial Services, and Strategic and Other Investments. In financial year 2020, Massy transitioned from a Conglomerate to an Investment Holding Company. By so doing, Massy's strategy has changed, with the Group focusing mainly on its core portfolios. These core areas of the business represent Massy's competitive advantages, are well-positioned to scale, and are therefore expected to drive strategic growth going forward. Massy Equity Report

Ratings Definitions

OVERWEIGHT/BUY
Exposure to this asset should be between 5% and 10% of your total portfolio

MARKETWEIGHT/HOLD
Exposure to the asset should be equal to 5% of your total portfolio

UNDERWEIGHT
Reduce exposure in your portfolio to less than 5% for this particular asset

SELL
Reduce exposure in your portfolio to zero

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Stock Ticker	Stock Information (As of May 20, 2022)	Analyst Outlook
LASD Lasco Distributors	P/E: 12.96x P/B: 1.69x Price: J$ 3.49 Div Yield: 1.86%	**OVERWEIGHT** Our expectation is for the Company to continue on its growth trajectory, supported by the improving economic backdrop of the global economy, which should manifest through continued domestic demand for goods and services. With increased stopover arrivals and the reopening of key industries such as entertainment and education (face-to-face teaching), there are sufficient catalysts to spur further growth in 2022. However, this isn't without challenges as the global supply bottleneck has affected LASD's margins. In response, management has prudently managed operational costs such that higher imported inflationary has not completely eroded the bottom line, resulting in continued growth. Lasco Distributors Equity Report
SCIJMD/ SCIUSD Sygnus Credit Investments	P/E: 9.16x / 10.97x P/B: 0.65x / 0.77x Price: J$16.61 / US$0.13 Div Yield: 2.16% / 1.94%	**OVERWEIGHT** Sygnus' business model is built on providing capital and direction to the underbanked, targeting the middle market. To accomplish this, the Company has executed several equity raises, the most recent of which was its APO launch in December 2020. Given the increase in its weighted average number of shares, EPS growth has not mirrored the double digit growth in net profit attributable to shareholders. However, we must indicate that continued growth at this level will drive higher EPS growth, once further dilution does not occur. Moreover, the stock trades at significant discount relative to peers both from a P/E perspective and a P/B perspective. At present, the market is pricing Sygnus at a seep discount to its book value per share which we believe is very wrong.
TROPICAL **Tropical Battery Limited**	P/E: 31.36x P/B: 4.07x Price: J$ 2.76 Div Yield: 0.36%	**OVERWEIGHT** Tropical Battery has been aggressively pursuing revenue diversification strategies, to reduce its dependence on auto battery and accessory sales. This is evident by the company's recent launch of three new subsidiaries aimed at providing renewable energy solutions for commercial customers. In addition, the company recently implemented a new inventory management system that has yielded improved operational efficiencies in addition to targeted sales initiatives that have improved revenue growth. We believe that the Company will continue to grow as they build out new revenue lines, improve operational efficiencies and drive targeted sales initiatives. Tropical Battery Equity Report
PROVEN JMD/PROVEN USD Proven Investment Limited	P/E: 11.31x/11.55x P/B: 1.11x/1.14x Price: J$37.34/ US$0.26 Div Yield: 3.13% / 2.94%	**OVERWEIGHT** Proven has shown strong revenue and profit growth throughout the current financial year, a performance-driven by the Group's accretive acquisitions. Most notable among these include JMMBGL and Roberts Manufacturing Company Limited. The company continues to demonstrate its appetite for growth through acquisitions as evidenced by the recent 100% acquisition of Fidelity Bank(Cayman). Given the company's history of acquiring companies with accretive value, we expect Fidelity will be similar. Coupled with this, we believe Proven is trading at favorable PE and PB multiples relative to the market.

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Lumber **Lumber Depot Limited**	P/E: 12.59x P/B: 5.48x Price: J$ 3.40 Div Yield: 1.76%	**OVERWEIGHT** Lumber represents an option to gain exposure to the construction sector which has been a relatively resilient and fast-growing sector. With this sector tailwind, lumber has shown strong revenue growth since its 2019 listing and the current Trailing Twelve Months(TTM) profits is 28.6% higher than financial year 2021 earnings. While there were however hiccups in the last 6 months earnings which was impacted by a combination of lock down restrictions and rising input costs respectively for Q1 and Q2, we are still monitoring how the company progresses given the loosening of restrictions and continued growth in the construction sector. We also note that despite the growth it has shown over the last 2 years, the stock still trades at an attractive PE compared to Junior market peers. Lumber Equity Report
LAB The Limners and Bards Limited	P/E: 19.27x P/B: 5.62x Price: J$ 3.17 Div Yield: 3.47%	**OVERWEIGHT** The LAB is the only listed Creative Agency on the JSE. Throughout the pandemic, the demand for the services provided by the Company has been strong. In FY2021 alone, revenue grew by 35%, an indication of the demand for the Company's services while net profit grew by 22%. With consistently positive cash flows and a cash balance that is 1.36x larger than the Company's current liabilities, we believe the Lab is poised to invest its capital efficiently towards further growth. The first step towards this is the Lab's brainchild, "SCOPE Caribbean". To date, SCOPE has not been profitable which has negatively impacted the Lab's net profit growth. This is not abnormal for a new business, and we expect this should turnaround as the business scales. The LAB Equity Report
GK GraceKennedy Limited	P/E: 13.13x P/B: 1.51x Price: J$ 109.62 Div Yield: 1.76%	**MARKETWEIGHT** For their financial year ended December 2021, the company reported growth in both their top and bottom line. Revenues increased by 12% and profit increased by 32%. Now, the company has indicated several transactions in their pipeline, including a few in insurance, one in fintech and others outside of Jamaica. These acquisitions stand to add more diversity and growth to the company's earnings. Grace Kennedy Equity Report
LASM Lasco Manufacturing	P/E: 13.64x P/B: 2.41x Price: J$ 5.10 Div Yield: 1.42%	**MARKETWEIGHT** Our expectation is for the Company, like others, to continue benefiting from an improving economic backdrop. However, there has been a clear revenue growth slowdown in the most recent quarterly result, coupled with reduce gross profit margins throughout FY2022, owing to global supply chain issues and a higher effective tax rate as Lasco no longer benefits from the Junior Market tax incentive. Lasco Manufacturing Equity Report

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Stock Ticker	Stock Information (As of May 20, 2022)	Analyst Outlook
SEP Seprod Limited	P/E: 25.44x P/B: 2.16x Price: J$ 70.98 Div Yield: 1.83%	**MARKETWEIGHT** Seprod has been considerably affected by global supply chain issues that have increased the Company's cost of sales. While this has occurred, instead of raising prices to consumers equivalently, Seprod has absorbed some of these costs which has affected profitability. To help mitigate this, the Group has improved its operational cost management which has had positive implications on the performance. Notwithstanding, the cost of sales remains elevated, and has only trended upwards throughout FY2021, with no clear methods to manage or reduce the current pace of the increase. Therefore, while we expect current operational cost controls to help, the uncertainty regarding cost of goods remains an ever-present threat to Group profit growth, especially given the current inflationary environment. Seprod Equity Report
MAILPAC Mailpac Group Limited	P/E: 20.93x P/B: 9.76x Price: J$ 2.93 Div Yield: 3.75%	**MARKETWEIGHT** During the peak periods of the pandemic, MAILPAC benefited immensely as online shopping became a larger share of shoppers' wallets. In large part, this period of heavy COVID-19 fear has reduced and while we anticipate online shopping will remain integral for the everyday consumer, the outsized growth we witnessed in FY2020 will likely soften further. Admittedly, the Company has a robust balance sheet with more cash than total liabilities which we believe places MAILPAC in a position to make growth-inducing investments. The current slowdown in demand and consequently revenue and profit growth, matched with the Company's strong balance sheet underscores our MARKETWEIHT recommendation MailPac Equity Report
SGJ Scotia Group Jamaica Limited	P/E: 13.07x P/B: 0.95x Price: J$ 35.41 Div Yield: 4.38%	**MARKETWEIGHT** The greatest driver of profitability in FY2021 was the reduction of Expected Credit Losses (ECL) relative to the previous year as the economic backdrop improved. Scotia is not likely to have this benefit recur to the magnitude it did in FY2021. This, coupled with no clearly communicated path to growing its main revenue lines in an industry that is highly competitive presents obvious challenges for the Group. However, Scotia has two major positives. The first is that the current rising interest rate environment supports the Group's bank model, more so than other listed financial institutions. The second is that SGJ is a consistent source of relatively attractive dividends which makes the Company a good asset for investors with a clear preference for income. Scotia Group Equity Report

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FTNA Fontana Limited	P/E: 22.67x P/B: 6.08x Price: J$ 10.20 Div Yield: 1.76%	**MARKETWEIGHT** Fontana has been growing and expanding since listing on the junior exchange in 2019. The Company has plans to expand, which includes a new outlet to bring their stores to a total of seven locations. In its most recent quarter, Net Profit saw a marginal increase of 0.1% due largely to the impact of FX losses. Further, cost of sales has been impacted given the current inflationary environment and is likely to continue being affected in the near to medium term. However, the company continues to grow organically and is financially positioned to do so. Due to the current environment and exposure to FX liabilities, profitability could dampen in the near term but in the long term, the addition of its new outlet could support growth. On balance, the Company has both significant risks and the potential for upside, which underscores our recommendation. Fontana Equity Report
SVL Supreme Ventures Limited	P/E: 28.22x P/B: 17.26x Price: J$ 29.77 Div Yield: 2.69%	**MARKETWEIGHT** Supreme Ventures is the market leader in the lottery and gaming industry. The company has also in recent years embarked on an aggressive growth strategy through several acquisitions (Champion Gaming and Post To Post Betting). The company would have been impacted by the pandemic as the lockdown measures impacted its operations at Caymanas Park. With the easing of restrictions, the Company should benefit from an easing of lock down restrictions and a normalization of business. Despite this, in the medium term we note that the company now has competition in the lottery segment of the market which may negatively impact margins. The degree to which this might impede the pace of revenue growth will however depend on the take up of new games such as Scratchaz which, at present, seems popular amongst younger consumers as it is a new addition to the Company's product offerings. Supreme Ventures Equity Report
ECL Express Catering Limited	P/E: 13.02x P/B: 22.74x Price: J$ 5.61 Div Yield: N/A	**UNDERWEIGHT** With the ongoing recovery of the tourism industry, we believe ECL's revenues will increase year over year. However, the Company is not currently operating at pre-covid efficiency levels, as price increases due to the current global supply chain challenges have driven higher costs across all product categories. Consequently, there has been a clear deterioration of the Company's profit margins. Higher cost of goods has had implications for the Company's profitability and while we expect continued growth in the tourism industry will drive higher revenue, we also expect the inflationary environment to present challenges for the Group's profitability. ECL Equity Report

Monitoring List

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Stock Ticker	Stock Information (As of May 20, 2022)	Analyst Outlook
MDS Medical Disposable Supplies	P/E: 16.00x P/B: 1.96x Price: J$ 8.00 Div Yield: 0.88%	Medical Disposables and Supplies have quietly been diversifying its revenue streams over the last 2 years. This is inclusive of its purchase of 60% of Cornwall Medical and Dental Supplies(CMDL) which has been consolidated into the company's financials as of their second quarter 2021. This increases the company's exposure to the dental supplies space and expands their reach into the western end of the island. The company has also shifted to providing more confectionary products and we believe its expansion and diversification efforts are worth watching.
JBG Jamaica Broilers Group	P/E: 10.69x P/B: 1.60x Price: J$ 27.48 Div Yield: 1.56%	The Jamaica Broiler's group has effectively decreased the size of its Haiti operations which has been weighing on performance for the last few quarters. This when coupled with the Group's expansion efforts into the United States may provide tailwinds for increased profitability going forward.
SOS Stationery & Office Supplies	P/E: 20.60x P/B: 4.15x Price: J$ 1.98 Div Yield: 1.23%	Stationery and Office Supplies presents investors with another option to benefit from the reopening of the domestic economy. A core segment of their business would have suffered from the lockdown measures and work from home, namely the sale of furniture and its SEEK line of books. However, during that period stationary sales have done well to fill that revenue gap. With the resumption of economic activity, the return to office and the expansion in the BPO sector, SOS might be a large beneficiary in 2022.
SJ Sagicor Group Jamaica Limited	P/E: 11.60x P/B: 1.62x Price: J$ 54.39 Div Yield: 2.04%	Sagicor Group Jamaica Limited would have been adversely impacted by the pandemic even more so than the typical financial sector company due to their exposure to the tourism sector. This would have therefore led to sizeable impairment losses on their investment in associated companies (I.e., Playa Hotel and Resorts). For 2022 we therefore expect to see some amount of recovery as the group has disposed of their investments in Playa which will stem impairment losses while simultaneously still having direct exposure to travel through their US resort (The Hilton DoubleTree) while their banking services should benefit from a pickup in economic activity.

The "Monitoring List" includes stocks that are on our radar as our initial expectation for these companies is positive. However, no official recommendation is presented as these stocks are still being evaluated.

Unit Trust

Unit Trust Fund	19/05/2022	12/05/2022	Week/Week Return	1 Year Return	Year-to-Date Return	Yield
Capital Growth	100.3044	104.0100	-3.56%	12.26%	13.11%	-
Money Market	15.3036	15.0853	1.45%	0.41%	-0.91%	2.54%
Income Portfolio	100.0000	100.0000	0.00%	-	-	3.35%
FX Bond Portfolio (US$)	1.3433	1.3450	-0.13%	-0.69%	-2.41%	2.69%
Real Estate Portfolio	5554.0475	5241.1700	5.97%	-10.08%	-1.12%	-
FX Growth Portfolio	0.8938	0.8941	-0.03%	-9.64%	-17.37%	-

“Someone's sitting in the shade today because someone planted a tree a long time ago.”

Warren Buffett

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LOCAL EQUITY MARKET

For the week ended May 20, 2022, the local stock market saw a weekly decline in value. The Main Market Index decreased by 2.66%, the JSE Junior Market Index declined by 1.94%, and the JSE USD Equities Index declined by 7.75%. During the week, ISP Finance Services Limited was the biggest gainer, gaining 32.29% to close at $29.50. The biggest decliner was Productive Business Solutions Limited, which declined by 16.95% to close at $0.98.

Year to Date, with the ongoing rebound in the local economy, small-cap stocks, reflecting those listed on the Junior Market Index have continued the strong performance seen in 2021, growing by 27.11% YTD, outpacing its Main Market counterpart which is down 1.07% YTD.

For the week Overall Market activity resulted from trading in 119 stocks of which 45 advanced, 68 declined and 6 traded firm. Market volume amounted to 125,307,361 units valued at over $1,303,828,907.

The following companies represent the overall volume leaders:

1. Derrimon Trading Company Limited Shares with 12,820,876 units (10.10%)
2. JFP Limited with 12,230,941 units (9.64%)
3. Wigton Windfarm Limited with 7,063,412 units (5.57%)

Revisiting relevant news during the week:

Scotia Group Jamaica Limited (SGJ) intends to make changes to its product offering across its various business lines which will see the addition of new services and the termination of others. The company's latest addition is Scotia Elevate, a universal life insurance policy launched on May 5th.

Scotia Group shifting product lines

Following its listing on the Jamaica Stock Exchange (JSE) in March, JFP Limited was able to nearly double its revenue and more than quadrupl its net income to $35 million. The company netted $215 million in proceeds from its IPO and plans to use the funds to support its manufacturing operation for its pipeline of products.

JFP quadruples profit as revenue rises

Derrimon Trading Limited (DTL) achieved a 5.7% increase in revenue to $4.24 billion for its first quarter ended March 2022. Net profit increased at a faster pace, coming in at 7.7% to $172.99 million. The company experienced substantial price increases from suppliers during the quarter and sees the trend as likely to continue for the foreseeable future. DTL completed the acquisition of Spicy Hills Farms Limited and ramped up work on the construction of a Select Grocers store in Clarendon.

Derrimon Trading says it remains 'nimble with price adjustments'

Mayberry Investments Limited (MIL) has achieved what they are calling a significant turnaround, with the company generating net income of $692 million in its first quarter ended March 2022. This compares to a net loss of $ 331 million for the comparable period last year. This was due to unrealized gains on investments in associate.

Mayberry turnaround continues in Q1

NCB Financial Group Limited (NCBFG) has announced the launch of a private equity fund aimed at small and medium-sized enterprises in partnership with the Development Bank of Jamaica. This is the fifth portfolio launched under the Stratus suite of alternative investments.

Stratus to partner with DBJ on SME equity fund

Market Index Summary

Index	20/05/2022	13/05/2022	31/12/2021	Week/Week	Year-to-Date
JSE Main Market	391,898.44	402,589.33	396,155.61	-2.66%	-1.07%
JSE Junior Market	4,357.81	4,444.25	3,428.30	-1.94%	27.11%
JSE Combined Market	405,598.96	416,375.44	401,130.23	-2.59%	1.11%
JSE USD Equities Market	209.96	227.59	195.51	-7.75%	7.39%
JSE Financial Index	93.72	95.40	98.05	-1.76%	-4.42%
JSE Man & Dis Index	109.21	113.68	100.38	-3.93%	8.80%

INTERNATIONAL DEVELOPMENTS

US

Equities continued its downtrend this weed amidst escalating fears of inflation causing consumers to reduce discretionary spending, consequently, pushing the economy into recession. On Friday, the S&P 500 was down as much as 20.9% from its year-to-date intraday high, exceeding the 20% threshold for a bear market and erasing gains since February 2021. On Wednesday, the index saw its biggest daily decline since 2020, however, T. Rowe Price traders noted that market activity was subdued, with trading volume at less than 90% of the recent 20-day average and below each day of the week before.

Driving the overarching negative sentiment was the release of disappointing earnings and revenue results from a number of major retailers. Most notably, Target fell roughly 25% after earnings came in lower than consensus estimates by nearly 33%. According to the company this was due to a combination of lower sales of discretionary items such as TVs and higher costs. Similarly, results from Walmart, Lowe's and Home Depot also came in below expectations. As margins compress, investors are increasingly concerned that these retailers will be forced to pass on higher costs to consumers in the months to come, keeping inflation elevated.

Europe

Shares in Europe declined amid concerns that economic growth is subsiding and that interest rates will be increased at a faster pace. The pan-European STOXX Europe 600 was down 0.55% in local currency terms. Germany's Xetra DAX Index was down 0.33%, while France's CAC 40 and the UK's FTSE 100 were down 1.22% and 0.24% respectively. Hawkish statements from several European Central Bank (ECB) officials caused yields to tick up early in the week. Klass Knot, a member of the ECB Governing Council, made statements that were suggestive of a possible 50-basis-point interest rate hike in July.

T.Rowe Price Global Market Update

Top 5 things to watch out for in the week ahead:

1) **Crude Oil Inventories:** Wednesday's inventory data will show the weekly change in crude oil held by US firms. The level of inventories can impact the price of petroleum products and by extension inflation.

2) **FOMC Meeting Minutes:** Wednesday's release of the Federal Open Market Committee's policy-setting meeting held roughly 2 weeks earlier will offer detailed insights regarding the FOMC's stance on monetary Policy.

3) **US GDP:** On Thursday GDP data for the US is to be released which will show the inflation-adjusted value of all goods and services produced by the economy and is a primary indicator of the economy's health.

4) **Initial Jobless Claims:** With unemployment hovering around all-time lows, Friday's release of the number of people who filed for unemployment insurance for the first time during the week may give some insight into a potential shift in the health of the US labour market.

5) **Pending Home Sales:** This shows the number of homes under contract to be sold but awaiting closing, excluding new construction. This may shed some light on the degree to which higher interest rates may be weighing on the market.

Index	20/05/2022	13/05/2022	31/12/2021	Week/Week	Year-to-Date
Dow Jones	31,261.90	32,196.66	36,338.30	-2.90%	-13.97%
S&P 500	3,901.36	4,023.89	4,766.18	-3.05%	-18.14%
NASDAQ 100	11,354.62	12,389.23	16,320.08	-8.35%	-30.43%
FTSE 100	7,390.00	7,421.95	7,384.54	-0.43%	0.07%
Euro Stoxx 50	3,657.03	3,703.42	4,298.41	-1.25%	-14.92%

ABOUT US

Barita Investments Limited, is a publicly traded company on the JSE, 74.3% owned by Cornerstone Financial Holdings Limited ("Cornerstone"). Founded by Rita Humphries-Lewin in 1977, the Company has the distinction of being the oldest stockbrokerage in Jamaica. The Company is licensed by the FSC as a Securities Dealer, is a member dealer of the JSE and is a Primary Dealer and Cambio Dealer for the Bank of Jamaica ("BOJ").

Barita, home of one of Jamaica's top performing equity funds, has a legacy of excellence, and is recognized as established in relation to middle market retail segment products and for Unit Trust performance.

Products and services include:

- Cambio Trading
- Fixed Income Trading
- Stock Brokerage
- Pooled Funds Management
- Structured Products
- Retirement Planning
- Wealth Management
- Investment Banking

Through its subsidiary, Barita Unit Trusts Management Company Limited ("BUTM"), Barita currently offers six (6) unit trust products spanning fixed income, equities and real estate.

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