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Analyst Insight

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Bond Fever?

Introduction

If you are one that pays particular attention to the financial markets, then you are likely hearing a lot of talk about bonds in recent months. This comes as most sophisticated participants in the global financial markets are seemingly changing their tune on their outlook for the asset class going into 2023. As an example, Credit Suisse, in their 2023 investment outlook, has expressed that they believe that fixed-income assets should become far more attractive to hold and offer greater diversification benefits. Likewise, JP Morgan has stated in their investment outlook that this might be the time for investors to increase exposure to bonds particularly further along the maturity spectrum.

In this piece therefore we will look at what has changed in the global markets that may have warranted the seemingly positive consensus view on bonds, and our views on bonds going into 2023. Lastly, we consider the key risks that one should look out for, and the possible options investors might have to gain exposure to domestic and global fixed Income.

The Markets in 2023

We can think of the yield we receive on bonds as payment for holding certain types of risks. While these risk premia are varied, such as credit risk, inflation, and currency risk, a simpler decomposition is a real interest rate component and an inflation risk premium. That is, for example, if the market is expecting inflation to be relatively elevated, then it will also require a higher yield to compensate for inflation eating away at its returns. Likewise, the real interest rate component contains a premium for the expected uncertainty of both economic growth and interest rates. That is, if the general risk-free interest rate in the economy increases, then investors would have already been locked into an instrument that has a lower relative interest rate and therefore investors will likely require a discount for the potential losses (i.e compensation for interest rate variability).

Given this conceptual framework, we can link this back to the recent developments that we have seen globally and domestically. Firstly, it is expected that some of the persistent drivers of global inflation in 2021 have been on a downward trajectory. This is inclusive of the alleviation of the numerous supply chain pressures, which have contributed to the persistent decline in goods inflation that we have seen from the last four US CPI readings. This has therefore led to the market consensus being, barring an extreme event, (for example, a drastic escalation of the Russian war in Ukraine) a significant fall in inflationary pressures throughout 2023 and hence by extension a decline in this required inflation premium discussed earlier.

This fall in inflation has also meant that the expectations that monetary authorities globally will reduce the pace of interest rate increases and also means that interest rate volatility is expected to decline in 2023. This is exemplified locally by the Bank of Jamaica's recent announcement that they are temporarily pausing rate hikes. Additionally, signs of a slowdown in economic growth have effectively placed a firmer cap on how high market participants believe inflation may go. Both factors compress the real interest rate premium component of bond yields and when coupled with the compression in the inflation risk premia, are highly influential in the constructive sentiment on bond yields and therefore, bond prices (being that they move inversely).

Back to Diversification

While we are aligned with the expectation of global inflation declining in 2023, we are also still of the view that idiosyncratic factors are likely to leave inflation higher than historical norms (think pre-pandemic levels). However, the slowing growth and inflation, coupled with the impact of a fairly rapid monetary tightening cycle thus far, now necessitates a slower approach as the possibility for over-correction increases, underscoring our view that the headwinds associated with bond prices are likely to ease in 2023. Several structural factors had limited the ability of bonds to add meaningful value to a portfolio. This includes the generally low-interest rate environment pre-2022, which had reduced the total returns on bonds. Additionally, the elevated volatility in the macroeconomic environment has led to both bond and equity markets trending downward in tandem. The latter point highlights that equities and bonds have seen a positive correlation for the majority of 2022, which means that the diversification benefit of holding bonds was relatively negligible. Higher bond yields now, and the tempering of inflation (higher inflation regimes tend to coincide with positive bond asset correlations) means that the diversification benefit of the bond might just return in 2023.

Summary and how to invest in Fixed Income

Given the factors outlined above, individual investors could explore adding bonds to their portfolios in 2023. This decision to do so might contribute to some diversification benefit for your portfolio in 2023, without comprising too much in the way of returns given the higher interest rate environment. However, there still exists some risk factors to consider, such as, unexpectedly, higher and stickier inflation in the event of an escalation of geopolitical tensions and their impact on global commodity prices. For Investors who wish to add bond exposure to their portfolio, there exist several easily accessible options. These include Barita's own FX bond portfolio unit trust that invests in global bonds and an Income fund that primarily invests in domestic fixed income. There also exist several other options which may be more appropriate for an individual investor's particular needs. Against this backdrop, we advise potential investors to speak to an advisor about their options and its fit in their portfolio.

Investment Playbook

EQUITIES

Stock Ticker	Stock Information (as at December 2, 2022)	Comments
WISYNCO Wisynco Group Limited	P/E: 14.71x P/B: 3.38x Price: $17.21 Div Yield 1.74%	**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: 6.65x P/B: 1.40x Price: $33.23 Div Yield 2.56%	**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. JMMBGL's price has declined by 15.7% YTD which provides investors with an opportunity to acquire JMMBGL shares at a more attractive price. The the long-term outlook for the company and the stock remains favorable, buoyed by an expanding regional footprint. JMMB Equity Report
MASSY Massy Holdings Limited	P/E: 8.84x P/B: 1.02x Price: $79.99 Div Yield 3.34%	**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

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LASD **Lasco Distributors**	P/E: 9.20x P/B: 1.36x Price: $2.94 Div Yield 2.21%	**OVERWEIGHT** Our expectation is for the Company to continue along 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: 12.18x / 13.97x P/B: 0.72x / 0.83x Price: $12.59 / $0.10 Div Yield: 2.85% / 2.62%	**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. Sygnus has demonstrated their commitment to growth and being the market leader in the regional private credit space with their acquisition of a Puerto Rico-based, private credit firm, Acrecent Financial in Q3 of their financial year. The stock trades at significant discount relative to peers both from a P/E perspective and a P/B perspective. At present, given Sygnus' strong current and expected future growth, the market is pricing Sygnus at a steep discount to its book value per share.
TROPICAL **Tropical Battery Limited**	P/E: 18.91x P/B: 3.33x Price: $2.42 Div Yield 0.41%	**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

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PROVENJMD/ PROVENUSD Proven Group Limited	P/E: 16.89x / 17.01x P/B: 1.13x / 1.08x Price: $27.98 / $0.19 Div Yield: 4.18% / 4.21%	**OVERWEIGHT** Proven has shown a decline in profitability throughout the current financial year, a performance driven by lower share of earnings of associates and higher operating expenses. The company continues to demonstrate its appetite for growth through acquisitions as evidenced by the recent 100% acquisition of Fidelity Bank (Cayman). The company has a history of acquiring companies with accretive value. We expect that profit margins will improve in the future as one-off spending related to recent acquisitions pass.
LUMBER Lumber Depot Limited	P/E: 10.78x P/B: 3.32x Price: $2.48 Div Yield 2.42%	**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 financial year 2022 revenue and net profit are 10.1% and 26.8% higher than financial year 2021 revenue and earnings, respectively. 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 Depot Equity Report
LAB The Limners and Bards Limited	P/E: 16.25x P/B: 4.28x Price: $2.60 Div Yield 4.23%	**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

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JBG Jamaica Broilers Group Limited	P/E: 7.21x P/B: 1.52x Price: $28.03 Div Yield 1.53%	**OVERWEIGHT** JBG's financial performance has rebounded nicely from the lows seen in FY2020, driven by the recovery in the Jamaican economy and tourist arrivals, coupled with JBG's growing presence in the US market and the increasing production of the Best Dressed Chicken line of products. Despite efforts made to decrease the impact of its Haiti operations, it continued to weigh on group performance. Positive results from expansion into the United States and recovery in Jamaican operations have offset poor performance in Haiti, resulting in increased sales and profitability in FY2022, as well as a return to operating cash inflows. Jamaica Broilers Group Equity Report
GK GraceKennedy Limited	P/E: 10.57x P/B: 1.19x Price: $82.54 Div Yield 2.34%	**MARKETWEIGHT** For the nine months ended September 30, 2022, GK reported significant top-line growth, however, margin deterioration contributed to a decline in the bottom line. Revenues increased by 12.2% and profits remained flat as operating expenses grew at a rate of 13.6%. The company cited challenges presented by high inflation globally, sustained supply chain issues, increasing interest rates, and foreign currency volatility as issues that have affected profit margins. GK continues to advance its merger & acquisition (M&A) strategy, following the acquisition of Bluedot in the second quarter of 2022, the company continues to seek M&A transactions locally and internationally. These acquisitions stand to add more diversity and growth to the company's earnings. GraceKennedy Group Equity Report
LASM Lasco Manufacturing	P/E: 9.10x P/B: 1.65x Price: $3.94 Div Yield 1.84%	**MARKETWEIGHT** Our expectation is for the Company, like others, to continue benefiting from an improving local economic backdrop. There has been an increase in the revenue growth rate for the six months ended September 30, 2022, when compared to the financial year ended June 30, 2022. However, this was partially offset by a slight reduction in the gross profit margin, owing to global supply chain issues and the general inflationary environment. Lasco Manufacturing Equity Report

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SEP Seprod Limited	P/E: 19.78x P/B: 1.80x Price: $68.62 Div Yield 1.89%	**MARKETWEIGHT** Seprod has experienced a deterioration in its cost of sales, owing to global supply chain issues and other inflationary pressures. Despite this, instead of raising prices to consumers by a similar magnitude, Seprod has absorbed some of these costs which have affected profitability. Profits have increased over the 9-month period ended September 30, 2022, however, margins have deteriorated. Therefore, the uncertainty regarding the cost of goods remains a threat to Group profit growth, especially given the current inflationary environment. The Group has acquired A.S Bryden, which will diversify the Group's revenue further and is expected to be accretive. Seprod Equity Report
MAILPAC Mailpac Group Limited	P/E: 14.86x P/B: 8.89x Price: $2.08 Div Yield 5.29%	**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 Group Equity Report
SGJ Scotia Group Jamaica Limited	P/E: 10.79x P/B: 0.96x Price: $32.92 Div Yield 4.71%	**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. The group has made an accelerated effort to digitize its business in line with its digital strategy to drive efficiency and better service customer needs. SGJ is looking to further consolidate its operations and funnel investments in core operations through technology and talent, while also looking to enter new markets and launch new products. 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 Fontan Limited	P/E: 16.37x P/B: 4.64x Price: $8.35 Div Yield 2.16%	**MARKETWEIGHT** Fontana has been growing and expanding since listing on the junior exchange in 2019. The Company has plans to expand, which include a new outlet to bring its footprint to a total of seven locations. In its most recent quarter, Net Profit saw a 43.3% increase over the same quarter in the prior financial year. Further, the 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 increased finance costs, 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: 25.91x P/B: 17.15x Price: $27.63 Div Yield 2.90%	**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: 41.58x P/B: 14.68x Price: $4.55 Div Yield N/A	**MARKETWEIGHT** ECL has seen improved performance as the tourism industry rebound, following the pandemic, has been robust. 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. While we do expect the tourism industry to continue to recover, driving ECL's revenues to grow and likely surpass pre-covid levels by FY2023/FY2024, the inflationary pressures can not be ignored. Longer-term we do expect the company to reap the benefits of their expanded footprint within the Sangsters International Airport as well as the return to trend growth in stopover arrivals. ECL Equity Report

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VMIL Victoria Mutual Investments Limited	P/E: 21.00x P/B: 1.99x Price: $3.99 Div Yield 3.88%	**OVERWEIGHT** Victoria Mutual has recently rebranded under the "VM Group". By association, there has been implications for VMIL. For example, the Company has been significantly more active in the capital markets through its investment banking arm. We expect continued growth in the investment banking space will add considerable value to the Company's bottom line which has already shown clear improvement throughout FY2021. VMIL Equity Report

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Monitoring List

EQUITIES

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MDS Medical Disposable Supplies	P/E: 14.69x P/B: 1.22x Price: $5.29 Div Yield 1.32%	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.
SOS Stationery & Office Supplies Limited	P/E: 12.40x P/B: 4.03x Price: $14.26 Div Yield 1.12%	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: 14.15x P/B: 1.94x Price: $52.63 Div Yield 2.11%	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" represents 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	2/12/2022	25/11/2022	Week/Week Return	Year-to-Date Return	1 Year Return	Yield
Capital Growth	93.25	89.43	4.27%	1.41%	2.78%	-
Money Market	15.4850	15.4585	0.17%	1.71%	0.60%	4.26%
Income Portfolio	100.00	100.00	-	-	-	4.75%
FX Bond Portfolio	1.3379	1.3371	0.06%	-2.93%	-2.27%	4.10%
Real Estate Portfolio	5,219.79	5,211.84	0.15%	884.74%	963.71%	-
FX Growth Portfolio	0.8910	0.8821	1.01%	-17.65%	-16.59%	-

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

Warren Buffett

LOCAL EQUITY MARKET

For the week ended December 2, 2022, the local stock market as measured by the Combined Index advanced by 0.63%. The Main Market Index advanced by 0.62%, the JSE Junior Market Index advanced by 0.70%, and the JSE USD Equities Index advanced by 0.97%. During the week, Cargo Handlers was the largest ordinary equity gainer, rising by approximately 32.91% to close at $13.45. The biggest decliner was Palace Amusement Company Limited, which fell by 13.63% to close at $621.00.

Small-cap stocks, reflecting those listed on the Junior Market Index have outperformed, growing by 13.68%, outpacing its Main Market counterpart which has declined 14.14%. It must be noted that the Junior market has retreated from its highs achieved during the summer.

For the week ended December 2, 2022, overall market activity resulted from trading in 125 stocks, of which, 61 advanced, 52 declined and 12 traded firm. Market volume amounted to 79,100,114 units valued at over $783,277,427.02. Spur Tree Spices Jamaica Limited was the volume leader with 10,409,885 units (12.73%) followed by One on One Educational Services with 6,469,721 units (7.91%) and MFS Capital Partners Limited with 5,766,902 (7.05%).

Revisiting relevant news during the week:

Sygnus Real Estate advances construction on projects
Sygnus Real Estate Finance concluded its first financial year as a publicly listed company and its third year in operation with total investment income of J$1.35 billion.
Sygnus Real Estate advances construction on projects

Mailpac launches Pack Yuh Barrel
E-commerce logistics provider Mailpac Group Limited, on November 29, announced its first end-to-end online barrel-packing and shipping platform at www.packyuhbarrel.com.
Mailpac launches Pack Yuh Barrel

MFS Capital undertakes first acquisition
MFS Capital Partners, formerly SSL Venture Capital Limited, recently signed a memorandum of understanding with the shareholders of Micro Financing Solutions Limited to acquire 100 per cent of its shares.
MFS Capital undertakes first acquisition

GraceKennedy goes solar
In keeping with its environmental, social and governance agenda, GraceKennedy recently launched a new energy policy which sees the group transitioning several operations across its business to solar energy.
GraceKennedy goes solar

Sagicor Group rocked by rising rates
Despite continued top-line growth from its core businesses, rising interest rates and market volatility dragged down Sagicor Group Jamaica Limited's revenue for the third quarter.
Sagicor Group rocked by rising rates

JP Farms to resume agro-tourism in 2023
JP Farms Limited has plans to revive agro-tourism activities as part of its operations in Annotto Bay, St.Mary, after facing disruptions from the Panama disease tropical race 4 and COVID-19.
JP Farms to resume agro-tourism in 2023

Derrimon selects Clarendon
Derrimon Trading Company is bringing a new customer experience to central Jamaica with the completion of its newest Select Grocers location in Millenium Mall in May Pen, Clarendon.
.Derrimon selects Clarendon

Index	2/12/2022	25/11/2022	31/12/2021	Week/Week	Year-to-Date
JSE Main Market	340,153.88	338,060.45	396,155.61	0.62%	-14.14%
JSE Junior Market	3,897.28	3,870.24	3,428.30	0.70%	13.68%
JSE Combined Market	353,085.72	350,885.04	401,130.23	0.63%	-11.98%
JSE USD Equities Market	226.24	224.06	195.51	0.97%	15.72%
JSE Financial Index	81.46	81.08	98.05	0.47%	-16.92%
JSE M&D Idex	95.60	95.98	100.38	-0.40%	-4.76%

INTERNATIONAL DEVELOPMENTS

U.S.

Pace of rate hikes could slow but rates are likely to be higher for longer

In a recent speech, Powell highlighted the risk of relaxing monetary policy too soon and reiterated that the peak interest rate for this tightening cycle is likely to be "somewhat higher" than previously estimated. Rates could also remain higher for longer, according to the Fed chair, who also acknowledged that the central bank is mindful that the effects of monetary policy take time to filter through to the economy. In light of this lag, Powell indicated that the Fed could slow the pace of rate increases as early as the Federal Open Market Committee's mid-December 2022 meeting.

Job openings fell in October but November job gains surprised to the upside

Data from the Bureau of Labor Statistics showed that the number of job openings declined by about 353,000 to 10.3 million—a level that was slightly below a consensus estimate for 10.4 million available positions. Nonfarm payrolls data showed that the U.S. economy added 263,000 jobs in November, exceeding a consensus estimate that had called for the pace to slow to about 200,000. The unemployment rate remained at 3.7%.

Consumer confidence and manufacturing activity show signs of weakening

Consumer spending increased by 0.8%, or 0.5% on an inflation-adjusted basis, sequentially in October. However, the Conference Board's gauge of consumer confidence slipped in November, with the survey registering an uptick in inflation expectations and increased reticence among households to buy big-ticket items over the next six months.

The Institute for Supply Management's purchasing managers' index (PMI) for manufacturing slipped to levels corresponding with a contraction in activity for the first time since May 2020, as the uncertain economic environment appeared to weigh on demand.

Europe

ECB's Lagarde hints at more rate hikes

Central bank policymakers continued to indicate that interest rates are likely to rise further. Prior to the release of the latest data on consumer prices, European Central Bank (ECB) President Christine Lagarde told the European Parliament that inflation in the euro area had not yet peaked and could even accelerate in coming months.

Japan

Industrial production falls amid mixed economic signals

On the economic data front, Japan's industrial production fell 2.6% month on month in October. This decline, which was more than expected, stemmed from decreases across the production machinery, electronic parts and devices, and chemicals industries. The Ministry of Economy, Trade and Industry expects production to increase in November and December, however. Unemployment in October stood at 2.6%, unchanged on the prior month. The decline in the labor force outpaced employment, as both applications and job offers fell. Consumer confidence weakened in November from October, led by a deterioration in the labor market and wage growth.

China

PMIs disappoint

In economic news, official PMI readings for manufacturing and nonmanufacturing weakened in November. The private Caixin China General Manufacturing PMI rose more than expected to 49.4. However, the measure remained under 50, indicating contraction as coronavirus outbreaks curtailed manufacturing activity nationwide.

T.RowePrice Market Data

Index	2/12/2022	25/11/2022	31/12/2021	Week/Week	Year-to-Date
Dow Jones	34,429.88	34,347.03	36,338.30	0.24%	-5.25%
S&P 500	4,071.70	4,026.12	4,766.18	1.13%	-14.57%
NASDAQ 100	11,461.50	11,756.03	16,320.08	2.07%	-26.74%
FTSE 100	7,556.23	7,486.67	7,384.54	0.93%	2.32%
Euro Stoxx 50	3,977.90	3,962.41	4,298.41	0.39%	-7.46%

ABOUT US

Barita Investments Limited, is a publicly-traded company on the JSE, 74.3% owned by Cornerstone Financial Holdings Limited ("Cornerstone").

The Barita Group is made up of Barita Investments Limited and its subsidiary, Barita Unit Trusts Management Company Limited (BUTM). Founded by Rita Humphries-Lewin in 1977, Barita has the distinction of being one of the oldest stock brokerages in Jamaica. The Company is regulated by the Financial Services Commission (FSC), is a member of the JSE and is licensed as a Primary Dealer and Cambio Dealer by the Bank of Jamaica (BOJ or the Central Bank). In August 2018, Cornerstone Financial Holdings Limited (Cornerstone or CFHL) acquired majority shares in Barita and has supported the Company's mission and vision to be a premier investment force in Jamaica and the wider Caribbean.

OUR PRODUCTS AND SERVICES INCLUDE:
- Stock Market investments on any of the three regional exchanges
- Fixed Income Trading
- Investment Banking Services
- Unit Trust Investments
- Currency Trading
- Structured Products
- Retirement Planning
- Wealth Planning
- Market Research

BUTM currently offers six (6) unit trust products spanning fixed income, equities and real estate and is recognised as a strong player in the middle market retail segment and a leader in unit trust performance.

Barita serves its clients island-wide through its Head Office in Kingston and branches in Mandeville and Montego Bay with a team of 163 members across its operations island-wide.

Contact us
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