Barita 45TH ANNIVERSARY

WEEKLY NEWSLETTER

January 16, 2023

Analyst Insight

Justin Burke
Research Analyst

Daring to be Different

Introduction

Warren Buffett, one of the greatest and most famous investors of all time once said, "Be fearful when others are greedy. Be greedy when others are fearful". Howard Marks, another great investor, stated in his book, The Most Important Thing, "Large amounts of money aren't made by buying what everybody likes. They're made by buying what everybody underestimates". These two quotes follow the same underlying theme, that is, contrarianism or being different. For investors to have a chance at earning above-average returns, they will have to hold a portfolio of assets that is different from the crowd. By holding a portfolio of assets that is similar or the same as the crowd, the investor can perform poorly or superbly (on an absolute returns basis) but he will not be above average (or below average). In order to have the chance to outperform, the investor needs to dare to be different.

Opportunities in a Market Decline

Markets move in cycles, meaning there will be periods when the market declines followed by periods when the market rises. Let's look at the data. The S&P 500 index, an index that tracks the market capitalization of 500 large-cap publicly listed companies in the United States, began 2020 with a value of 3,230.78, but cratered in the first quarter of the year as fear surrounding Covid-19 made its way through the equity markets. On March 9th, 2020, in one day, the S&P 500 index fell 7.6%, followed by a 9.5% decline on March 12th and a 12.0% decline on March 16th. By March 23rd, the index had declined by 30.8% to 2,237.4 since the beginning of the year, the index fell from 3,230.78 at the start of the year to 2,237.4 at the end of March 23. However, following this decline, the index rebounded and would go on to increase by 67.9% to close out 2020.

Locally, the JSE Main Market index followed a similar trend at the time. The index started 2020 with a value of 509,916.44 and later fell to 342,093.88 at the end of March 25th, representing a decline of 32.9% for the year to date. Unlike the S&P 500 index, the JSE Main Market index is yet to recover, having closed trading on January 13th, 2023, with a value of 345,497.10. Markets do not always quickly rebound as the S&P 500 index did in 2020. A historical example of this can be observed looking back at the climax of the global financial crisis in 2008, when the S&P 500 index closed the year with a value of 903.25, representing a 38.5% year-over-year decline from a value of 1,468.36 at the end of 2007. The index did not recover until early 2013, translating to a ~4-year recovery. However, after the recovery, the market continued to sustain a multi-year bull run, with the index value moving from 1,426.19 at the end of 2012 to 4,766.18 at the end of 2021, representing cumulative growth of 234.2% or a compounded annual growth rate of 14.4%.

The point of showing these statistics is to reveal that there are periods in time when markets decline, and the majority of investors are (panic) selling. This is a period where investors should consider daring to be different and buy when others are selling, or at least not sell and hold while others are selling. By doing this, the investor may forego the realization of losses unnecessarily and be better positioned to fully participate in the eventual rebound. It is difficult to time the bottom, hence staying invested is likely the best route for many investors. Importantly, it is not enough to just be buying when others are selling just for the sake of being different, investors need to have a reason for doing it, backed by research and analysis. This approach will help to avoid the psychological pressures that could lead to panic selling.

The Flip-Side

Being different from the crowd can provide the chance to outperform, however, it also provides the chance to underperform. In daring to be different, the investor must prepare to possibly be wrong or look wrong for some time and wait for the market to catch up. The assets that the investor's peers hold may be appreciating (or peers may have sold and gone to cash in a market downturn) while the basket of assets that the investor holds is flat or declining in value. A part of daring to be different is possibly looking wrong for some time, therefore the investor needs to be able to survive this period in order to realize gains over time as his investments appreciate. Surviving could mean having a separate reserve of cash, or a stable source of excess cash flow to ward off the pressure to sell their holdings in a downturn, whether it be for obligations or the sheer psychological pressure that comes with seeing their holdings reduce in value (helping to prevent panic selling).

Conclusion

Daring to be different can be a double-edged sword as it can potentially lead to outperformance or underperformance if the investor's thesis is flawed. In being different, the investor has to be prepared to look wrong for some time and they would need to be able to survive these periods of time to realize the gains from their investment decisions. Being different does not guarantee over or underperformance but simply the chance to over or underperform. Depending on one's goals, risk tolerance and personality, taking such a risk may be unsuitable and it may be more appropriate to hold an index tracking fund rather than seek excess returns beyond the tolerance for risk. However, for those who seek above-average returns, i.e, beating the market, contrarianism from time-to-time may not be avoidable.

Investment Playbook

EQUITIES

Stock Ticker	Stock Information (as at January 13, 2023)	Comments
WISYNCO Wisynco Group Limited	P/E: 15.2x P/B: 3.49x Price: $17.78 Div Yield 2.25%	**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: 6.59x P/B: 1.38x Price: $32.93 Div Yield 0.76%	**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: $80 Div Yield 4.38%	**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

Investment Playbook

EQUITIES

Stock Ticker	Stock Information (as at January 13, 2023)	Comments
LASD Lasco Distributors	P/E: 8.45x P/B: 1.25x Price: $2.7 Div Yield 3.33%	**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: 12.51x / 14.71x P/B: 0.74x / 0.87x Price: $12.93 / $0.1 Div Yield: 3.1% / 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: 15.86x P/B: 3.11x Price: $2.41 Div Yield 0.83%	**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

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

Investment Playbook

EQUITIES

Stock Ticker	Stock Information (as at January 13, 2023)	Comments
PROVENJMD/ PROVENUSD Proven Group Limited	P/E: 18.11x / 17.44x P/B: 1.21x / 1.11x Price: $30 / $0.19 Div Yield: 2.71% / 2.74%	**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: 11.36x P/B: 3.39x Price: $2.5 Div Yield 2.08%	**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: 16.07x P/B: 3.97x Price: $2.41 Div Yield 3.75%	**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

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

Investment Playbook

EQUITIES

Stock Ticker	Stock Information (as at January 13, 2023)	Comments
JBG Jamaica Broilers Group Limited	P/E: 6.76x P/B: 1.51x Price: $29.02 Div Yield 2.31%	**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: 10.36x P/B: 1.17x Price: $80.95 Div Yield 2.5%	**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: 9.74x P/B: 1.76x Price: $4.22 Div Yield 2.37%	**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

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

Investment Playbook

EQUITIES

Stock Ticker	Stock Information (as at January 13, 2023)	Comments
SEP Seprod Limited	P/E: 19.37x P/B: 1.77x Price: $67.23 Div Yield 2.23%	**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: 14.43x P/B: 8.63x Price: $2.02 Div Yield 8.42%	**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: 9.07x P/B: 0.95x Price: $34.01 Div Yield 4.12%	**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

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

Investment Playbook

EQUITIES

Stock Ticker	Stock Information (as at January 13, 2023)	Comments
FTNA Fontan Limited	P/E: 17.41x P/B: 4.93x Price: $8.88 Div Yield 2.25%	**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: 26.37x P/B: 17.46x Price: $28.12 Div Yield 3.31%	**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: 49.07x P/B: 17.33x Price: $5.37 Div Yield 0%	**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

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

Investment Playbook

EQUITIES

Stock Ticker	Stock Information (as at January 13, 2023)	Comments
VMIL Victoria Mutual Investments Limited	P/E: 23.37x P/B: 2.21x Price: $4.44 Div Yield: 0%	**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

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

Monitoring List

EQUITIES

Stock Ticker	Stock Information (as at January 13, 2023)	Comments
MDS Medical Disposable Supplies	P/E: 12.92x P/B: 1.07x Price: $4.65 Div Yield: 1.51%	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: 13.91x P/B: 4.53x Price: $16.00 Div Yield: 1.00%	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: 13.79x P/B: 1.89x Price: $51.31 Div Yield: 2.16%	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	11/01/2023	06/01/2023	Week/Week Return	Year-to-Date Return	1 Year Return	Yield
Capital Growth	90.69	92.29	-1.74%	-5.35%	1.45%	-
Money Market	15.5513	15.5402	0.07%	0.10%	2.53%	4.43%
Income Portfolio	100.00	100.00	-	-	-	4.77%
FX Bond Portfolio	1.3404	1.3409	-0.04%	-0.04%	-2.37%	3.97%
Real Estate Portfolio	7,998.34	7,966.56	0.40%	0.78%	1392.02%	-
FX Growth Portfolio	0.87	0.85	2.77%	3.21%	-19.15%	-
FX Income Accumulator	1.00	1.00	0.07%	0.10%	-	0.26%

"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 January 13, 2023, the local stock market as measured by the Combined Index declined by 2.73%. The Main Market Index declined by 2.92%, the JSE Junior Market Index fell by 0.95%, and the JSE USD Equities Index declined by 2.84%. During the week, ISP Finance Services Limited was the largest ordinary equity gainer, rising by approximately 42.08% to close at $24.85. The biggest decliner was IronRock Insurance company Limited, which fell by 14.47% to close at $2.01.

Small-cap stocks, reflecting those listed on the Junior Market Index have slightly outperformed on a YTD basis, declining by 0.95%, outpacing its Main Market counterpart which has declined 2.92%.

For the week ended January 13, 2023, overall market activity resulted from trading in 126 stocks, of which, 47 advanced, 65 declined and 14 traded firm. Market volume amounted to 77,177,599 units valued at over $503,572,822.08. Transjamaican Highway Limited was the volume leader with 9,503,853 units (12.09%), followed by Wigton Windfarm Limited with 9,082,646 units *(11.55%)*, and Sagicor Select Funds Limited Ordinary Shares with 4,949,776 units (6.29%).

Revisiting relevant news during the week:

EduFocal joins Guyana delegation

Serious about fast-tracking its plans for regional expansion, online learning company EduFocal Limited has been named among a delegation that will embark on a trip to Guyana later this month. Chief executive officer (CEO) of EduFocal Gordon Swaby told the Jamaica Observer that for the upcoming trip, he is looking to create partnership opportunities for his company while gaining a deeper understanding of the Guyana market.
EduFocal joins Guyana delegation

FosRich reigns supreme

FosRich Company Limited has become the most valuable company on the Jamaica Stock Exchange's Junior Market at the end of 2022 with a market capitalization of $19.64 billion. The PVC (polyvinyl chloride) manufacturer and lighting distributor saw its stock price increase by 332 per cent from $9.05 ($0.91 split adjusted) to $3.91 which also made it the best performing company on the JSE.
FosRich reigns supreme

FirstRock Real Estate takes stake in Cayman property

FirstRock Real Estate Investments Limited has acquired a minority stake in a beachfront hotel property in the 7 Mile area of Grand Cayman in an all-cash deal valued US$1.35 million (approximately $205 million).
FirstRock Real Estate takes stake in Cayman property

World Bank: Recession a looming threat for global economy

The global economy will come "perilously close" to a recession this year, led by weaker growth in all the world's top economies — the United States, Europe and China — the World Bank warned on Tuesday.
World Bank: Recession a looming threat for global economy

Eppley Caribbean Property Fund grows property portfolio, profits

Eppley Caribbean Property Fund Limited SCC's Value Fund (CPFV) expanded its property portfolio to 875,000 square feet with the acquisition of the Chalmers Avenue property which contributed to the 65 per cent increase in net profit to Barbadian dollars (BDS) $9.51 million ($718.24 million) for its 2022 financial year (FY) ending September 30.
Eppley Caribbean Property Fund grows property portfolio, profits

The LAB's profit dips 7 per cent

Creative Agency the Limners and Bards Limited (The LAB) for the year ended October 31, 2022 saw its profit dip seven per cent to total $144 million. This was approximately $11.5 million less than the $155.5 million it earned at the end of 2021.
The LAB's profit dips 7 per cent

Index	13/01/2023	06/01/2023	30/12/2022	Week/Week	Year-to-Date
JSE Main Market	345,497.10	348,180.63	355,896.64	-0.771%	-2.922%
JSE Junior Market	3,948.47	3,900.78	3,986.44	1.22%	-0.95%
JSE Combined Market	358,542.64	360,607.78	368,591.98	-0.57%	-2.73%
JSE USD Equities Market	227.32	233.81	233.97	-2.78%	-2.84%
JSE Financial Index	82.63	82.91	85.88	-0.34%	-3.78%
JSE M&D Idex	95.70	97.08	97.42	-1.42%	-1.77%

INTERNATIONAL DEVELOPMENTS

U.S.

Stocks continue good start to 2023

Stocks recorded a second consecutive week of gains as investors weighed key inflation data and quarterly earnings reporting season kicked off in earnest on Friday. The Nasdaq Composite and growth-oriented sectors outperformed, helped by rebounds in some mega-cap technology-related names, including Amazon.com, Tesla, and Microsoft. Consumer staples shares lagged.

JPMorgan Chase, Wells Fargo, and Bank of America beat consensus expectations when they released earnings Friday morning, but cautious outlooks from the banking giants caused shares to fall in early trading.

Inflation pressures ease even as hiring remains healthy

Investors seemed to spend much of the week waiting for and then reacting to the Labor Department's report on consumer price index (CPI) inflation on Thursday morning, which Wall Street generally viewed as benign. Headline prices fell 0.1% in December, a tick lower than expected and the first decline since May 2020. The drop brought the year-over-year gain to 6.5%, its lowest level since October 2021. The 12-month increase in core (less food and energy) consumer inflation fell as expected to 5.7%, also the slowest pace in over a year. Ongoing increases in the Department's calculation of shelter costs, which lag actual declines in home prices and rents, were largely behind remaining inflation pressures.

U.S. Treasury yields trend lower

The cooling inflation data helped U.S. Treasury yields to continue trending lower, with the yield on the benchmark 10-year U.S. Treasury note falling on Friday morning to an intraday low of 3.43%, its lowest level since soon after the Fed's mid-December meeting. Positive technical conditions—namely, subdued issuance levels and signs of positive cash flows into the asset class—underpinned a rally in the municipal market.

T.RowePrice Market Data

Top 5 things to watch in the markets ahead.

1) U.S. retail sales

U.S. retail sales posted their largest decline in 11 months in November and a similar drop in December would add to recent indications that the Federal Reserve's aggressive rate hikes are cooling the economy. Economists are forecasting a drop of 0.8% in figures due to be released on Wednesday, after a 0.6% decrease in November.

2) Earnings

Investors are closely watching earnings results to see if U.S. companies can beat estimates amid concerns that higher costs are squeezing profit margins. Year-over-year earnings from S&P 500 companies are expected to have declined 2.2% for the quarter, according to Refinitiv data.

3) Bank of Japan

Investors will be keenly awaiting the conclusion of the BOJ's two-day policy meeting on Wednesday amid speculation that it could make further adjustments to its yield curve control policy. The BOJ stunned markets last month by widening the band around its 10-year bond yield target, a move that investors saw as a prelude to a future rate hike.

4)Chinese data deluge

China is to release data on fourth quarter and full-year GDP on Tuesday, along with December data on retail sales, investment and industrial output which are expected to be ugly But amid China's rapid reopening investor focus is turning to prospects for a recovery in the world's second-largest economy.

5) Davos

The World Economic Forum is due to hold its first winter meeting in the Swiss ski resort of Davos since before the pandemic this week, with world leaders, central bank policymakers and top corporate leaders all in attendance. On the agenda – the cost-of-living crisis, the threat of natural disasters and extreme weather events, geo-economic confrontation and failure to mitigate climate change - the top risks over the next two years according to a survey of WEF members.

Index	13/01/2023	06/01/2023	30/12/2022	Week/Week	Year-to-Date
Dow Jones	34,302.61	33,630.61	33,147.25	2.00%	3.49%
S&P 500	3,999.09	3,895.08	3,839.50	2.67%	4.16%
NASDAQ 100	11,541.48	11,040.35	10,939.76	4.54%	5.50%
FTSE 100	7,844.07	7,699.49	7,451.74	1.88%	5.26%
Euro Stoxx 50	4,150.80	4,017.83	3,793.62	3.31%	9.42%

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

Tel: (876) 926-2681 or (888) 429-5333

Website: www.barita.com