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Upcoming Key Economic Events	
Country / Region	Event
<b>Tuesday, February 9, 2021</b>	
USA	EIA Short-Term Energy Outlook
USA	JOLTs Job Openings (Dec)
<b>Wednesday, February 10, 2021</b>	
USA	Core CPI (MoM) (Jan)
USA	Crude Oil Inventories
USA	Federal Budget
<b>Thursday, February 11, 2021</b>	
USA	Initial Jobless Claims
USA	Fed Monetary Policy Report
<b>Friday, February 12, 2021</b>	
UK	GDP (YoY) (Q4)
UK	GDP (QoQ) (Q4)
UK	Manufacturing Production (MoM) (Dec)
UK	Monthly GDP 3M/3M Change

## Contributors:

Ansel Garvey  
[ansel.garvey@scotiabank.com](mailto:ansel.garvey@scotiabank.com)

Trevon Mair  
[trevon.mair@scotiabank.com](mailto:trevon.mair@scotiabank.com)

Tiffany Sparks  
[tiffany.sparks@scotiabank.com](mailto:tiffany.sparks@scotiabank.com)

Sharnakae Stewart, CFA  
[sharnakae.stewart@scotiabank.com](mailto:sharnakae.stewart@scotiabank.com)

Kevin Walters, CFA  
[kevin.walters@scotiabank.com](mailto:kevin.walters@scotiabank.com)

## Vaccine production boost

In the week just ended, there were numerous positive developments surrounding the production of COVID-19 vaccines: Novartis is expected to provide manufacturing capacity for Pfizer-BioNTech's vaccine in Q2 '21; Pfizer is opening a plant in Germany this month and has increased its production target for the EU; AstraZeneca, whose vaccine demonstrated efficacy of 76% after a first dose and has the potential for the vaccine to reduce asymptomatic transmission, agreed to supply the EU with an additional 9M doses; and, Canadian Prime Minister Justin Trudeau signed an agreement with Novavax to establish a facility in Canada, which is expected to begin producing vaccines in July. Nevertheless, according to Bloomberg estimates, if the global rate of vaccination continues along its current trajectory of 4.54 million doses per day it will take 7 years to achieve the epidemiology benchmark of 75%-80% inoculation. This timeline is expected vary from country to country with developed economies projected to achieve this target and return to pre-pandemic levels of economic output way ahead of their developing counterparts.

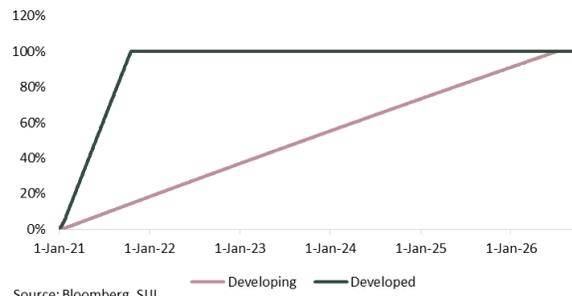
## Global equity markets rebound, but risks remain

US stocks boosted by the Reddit frenzy last week turned mostly negative as a result of brokerage houses implementing trading restrictions, short interest waning, some profit taking and concerns about tighter regulations developing to prevent a recurrence. With investors switching focus to the US Federal stimulus, positive economic data releases and positive earnings surprises for approximately 80% of announcements, the S&P 500 Index finished the week strong. The momentum is expected to carry through to next week as the US FY2021 budget instructions stipulate a February 16 deadline for House and Senate committees to write the stimulus legislation. In Canada, Shopify, the largest company in the SPTSX Index by market capitalization, pushed the index higher following a report of a 62.1% increase in online sales in the US according to Mastercard SpendingPulse™. On the other hand, tightened lockdowns across the largest provinces will create a drag on the economy and temper previous gains. Negative economic data coming out of the UK pushed the FTSE 100 lower whereas European stocks moved higher off the heels of positive economic data, coupled with additional vaccine contracts.

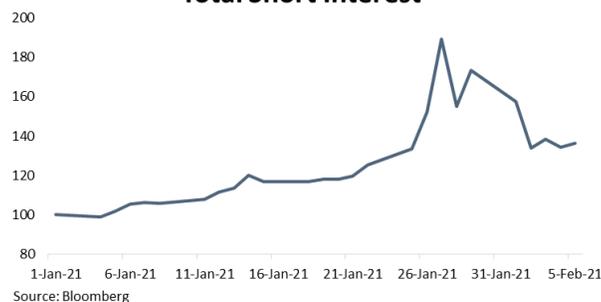
## Global economic indicators continue to offer mixed signals

Positive manufacturing PMI numbers for several major economies were released over the past week, heralding the recovery projected by the IMF. Initial jobless claims in the US declined for the third consecutive week which points to a continued decline in unemployment. Canada, having tightened its lockdowns, saw a strong fall off in employment which could persist until at least April when lockdowns are expected to ease. The Bank of England (BoE) maintained its primary lending rate at 0.1% as it watches the impact of Brexit unfold. With UK businesses expected to see a decline in sales because of both Brexit and lockdowns, the BoE may shift to a more accommodative stance to support the economy over the coming months. Yield curves maintain an upward sloping shape as a result of the aforementioned developments.

## Percentage of Population Immunized



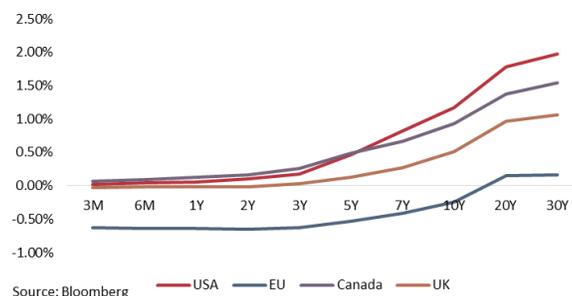
## Total Short Interest



Indices	Value	WoW	YTD
S&P 500 Index	3886.83	4.20%	3.48%
MSCI World Index	666.76	1.87%	3.17%
SPTSX Index	18135.90	4.61%	4.03%

Source: Bloomberg

## Yield Curves



## Remittances remain firm during the crisis

Net remittance flows throughout 2020 played a critical role in the sustainability of the country's international reserves, which ultimately supported the BOJ's efforts to combat depreciative exchange rate pressure. Total inflows for November 2020 amounted to J\$237.4 million, a CYTD sum of J\$2.6 billion, which was 19.27% above January to November of 2019. Conversely, on a MoM basis, November 2020's gross inflows were 12.7% below that of October 2020, but remained within the two-year average of J\$218.2 million. The inflow of remittances, particularly from the US, the main source of remittance flows (approx. 68% for November and CYTD), has been tied to the recovery in the US labor market and the issuance of fiscal stimulus cheques. Therefore, it is anticipated that depreciative pressures throughout Q1-2021 could be partly tempered by growth in remittances on the back of an additional stimulus expected in early 2021.

## GOJ debt issuances mop-up liquidity

At end of January 2021, the Deposit Taking Institutions (DTIs) held J\$56.77 billion in liquidity, approximately J\$2.37 billion (4.4%) more than December 31, 2020.

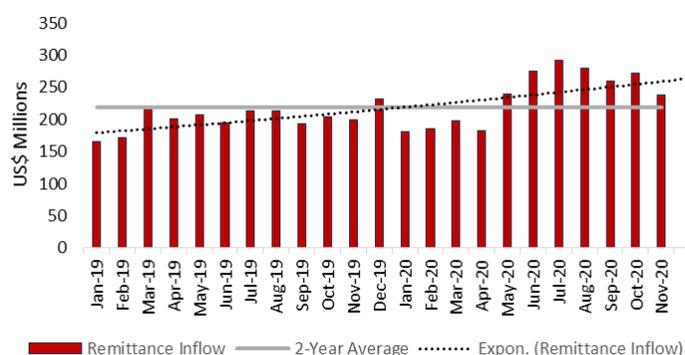
Last week we mentioned the GOJ's reopening of two notes: the GOJ FR 12.25% Benchmark Investment Note (BIN) due 2050 and the GOJ FR 5.675% BIN due 2029. The additional notes were issued on February 2, 2021. The 2050 note received a total of 66 bids valued at J\$9.3 billion, representing an oversubscription of 2.3x and was issued at average price and yield of J\$166.04 and 7.05%, respectively. The 2029 note received 66 bids valued at J\$7.07 billion and was 1.4x oversubscribed. The average price and yield for the 2029 note were J\$108.64 and 4.56%, respectively. Arising from these issuances, market liquidity declined by \$13.91 billion (24%) to close at J\$44.02 billion on February 2, 2021.

## Will the vaccine be a fiscal cure?

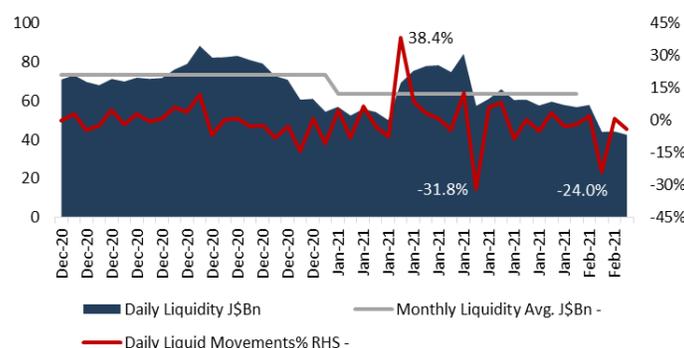
Government revenues for December 2020 totaled J\$58.43 billion, driven by tax revenues of J\$48.09 billion, the largest monthly collection since the start of the fiscal year (FY). While April to December 2020 tax revenues were 16.5% below 2019 levels, December 2020 tax collections represented a 31% MoM gain. Taxes revenues from income and profits increased 118% MoM, while production and consumption taxes grew 18% MoM. This growth could be attributed to increased economic activity observed during the December quarter.

The Government has announced an earlier start to the local vaccination programme, ahead of the original April schedule. The mid to late February or March start date should lend support to optimism regarding prospects for an earlier start to the recovery in the economy and the fiscal performance. Notwithstanding this possibility, considering the fiscal gap of J\$70.25 billion as at December 2020, it is unlikely that this will be closed by the end of the fiscal year. In addition, based on the requisite resource and efficiency required in vaccine delivery, as well as the relatively small quantity of vaccines expected (doses enough for 124,800 persons or 4% of the population), the impact of the programme may not become noticeable until inoculation levels reach a critical mass.

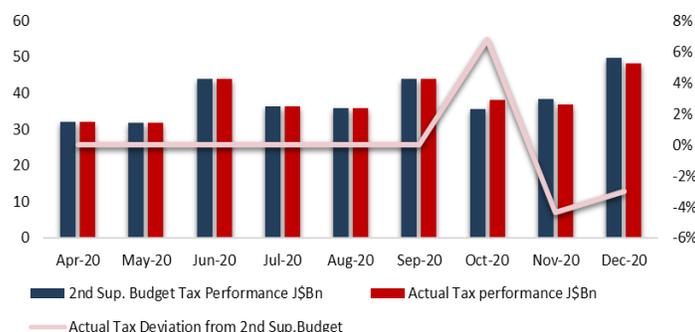
## Remittance Inflows



## Liquidity Flows



## Tax Performance FYTD



## Junior Market continues to outpace the Main

Though it is still early days, there is a discernible pattern of improved activity on the Junior Market compared to the corresponding period in 2020 with YTD volumes increasing by 79% YoY. While for the Main Market the story has been the complete opposite as YTD volumes are down 50% YoY. These softer volumes have been the main reason for increased price fluctuations observed in this week's round of trading as thin volumes produced notable positive price movements for stocks such as Salada, Seprod and GK.

There were modest improvements in the YTD performances of both indices for the week ended February 5, 2021. Overall market activity resulted in 50 stocks traded, of which 22 advanced, 26 declined and 2 traded firm for the Main Market. On the Junior Market, 42 stocks traded, of which 21 advanced, 18 declined and 3 traded firm. The week ended with Carreras accounting for the highest volumes traded. This came on the heels of the tabling of a new tobacco bill in parliament, aimed at addressing the epidemic of non-communicable diseases (NCDs) affecting Jamaica, which could indicate potential headwinds for the company.

## Could earnings season drive increased market activity?

QWI remains one of the few outliers in the prevailing downward trend in the main market's finance segment, returning 33.46% YTD gain compared to sector's -3.56% outturn YTD. The company's stock price has been trending closer to its 52 week high of J\$1.03 per share since the release of their recent Q1 2021 financial statements, which reflected profits of J\$91M, a complete reversal of their J\$94M losses in Q1 2020. Management attributed these results to investment gains in local and overseas portfolios. The company will also be considering the possibility of a share buy-back at their upcoming Annual General meeting. For a third consecutive quarter, Margaritaville Caribbean Ltd.'s subsidiaries, ECL and MTL, have reported negative earnings as the fallout in the tourism sector continues to hamper operations despite cost cutting initiatives implemented by both companies.

NCBFG, the largest company on the index, released its quarterly financial statements for Q1 2021, reflecting a 33% reduction in profits QoQ, primarily driven by an increase in operating expenses as revenue segments remained relatively flat. The company's outlook appears to err on the side of caution, indicating that ramifications of the pandemic could continue to impact operations despite green shoots of recovery in business and investor confidence. On a positive note, Wisynco's financials indicated that the company's bottom line increased by 18% QoQ despite a 6% decline in revenues, reflecting the reduction in selling, distribution and administrative by 20% during the quarter.

We anticipate that in the coming week, as more company financials are released and investors digest the earnings performances, we could see increased activity across the market.

Market Quote for Week Ending February 5, 2021						
Index	Opening Value	Closing Value	Total Volume	Value (J\$)	WTD Change	YTD Change
Main Market Index	387,937.83	390,476.71	89,664,891	565,374,249.54	0.65%	-1.30%
Junior Market Index	2,774.17	2,796.97	55,651,167	146,802,905.64	0.82%	5.81%

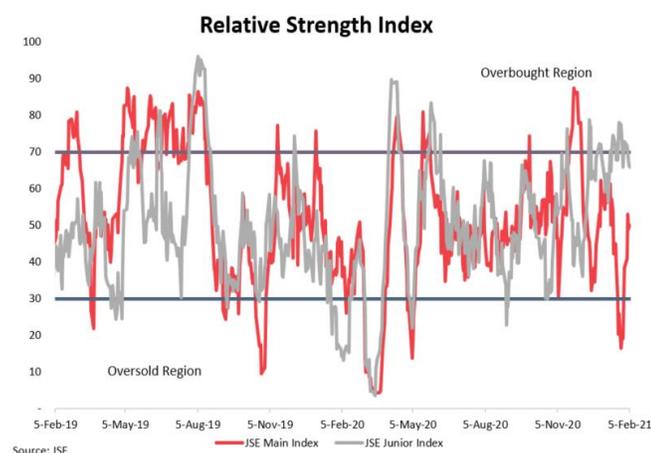
Source: JSE, SIIL

Sector	Top Advancers*	Top Decliners*
Finance	QWI	1834
Conglomerate	SJ	PJAM
Other	CBNY	PAL
Manufacturing	SALF	JBG
Real Estate	SML	CPFV

\*Based on percentage price increase week-over-week  
Source: JSE, SIIL (Main Market)

Sector	Top Advancers*	Top Decliners*
Finance	N/A	AFS
Manufacturing	KREMI	JAMT
Insurance	GENAC	N/A
Other	TTECH	GWEST
Retail	MDS	PTL

\*Based on percentage price increase week-over-week  
Source: JSE, SIIL (Junior Market)



## RECENT ECONOMIC RELEASES

RECENTLY RELEASED KEY ECONOMIC EVENTS				
Country/Region	Event	Actual	Forecast	Previous
<b>Sunday, January 31, 2021</b>				
China	Caixin Manufacturing PMI (Jan)	51.5	52.7	53.0
<b>Monday, February 1, 2021</b>				
Germany/EU	German Manufacturing PMI (Jan)	57.1	57.0	58.3
UK	Manufacturing PMI (Jan)	54.1	52.9	52.9
Canada	Markit Canada Manufacturing PMI (Jan)	54.4		57.9
USA	ISM Manufacturing PMI (Jan)	58.7	60.0	60.5
<b>Wednesday, February 3, 2021</b>				
UK	Composite PMI (Jan)	41.2	40.6	40.6
UK	Services PMI (Jan)	39.5	38.8	38.8
EU	CPI (YoY) (Jan)	0.9%	0.5%	-0.3%
USA	ADP Nonfarm Employment Change (Jan)	174K	49K	-78K
USA	ISM Non-Manufacturing PMI (Jan)	58.7	56.8	57.7
USA	Crude Oil Inventories	-0.994M	0.446M	-9.910M
<b>Thursday, February 4, 2021</b>				
UK	Construction PMI (Jan)	49.2	52.9	54.6
UK	BoE Interest Rate Decision (Feb)	0.10%	0.10%	0.10%
USA	Initial Jobless Claims	779K	830K	812K
<b>Friday, February 5, 2021</b>				
USA	Nonfarm Payrolls (Jan)	49K	50K	-227K
USA	Unemployment Rate (Jan)	6.3%	6.7%	6.7%
Canada	Employment Change (Jan)	-212.8K	-47.5K	-68.2K
Canada	Ivey PMI (Jan)	48.4		46.7

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