

## Fed Hikes Interest Rates by 0.25% in further downshift on tightening

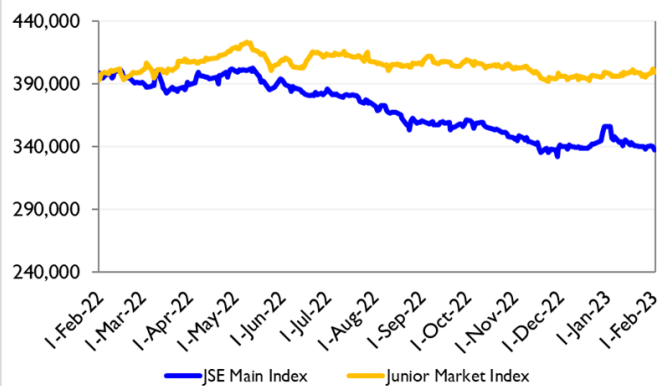
The Federal Reserve raised interest rates by 0.25% on Wednesday signalling a need to push monetary policy further into restrictive territory as the central bank looks to make up further ground in its battle against inflation. The Federal Open Market Committee (FOMC), raised its benchmark rate to a range of 4.5% to 4.75% from 4.25% to 4.5% previously. The quarter-basis point hike marked the second downshift from the Federal Reserve following a slowdown to 50 basis points at the December meeting after four-consecutive 75-basis-point hikes.

At the December meeting, the Fed lifted its benchmark rate to a median rate of 5.1% in 2023, equal to a range of 5.00% to 5.25%, suggesting three quarter-point hikes were in the chamber for 2023. The first rate hike of 2023 hasn't seen the Fed soften its stance to remain on course to move toward its projected target range. But with monetary policy now at sufficiently restrictive levels and data continuing to show slowing inflation as well as weaker economic growth, many on Wall Street doubt whether there is a need for the Fed to go much further after this latest hike.

Pointing to a labour market that remains red-hot that threatens to boost inflation, the Fed, however, is hesitant to hoist the white flag on rate hikes. With unemployment at the lowest rate in 50 years and little sign of a significant boost in the participation rate, the central bank has been keeping a close eye on core services, ex-housing, sector of the economy – flagged by Fed's chairman, Jerome Powell as key inflation measure in which labour is the biggest cost.

Source: Investing.com

### Local Market Indices



### Foreign Exchange Market

Currency	1-Feb	31-Jan	DoD % Δ	YTD% Δ
USD:JMD	154.64	154.10	0.35%	1.70%
GBP:JMD	191.14	190.52	0.33%	4.97%
CAD:JMD	116.29	116.84	-0.47%	7.20%

### Caribbean & Latam

- Currencies in Latin America extended gains on Wednesday, with markets pinning their hopes on the Federal Reserve slowing down the pace of its monetary tightening after the central bank delivered a small interest rate hike as expected.

### USA & Canada

- The S&P 500 and the Nasdaq closed sharply higher on Wednesday after Federal Reserve chair Jerome Powell acknowledged that inflation was starting to ease, in remarks he made following a quarter-point rate hike by the U.S. central bank.

### Europe

- Despite spending much of the day's session in positive territory, the major European markets ended on a mixed note on Wednesday as the mood turned a bit cautious past mid afternoon with investors looking ahead to the Federal Reserve's monetary policy announcement.

### Asia

- Asian stocks are poised for gains on the heels of a rally in US shares after the Federal Reserve Chair Jerome Powell said the central bank has made progress in its battle against inflation.

### Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	351,788.74	-2,950.37	-0.83%	-4.56%	-13.72%
JSE Index	337,782.90	-2,544.43	-0.75%	-5.09%	-15.35%
All Jamaican Composite Index	381,932.19	-3,399.97	-0.88%	-5.25%	-14.37%
JSE Select Index	8,426.76	-41.30	-0.49%	-5.28%	-17.18%
Junior Market Index	3,995.80	-62.44	-1.54%	0.23%	4.04%

### BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
MJE	15.36%	CAC	-16.17%
CPFV	11.55%	PAL	-16.11%
MPCCEL	10.21%	SML	-15.38%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **97** stocks, of which **37** advanced, **53** declined and **7** traded firm.

### International Markets

International Equity Markets					International Currency Market				
Index	1-Feb	DoD % Δ	YTD% Δ	YoY% Δ	Currency	1-Feb	DoD % Δ	YTD% Δ	YoY% Δ
S&P 500	4,119.21	1.05%	-13.57%	-9.40%	EUR: USD	1.099	1.17%	-3.34%	-2.50%
Dow Jones	34,092.96	0.02%	-6.18%	-3.71%	GBP: USD	1.24	0.45%	-8.54%	-8.48%
FTSE All Share	4,252.85	-0.07%	1.07%	0.48%	USD: CAD	1.33	-0.11%	5.18%	4.76%
Euro Stoxx 50	4,171.44	0.19%	-2.95%	-1.25%	USD: JPY	128.98	-0.85%	12.08%	12.44%
Nikkei 225	27,346.88	0.07%	-5.02%	0.99%					
MSCI World Index	655.89	1.16%	-13.11%	-9.34%					

Global Interest Rates					Commodities				
Rates	1-Feb	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	1-Feb	DoD % Δ	YTD% Δ	YoY% Δ
10 -Year US Treasury Bond	3.42%	-9.00	191.00	163.00	Crude Oil	76.41	-3.12%	1.60%	-13.37%
10-Year UK Gilt	3.31%	-2.00	234.00	201.00	Gold	1,950.52	1.15%	6.63%	8.29%
GOJ 2025 Global Bond	6.42%	-4.00	238.00	227.00	Silver	23.98	1.07%	2.90%	5.91%
					Aluminium	2,616.50	-1.04%	-6.80%	-13.72%



# Mutual Funds



A member of the JN Group

## JN MUTUAL FUNDS

January 31, 2023

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
<b>Global Diversified Income</b>	J\$12.9771	-7.86%	0.22%	2.75%
<b>Global Equity</b>	J\$14.5179	-6.42%	-0.44%	0.00%
<b>Global Fixed Income</b>	J\$13.9375	5.11%	1.12%	5.96%
<b>Global Money Market (US\$)</b>	US\$11.4366	4.14%	0.36%	4.20%
<b>Global Fixed Income (US\$)</b>	US\$11.5052	1.84%	0.56%	4.15%
<b>Local Money Market</b>	J\$12.1955	4.97%	1.01%	6.82%

	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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