

Bank of England raises rates again and sees more hikes to fight inflation

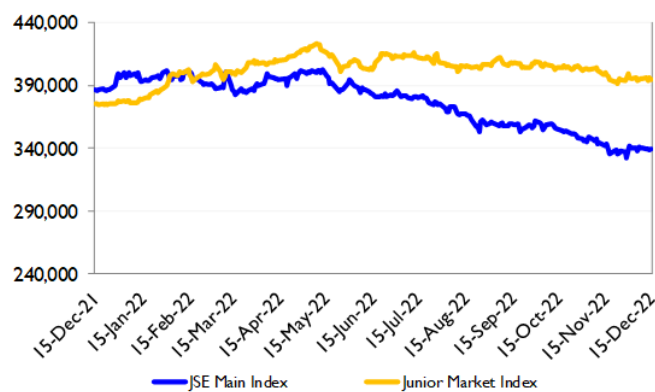
The Bank of England (BoE) raised its key interest rate by half a percentage point on Thursday and indicated that more hikes were likely, despite a looming recession, as it tries to bring down inflation that hit a 41-year high in October. The BoE's Monetary Policy Committee voted 6-3 to raise the Bank Rate to 3.5% - its highest since 2008 - from 3.0% and said more increases may be required to tackle what it fears could prove to be persistent domestic inflation pressure from prices and wages.

Sterling weakened against the U.S. dollar after the BoE's decision, falling to around \$1.23, and it also declined against the euro. British government bond prices were little changed.

On Wednesday, the U.S. Federal Reserve also slowed the pace of its rate hikes while pointing to more tightening in 2023. Shortly after the BoE's announcement of its ninth rate hike in a row, the ECB said it was also raising rates by half a percentage point and that further increases were likely. Western central banks are grappling with post-COVID -19 labour shortages and the inflationary impact of Russia's invasion of Ukraine on energy prices while also worrying about the risks of recession. The BoE statement did not repeat unusual language from November which said rates were unlikely to need to rise as far as markets expected. Market rate expectations have fallen since then, and after Thursday's decision showed investors expected rates to peak at 4.5% in August 2023, slightly lower than before.

Source: Reuters

Local Market Indices



Foreign Exchange Market

Currency	15-Dec	14-Dec	DoD % Δ	YTD % Δ
USD:JMD	154.00	154.10	-0.06%	-0.70%
GBP:JMD	192.78	189.71	1.62%	-8.3%
CAD:JMD	113.33	112.67	0.59%	-7.7%

Caribbean & Latam

- The expansion of economies in Latin America and the Caribbean is seen cooling next year, the United Nations economic commission for the region (ECLAC) said on Thursday, with both internal and external challenges weighing on growth.

USA & Canada

- U.S. stock indexes closed sharply lower on Thursday, with each of the major averages suffering their biggest daily percentage drop in weeks, as fears intensified that the Federal Reserve's battle against inflation using aggressive interest rate hikes could lead to a recession.

Europe

- European stocks tumbled on Thursday and most of the markets across the region ended with sharp losses, hitting multi-week lows, as interest rate hikes and hawkish comments by several central banks hurt sentiment.

Asia

- Asian stock markets are trading mostly lower on Thursday, following the broadly negative cues from global markets overnight, on renewed concerns over the outlook for interest rates after the US Federal Reserve raised interest rates by 50 basis points and signaled further rate hikes ahead.

Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	352,510.10	480.40	0.14%	-12.12%	-10.01%
JSE Index	339,805.69	850.19	0.25%	-14.22%	-12.08%
All Jamaican Composite Index	382,174.42	1,068.13	0.28%	-12.81%	-10.51%
JSE Select Index	8,486.20	12.09	0.14%	-14.13%	-11.19%
Junior Market Index	3,869.73	-34.08	-0.87%	12.88%	14.50%

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
RPL	32.00%	tTech	-28.57%
PAL	19.89%	ROC	-25.00%
ISP	16.67%	GWEST	-15.75%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **86** stocks, of which **39** advanced, **37** declined and **10** traded firm.

International Markets

International Equity Markets					International Currency Market				
Index	15-Dec	DoD % Δ	YTD % Δ	YoY % Δ	Currency	15-Dec	DoD % Δ	YTD % Δ	YoY % Δ
S&P 500	3,895.75	-2.49%	-18.26%	-17.29%	EUR: USD	1.0623	-0.55%	-6.57%	-5.90%
Dow Jones	33,202.22	-2.25%	-8.63%	-7.59%	GBP: USD	1.22	-2.01%	-10.02%	-8.19%
FTSE All Share	4,063.59	-0.89%	-3.43%	-0.26%	USD: CAD	1.37	0.90%	8.17%	6.51%
Euro Stoxx 50	3,835.70	-3.51%	-10.76%	-7.79%	USD: JPY	137.83	1.73%	19.77%	20.86%
Nikkei 225	28,051.70	-0.37%	-2.57%	-1.43%					
MSCI World Index	612.11	-2.50%	-18.91%	-17.49%					

Global Interest Rates					Commodities				
Rates	15-Dec	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	15-Dec	DoD % Δ	YTD % Δ	YoY % Δ
10 -Year US Treasury Bond	3.45%	-3.00	194.00	199.00	Crude Oil	76.22	-1.37%	1.34%	7.55%
10-Year UK Gilt	3.24%	-8.00	227.00	250.00	Gold	1,776.89	-1.68%	-2.86%	0.00%
GOJ 2025 Global Bond	6.37%	4.00	233.00	235.00	Silver	23.08	-3.63%	-0.99%	4.55%
					Aluminium	2,386.00	-2.37%	-15.01%	-8.12%



Mutual Funds

Fund Managers Ltd.

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JN MUTUAL FUNDS

December 13, 2022

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$12.8201	-8.17%	-9.38%	2.46%
Global Equity	J\$14.2699	-7.08%	-9.17%	0.00%
Global Fixed Income	J\$13.8007	4.11%	4.02%	5.27%
Global Money Market (US\$)	US\$11.3782	3.72%	3.56%	4.12%
Global Fixed Income (US\$)	US\$11.4446	0.86%	0.91%	3.94%
Local Money Market	J\$12.0840	4.38%	4.31%	6.81%

	Global Money Market Fund	Local Money Market Fund	Global Fixed Income Funds	Global Diversified Income Fund	Global Equity Fund
Objective	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.
Strategy	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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