

## Fed keeps rates steady, but sees more rate cuts for 2024

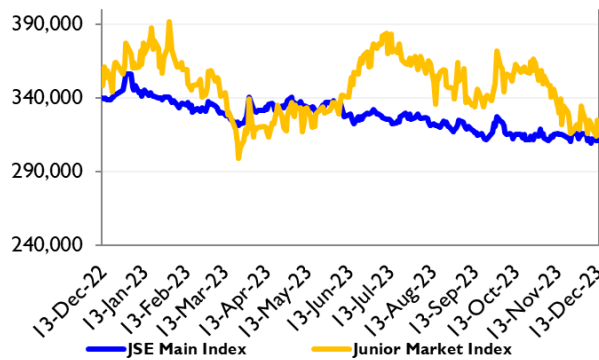
The Federal Reserve kept rates steady on Wednesday for the third-straight meeting, and signalled that its rate-hike cycle had ended, with further rate cuts now forecast for next year as inflation is expected to return to target earlier than expected. The Federal Open Market Committee, the FOMC, kept its benchmark rate in a range of 5.25% to 5.5%. The Fed removed its forecast for an additional hike this year, projecting that rates have now peaked at 5.4%, and tacked on further rate cuts for next year. Fed members estimated that the benchmark rate will fall to 4.6% next year, suggesting four rate cuts in 2024, from a prior projections of 5.1%, or two rate cuts.

The decision to keep rates steady for a third consecutive meeting comes against the backdrop of economic data that has strengthened expectations that a soft landing is within sight. The most recent measure of core PCE, which excludes food and fuel costs and is considered a better gauge of underlying inflation, showed a slowing in the pace of inflation in the 12 months through November to 3.5%, from 3.7% a month earlier. While that is still above the Fed's 2% target, the ongoing trend of disinflation has raised optimism that the Fed's restrictive monetary policy measures, which the central bank believes haven't fully filtered through the economy yet, will deliver the final blow to bring inflation back to target.

The strength in the labour market, however, has continued to muddy the Fed's inflation fight, particularly in the sticky services sector, in which wages make up the bulk of price pressures. But the optimism from markets that the last mile of inflation is within reach sooner rather than later has lifted expectations for more rate cuts next year, pushing Treasury yields sharply lower and easing financial conditions.

Source: Investing.com

### Local Market Indices



### Foreign Exchange Market

Currency	13-Dec	12-Dec	DoD % Δ	YTD% Δ
USD:JMD	156.47	156.36	0.07%	2.91%
GBP:JMD	198.74	194.58	2.14%	9.14%
CAD:JMD	115.69	115.21	0.42%	6.64%

### Caribbean & Latam

- Argentina's monthly inflation rate stood at 12.8% in November, data from statistics agency INDEC showed on Wednesday, marking the highest monthly increase this year and landing above a Reuters poll that expected an 11.8% monthly bump.

### USA & Canada

- U.S. stocks surged to a sharply higher close on Wednesday and benchmark Treasury yields slipped to their lowest level since August after the Federal Reserve flagged the end of its tightening cycle and struck a dovish tone for the year ahead.

### Europe

- European shares edged up on Wednesday on a boost from chemical manufacturers even though investors broadly stayed away from risky bets ahead of the Federal Reserve's much-anticipated interest rate decision and policy outlook.

### Asia

- Business confidence at big Japanese manufacturers hit a near two-year high in the three months to December, a closely watched central bank survey showed, suggesting the economic conditions needed to unwind massive stimulus were falling into place.

### Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	323,875.43	-524.68	-0.16%	-12.13%	-8.08%
JSE Index	310,953.91	-173.48	-0.06%	-12.63%	-8.52%
All Jamaican Composite Index	346,482.52	384.80	0.11%	-14.04%	-9.77%
JSE Select Index	7,780.99	-36.74	-0.47%	-12.54%	-9.48%
Junior Market Index	3,682.38	-41.33	-1.11%	-7.63%	-4.11%

### BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
LEARN	15.53%	LASM	-8.86%
GWEST	14.46%	DTL	-7.84%
CBNY	14.02%	CPFV	-7.09%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **85** stocks, of which **38** advanced, **31** declined and **16** traded firm.

### International Markets

International Equity Markets					International Currency Market				
Index	13-Dec	DoD % Δ	YTD% Δ	YoY% Δ	Currency	13-Dec	DoD % Δ	YTD% Δ	YoY% Δ
S&P 500	4,707.17	1.37%	22.60%	17.10%	EUR: USD	1.0884	0.83%	1.67%	2.36%
Dow Jones	37,090.24	1.40%	11.90%	8.74%	GBP: USD	1.26	0.52%	4.51%	2.12%
FTSE All Share	4,112.17	0.09%	0.91%	0.17%	USD: CAD	1.35	-0.67%	-0.40%	-0.33%
Euro Stoxx 50	4,530.19	-0.14%	19.42%	13.63%	USD: JPY	142.97	-1.71%	9.04%	5.44%
Nikkei 225	32,926.35	0.25%	14.36%	17.78%					
MSCI World Index	709.94	1.05%	17.27%	12.81%					

Global Interest Rates					Commodities				
Rates	13-Dec	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	13-Dec	DoD % Δ	YTD% Δ	YoY% Δ
10 -Year US Treasury Bond	4.02%	-18.00	15.00	52.00	Crude Oil	69.74	1.65%	-13.11%	-7.49%
10-Year UK Gilt	3.83%	-14.00	16.00	53.00	Gold	2,024.58	2.28%	11.00%	11.81%
GOJ 2025 Global Bond	6.36%	1.00	232.00	12.00	Silver	23.79	4.47%	-0.68%	0.24%
					Aluminium	2,140.00	0.90%	-10.01%	-13.04%



# Mutual Funds

**Fund Managers Ltd.**

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## JN MUTUAL FUNDS

December 12, 2023

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
<b>Global Diversified Income</b>	J\$13.1762	2.77%	1.76%	3.24%
<b>Global Equity</b>	J\$13.9446	-2.02%	-4.37%	0.00%
<b>Global Fixed Income</b>	J\$14.9151	8.09%	8.21%	7.24%
<b>Global Money Market (US\$)</b>	US\$11.5140	1.21%	1.04%	3.17%
<b>Global Fixed Income (US\$)</b>	US\$11.4146	-0.22%	-0.23%	3.60%
<b>Local Money Market</b>	J\$13.0045	7.64%	7.71%	7.35%

	Global Money Market Fund	Local Money Market Fund	Global Fixed Income Funds	Global Diversified Income Fund	Global Equity Fund
<b>Objective</b>	To preserve capital whilst providing US dollar (US\$) money market returns	To preserve capital whilst providing Jamaican Dollar (J\$) money market returns	To achieve an attractive total return through capital injection and income growth. This is offered through two separate Funds: (i) A Jamaican dollar (J\$) and (ii) A US dollar (US\$) fund.	To provide long-term investment growth through exposure to a diversified range of asset classes.	To provide long-term capital growth and risk diversification.
<b>Strategy</b>	To invest in local and global money market instruments for safety, liquidity and yield.	To invest in local and global money market instruments for safety and liquidity and yield	To invest in regional, sovereign debt securities, local and international corporate bonds.	To invest in fixed income, high dividend yielding stocks, REITs and structured products	To invest in the shares of local and international companies which offer strong growth possibilities and consistent income

With a suite of six investment portfolios, each with a distinct financial profile, JN Mutual Funds offers a premium opportunity for investors to align their personal financial strategy with their goals, time horizons and risk profile.

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