

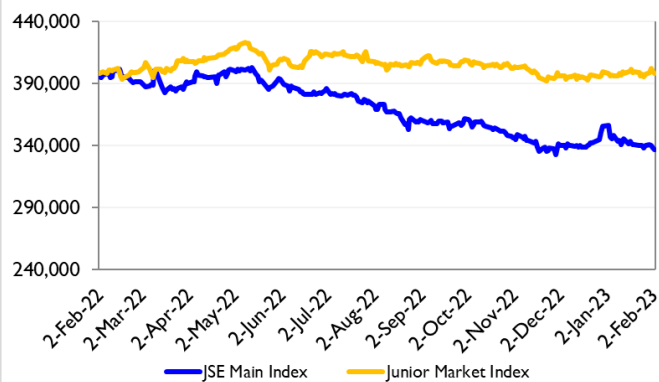
ECB hikes interest rates by 50 basis points

The European Central Bank raised interest rates by another 50 basis points on Thursday and flagged its intention to hike rates by the same amount again in March, as policymakers remain focused on corralling elevated inflation despite recent data suggesting that prices may be peaking in the Eurozone. In a statement on Thursday, the ECB said it would "stay the course" with its recent monetary policy tightening to bring inflation back down to its 2% medium-term target, echoing language used by the central bank's president, Christine Lagarde, last month. The decision, which was widely expected by markets, brings the interest rates on the ECB's main refinancing operations, marginal lending facility and deposit facility up to 3.00%, 3.25% and 2.50%, respectively. The changes will come into effect February 8.

Lagarde has previously said that inflation in the Eurozone is "way too high," although data this week has helped to fuel investor hopes that these cost of living pressures may be beginning to ease. Price growth in the Eurozone slowed by more than expected in January, according to figures from the European Union's statistics agency, as a mild winter supported an easing in monthly energy cost increases. The bloc's economy has also proved broadly resilient to the pressures brought on by the higher borrowing costs. The Eurozone unexpectedly grew in the fourth quarter, defying expectations that the ECB's aggressive rate hikes in 2022 would spark a deep recession in the near term. But quarter-on-quarter growth in the final three months of 2022 was only a slight 0.1%, while the headline inflation reading of 8.5% last month is still well above the ECB's 2% target. Meanwhile, a technical problem at Germany's statistics office meant that the currency area's January consumer price index did not include official preliminary data from its biggest economy. Additionally, the Bank of England also raised its key interest rate by another 50 basis points on Thursday. It warned that its battle against inflation still is not over as well but held out the possibility of an end to its policy tightening.

Source: Investing.com

Local Market Indices



Foreign Exchange Market

| Currency | 2-Feb | 1-Feb | DoD % Δ | YTD % Δ |
|----------|--------|--------|---------|---------|
| USD:JMD | 154.99 | 154.64 | 0.23% | 1.93% |
| GBP:JMD | 191.23 | 191.14 | 0.04% | 5.02% |
| CAD:JMD | 116.09 | 116.29 | -0.18% | 7.01% |

Caribbean & Latam

- Brazil's real rose on Thursday after its central bank said overnight it was considering holding interest rates at a six-year high for longer than market expectations, while the broader index rallied to multi-year highs as Federal Reserve's messaging weakened the dollar.

USA & Canada

- The Nasdaq and S&P 500 jumped and touched roughly five-month highs on Thursday as a more dovish-than-expected message from Federal Reserve Chair Jerome Powell boosted equities and Meta Platforms shares soared on rigorous cost controls.

Europe

- European stocks closed higher on Thursday with investors digesting the monetary policy announcements from the European Central Bank (ECB) and the Bank of England (BoE), and reacting to the Federal Reserve's interest rate decision, and Fed Chief Jerome Powell's comments.

Asia

- Asian shares soared on Thursday while the dollar eased after Federal Reserve Chair Jerome Powell said a "disinflationary" process was underway, boosting risk appetite as investors hope the climb in U.S. interest rates will come to an end soon.

Local Equity Market

| Stock Index | Today's close | DoD Δ | DoD% Δ | YTD % Δ | YoY% Δ |
|------------------------------|---------------|-----------|--------|---------|---------|
| JSE Combined Index | 350,729.51 | -1,059.23 | -0.30% | -4.85% | -13.46% |
| JSE Index | 336,998.63 | -784.27 | -0.23% | -5.31% | -14.78% |
| All Jamaican Composite Index | 380,641.76 | -1,290.43 | -0.34% | -5.57% | -14.26% |
| JSE Select Index | 8,420.76 | -6.00 | -0.07% | -5.35% | -16.84% |
| Junior Market Index | 3,960.42 | -35.38 | -0.89% | -0.65% | 0.28% |

BEST AND WORST PERFORMERS

| ADVANCERS | | DECLINERS | |
|-----------|--------|-----------|---------|
| ROC | 15.21% | MJE | -13.62% |
| ICREATE | 10.65% | SIL | -11.67% |
| ISP | 10.00% | LASM | -8.52% |

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **96** stocks, of which **45** advanced, **41** declined and **10** traded firm.

International Markets

| International Equity Markets | | | | | International Currency Market | | | | |
|------------------------------|-----------|---------|---------|---------|-------------------------------|--------|---------|---------|---------|
| Index | 2-Feb | DoD % Δ | YTD % Δ | YoY % Δ | Currency | 2-Feb | DoD % Δ | YTD % Δ | YoY % Δ |
| S&P 500 | 4,179.73 | 1.47% | -12.30% | -8.93% | EUR: USD | 1.0911 | -0.72% | -4.04% | -3.49% |
| Dow Jones | 34,053.94 | -0.11% | -6.29% | -4.42% | GBP: USD | 1.22 | -1.17% | -9.61% | -9.91% |
| FTSE All Share | 4,302.89 | 1.18% | 2.25% | 1.07% | USD: CAD | 1.33 | 0.22% | 5.40% | 5.14% |
| Euro Stoxx 50 | 4,241.12 | 1.67% | -1.33% | 0.45% | USD: JPY | 128.69 | -0.22% | 11.83% | 12.43% |
| Nikkei 225 | 27,402.05 | 0.20% | -4.83% | -0.48% | | | | | |
| MSCI World Index | 661.09 | 1.03% | -12.42% | -9.33% | | | | | |

| Global Interest Rates | | | | | Commodities | | | | |
|---------------------------|-------|----------|----------|----------|-------------|----------|---------|---------|---------|
| Rates | 2-Feb | DoD Δbps | YTD Δbps | YoY Δbps | Commodity | 2-Feb | DoD % Δ | YTD % Δ | YoY % Δ |
| 10 -Year US Treasury Bond | 3.39% | -3.00 | 188.00 | 161.00 | Crude Oil | 75.83 | -0.76% | 0.82% | -14.08% |
| 10-Year UK Gilt | 3.01% | -30.00 | 204.00 | 175.00 | Gold | 1,912.29 | -1.96% | 4.54% | 5.84% |
| GOJ 2025 Global Bond | 6.42% | 0.00 | 238.00 | 224.00 | Silver | 23.44 | -2.27% | 0.56% | 3.46% |
| | | | | | Aluminium | 2,617.00 | -0.55% | -6.79% | -12.36% |



Mutual Funds



A member of the JN Group

JN MUTUAL FUNDS

February 1, 2023

| JN Mutual Funds | NAV Price | 12 Months Growth Rate | YTD Growth Rate | Yield (Estimated Yearly Income) |
|-----------------------------------|-------------|-----------------------|-----------------|---------------------------------|
| Global Diversified Income | J\$12.9308 | -8.07% | -0.13% | 2.75% |
| Global Equity | J\$14.3020 | -7.01% | -1.92% | 0.00% |
| Global Fixed Income | J\$13.9442 | 5.14% | 1.17% | 5.96% |
| Global Money Market (US\$) | US\$11.4387 | 4.15% | 0.38% | 4.20% |
| Global Fixed Income (US\$) | US\$11.5088 | 1.89% | 0.59% | 4.15% |
| Local Money Market | J\$12.2064 | 5.00% | 1.10% | 6.82% |

| | 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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