

Bank of Canada makes oversized rate hike, hints increases may be over

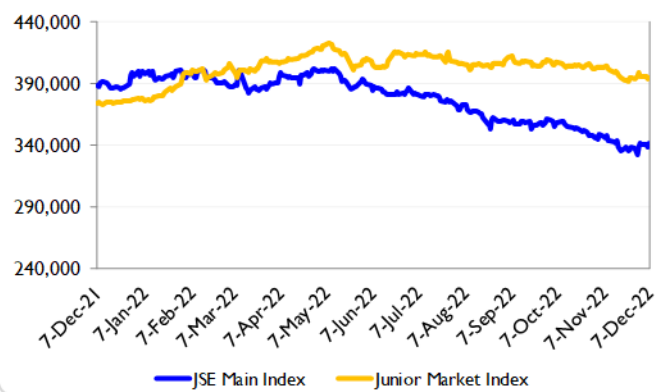
The Bank of Canada on Wednesday hiked its benchmark overnight interest rate by 50 basis points to the highest level in almost 15 years and also signalled its historic tightening campaign was near an end. Money markets had bet on a 25-basis-point increase, but a slim majority of economists in a Reuters poll expected a 50-bps move. The central bank has raised rates at a record pace of 400 basis points in nine months to 4.25%, a level last seen in January 2008. The bank cited still-strong growth and tight labour markets as the reason for the latest increase. But it eliminated the forward guidance it has used since it began cranking rates higher in March, dropping language that said they would have to rise further.

According to the bank, gross domestic product in the third quarter grew at an annualized 2.9% and was stronger than expected. However, there is still "excess demand" in the economy, while labour markets remained tight. Overall, however, the central bank said that data supported its October forecast that growth would stall through the middle of next year.

The bank also reported that inflation, which came in at 6.9% in October, "is still too high", but three-month rates of change in core inflation have declined, which indicates "price pressures may be losing momentum". If the bank's tightening campaign overshoots, it could trigger a deeper downturn than expected, something that the bond market is now signalling is a risk.

Source: Reuters

Local Market Indices



Foreign Exchange Market

Currency	7-Dec	6-Dec	DoD % Δ	YTD % Δ
USD:JMD	154.54	154.82	-0.19%	-0.35%
GBP:JMD	188.27	188.11	0.09%	-10.4%
CAD:JMD	113.65	113.91	-0.22%	-7.4%

Caribbean & Latam

- Brazil's real rose on Wednesday on relief over lower fiscal spending than expected and ahead of a monetary policy decision, with a fall in dollar supporting most Latin American currencies.

USA & Canada

- The S&P 500 slipped Wednesday, led by tech as the bond market continued to sound the alarm on a recession, souring investor sentiment on stocks.

Europe

- European stocks closed lower on Wednesday, extending recent losses, as concerns that the Federal Reserve will continue with its aggressive rate hikes hurt sentiment.

Asia

- Asian stock markets are trading mostly lower on Wednesday, following the broadly negative cues from global markets overnight, as traders remain concerned about the outlook for interest rates and about how much further the central bank will raise rates ahead of next week's US Fed meeting following recent upbeat economic data.

Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	354,008.38	3,166.88	0.90%	-11.75%	-10.13%
JSE Index	341,432.65	3,125.71	0.92%	-13.81%	-12.25%
All Jamaican Composite Index	387,274.02	4,446.25	1.16%	-11.65%	-9.90%
JSE Select Index	8,583.74	32.28	0.38%	-13.15%	-10.35%
Junior Market Index	3,867.28	27.24	0.71%	12.80%	15.10%

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
MTLJA	23.32%	CHL	-18.91%
XFUND	18.50%	PJX	-18.91%
JSE	17.07%	JP	-15.38%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of 91 stocks, of which 43 advanced, 39 declined and 9 traded firm.

International Markets

International Equity Markets					International Currency Market				
Index	7-Dec	DoD % Δ	YTD % Δ	YoY % Δ	Currency	7-Dec	DoD % Δ	YTD % Δ	YoY % Δ
S&P 500	3,933.92	-0.19%	-17.46%	-16.06%	EUR: USD	1.0512	0.43%	-7.55%	-6.70%
Dow Jones	33,597.92	0.00%	-7.54%	-5.94%	GBP: USD	1.22	0.66%	-9.75%	-7.78%
FTSE All Share	4,093.68	-0.51%	-2.72%	-2.04%	USD: CAD	1.37	-0.01%	8.03%	8.01%
Euro Stoxx 50	3,920.90	-0.46%	-8.78%	-8.31%	USD: JPY	136.47	-0.39%	18.59%	20.13%
Nikkei 225	27,686.40	-0.72%	-3.84%	-2.70%					
MSCI World Index	608.20	-1.72%	-19.43%	-18.39%					

Global Interest Rates					Commodities				
Rates	7-Dec	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	7-Dec	DoD % Δ	YTD % Δ	YoY % Δ
10 -Year US Treasury Bond	3.42%	-11.00	191.00	195.00	Crude Oil	72.43	-2.45%	-3.70%	0.53%
10-Year UK Gilt	3.04%	-4.00	207.00	231.00	Gold	1,786.05	0.85%	-2.36%	0.11%
GOJ 2025 Global Bond	6.25%	-2.00	221.00	227.00	Silver	22.71	2.34%	-2.56%	0.92%
					Aluminium	2,485.50	-0.92%	-11.47%	-5.44%



Mutual Funds

Fund Managers Ltd.

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JN MUTUAL FUNDS

December 6, 2022

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$12.8453	-7.76%	-9.21%	2.51%
Global Equity	J\$14.2695	-6.26%	-9.17%	0.00%
Global Fixed Income	J\$13.7834	4.17%	3.89%	5.25%
Global Money Market (US\$)	US\$11.3690	3.71%	3.47%	4.13%
Global Fixed Income (US\$)	US\$11.4301	1.07%	0.78%	3.93%
Local Money Market	J\$12.0660	4.23%	4.16%	6.70%

	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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