



STATISTICAL REPORT

Securities Sector Quarterly Review March 2024

JANUARY 2, 2025
FINANCIAL SERVICES COMMISSION
39-43 Barbados Avenue, Kingston 5.

Securities Sector Quarterly Review March 2024

MARKET INTERMEDIARIES

As at March 31, 2024, there were thirty-three (33) companies licensed as securities dealers. Of these 33 companies, the analysis will concentrate on the twenty-six (26) companies¹ whose primary activity is dealing in securities.

The combined total balance sheet assets as at March 31, 2024, stood at \$954.85 billion, a 0.95 per cent increase when compared to the previous quarter as at December 2023, where assets amounted to \$945.91 billion. A year over year comparison showed an improvement of 7.87 per cent where total assets grew from \$885.21 billion as at March 31, 2023. Aggregate funds under management (FUM) were approximately \$1,828.83 billion as at March 31, 2024, representing a \$82.64 billion or 4.73 per cent increase over the previous quarter. The year-over-year (y-o-y) comparison saw a 6.59 per cent growth in FUM from the amount seen as at March 31, 2024, arising from growth recorded primarily in balance sheet positions. **(See Table 1)**

Table 1: Selected Indicators of the Core Securities Dealers, March 2023 to March 2024							
Selected Indicators	Mar 23 \$'B	Jun 23 \$'B	Sep 23 \$'B	Dec 23 \$'B	Mar 24 \$'B	Quarter over Quarter Mar 24 percentage change	Year over Year Mar 24 percentage change
Total Assets	885.21	909.69	938.88	945.91	954.85	0.95	7.87
Total Liabilities	747.99	770.21	806	800.51	810.19	1.21	8.32
Total Capital	137.22	139.48	132.88	145.4	144.66	-0.51	5.42
Total Repo Liabilities (including COP) ²	608.93	627.01	641.34	622.88	640.41	5.71	2.81
FUM ³	1,715.71	1,691.99	1,730.16	1,746.19	1,828.83	4.73	6.59

The aggregate balance sheet capital at the end of the reporting period was \$144.66 billion, a marginal decrease of 0.51 per cent from the \$145.40 billion reported for the December 2023 quarter. On a y-o-y basis, there was a 5.42 per cent increase in the total balance sheet capital for securities dealers. **(See Table 1)**

For the March 2024 quarter, there was an approximate \$4.07 billion or 21.38 per cent y-o-y increase in combined total revenues (comprising of interest income and other income). The increase was primarily driven by service charges, transaction fees, and commissions, foreign exchange gains, and

¹ These companies are also referred as core securities dealers. Unaudited data.

² COP: Certificate of Participation

³ FUM: Funds under Management

Securities Sector Quarterly Review March 2024

securities purchased under repurchase agreements. Loans, advances & discounts further contributed to the increase.

Cumulative total expenses increased by 25.49 per cent in March 2024 when compared to March 2023. The growth in expenses was primarily driven by interest expenses on repo liabilities and staff expenses. A net profit of \$1.79 billion was generated in the March 2024 quarter, reflecting a \$270 million decrease from the same period in 2023. (**See Table 2**)

Table 2: Selected Profit & Loss Indicators of the Core Securities Dealers, March 2023 to March 2024						
Selected Profit & Loss Indicators	Mar 23 \$'B	Jun 23 \$'B	Sep 23 \$'B	Dec 23 \$'B	Mar 24 \$'B	Percentage Change (March- 2023 vs March 2024)
Total Revenue	19.04	33.72	60.4	84.34	23.11	21.38
Of Which						
total Interest Income	11.3	18.86	34.58	46.67	12.72	12.57
total non-interest income	7.74	14.86	25.82	37.67	10.38	34.11
Total Expense	16.99	30.86	55.11	75.1	21.32	25.49
Of Which						
total Interest Expense	9.42	16.34	30.31	41.22	11.06	17.41
total non-interest expense	7.57	14.55	24.8	33.88	10.26	35.54
Net Interest Income	1.88	2.52	4.27	5.45	1.66	-11.7
Net Profit before tax	2.05	2.83	5.29	9.24	1.79	-12.95

The aforementioned net income resulted in a return on equity of 2.64 per cent for the quarter ended March 2024 compared to 2.35 per cent for the corresponding period in 2023 (see Table 3).

Securities Sector Quarterly Review March 2024

Table 3: Selected Prudential Ratios for the Core Securities Dealers				
Ratio	Mar 23	Dec 23	Mar 24	FSC Benchmark
Capital/Risk Weighted Asset	23.36%	22.18%	21.69%	≥ 14%
Capital/Total Assets	15.50%	15.37%	15.15%	≥ 6%
Return on Equity	2.35%	7.68%	2.64%	N/A

LOCAL COLLECTIVE INVESTMENT SCHEMES

In Jamaica, there are two (2) types of collective investment schemes (CIS) – unit trusts and mutual funds. As at March 31, 2024, there were thirteen (13) local CIS managers. Of these 13 managers, eleven (11) are operational. Of the 11 that are operational, nine (9) are unit trust managers while two (2) are mutual fund managers. These managers operate twenty (20) funds with a combined total of 77 portfolios. Table 4 displays the aggregate FUM and the portfolio composition for the local CIS industry.

Table 4: Size & Portfolio Composition of the Local CIS Industry							
Asset Class	Mar 2023 JMD' B	Jun 2023 JMD' B	Sep 2023 JMD' B	Dec 2023 JMD' B	Mar 2024 JMD' B	Quarter over Quarter Mar 24 percentage change	Year over Year Mar 24 percentage change
(a) Real Estate	31.18	35.75	36.15	34.32	40.30	17.43%	29.25%
(b) Equities	93.90	90.23	87.59	87.22	91.58	5.00%	-2.47%
(c) Fixed Inc. Securities	201.37	208.70	199.08	193.32	201.98	4.48%	0.30%
(d) Cash	7.15	6.91	6.30	11.81	13.58	14.99%	89.93%
(e) Other assets	11.26	10.40	16.96	21.93	6.15	-71.96%	-45.38%
Total	344.85	351.99	346.07	348.60	353.59	1.43%	2.53%

Securities Sector Quarterly Review March 2024

EXEMPT DISTRIBUTIONS

The FSC's Guidelines for Exempt Distributions (XD Guidelines) facilitate, under certain conditions, the distribution of securities without the need to register a prospectus or an offering document with the FSC. Under the XD Guidelines, issuers of securities are permitted to register both debt and equity securities with the FSC. Table 5 illustrates the total number and value (both in JMD and USD) of instruments registered and issued for the quarters ended March 2023 to March 2024. There was fluctuation in issuance⁴ of XD instruments, the value amounts also experienced fluctuations over the March 2023 to March 2024 period.

Table 5: Quarterly Registration & Issued Summary

Quarterly XD Registration Summary	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Number of XDs Registered for the Quarter	36	39	31	38	50
Number of Registered Issuers for the quarter	22	28	23	24	27
JMD (in Millions)	58,487	41,570	16,935	29,126	35,824
USD (in Millions)	48	96	42	72	105
Quarterly XD Issued Summary	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Number of XDs Issued for the Quarter	22	11	23	20	16
Number of Issuers for the Quarter	13	10	6	24	7
JMD (in Millions)	15,967	4,629	12,184	18,286	19,811
USD (in Millions)	11	21	45	28	38

Table 6 provides information regarding the total number and value (both in JMD and USD) of securities outstanding in each quarter from March 2023 to March 2024. Outstanding XD instruments were primarily debt and denominated in local currency. As interest rates decline, demand for XD debt instruments may slow down as the potential for earning higher investment returns diminish.

⁴ There is a three-month period, for completing an Exempt Distribution after approval by the FSC. So, there may be delays, resulting in differences in the number of registrations and issuances for a particular period.

Securities Sector Quarterly Review March 2024

Table 6: Summary of Outstanding Exempt Distributions

Description	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Total number of Issues Outstanding	412	416	423	442	441
Debt	355	356	367	378	377
Ordinary/Preference Shares	57	60	56	64	64
Total number of Issuers	167	165	169	171	176
Total number of securities dealers acting as arrangers	16	14	14	14	14
JMD Securities Outstanding (JMD in millions)					
Issued	427,421	445,651	436,656	453,526	457,350
Amount Paid Down	17,921	25,201	12,622	11,660	11,687
Outstanding	409,500	420,450	424,033	441,866	445,662
USD Securities Outstanding (USD in millions)					
Issued	1,568	1,107	1,133	1,177	1,171
Amount Paid Down	10	17	19	21	29
Outstanding	1,558	1,090	1,114	1,156	1,142