

Canada's inflation eases in December ahead of another likely rate hike

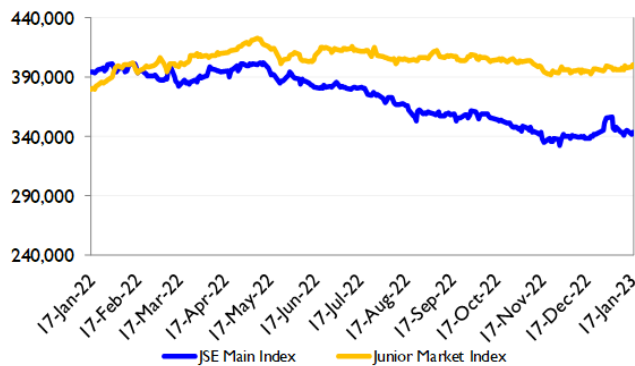
On Tuesday, Statistics Canada (Statscan) reported that Canada's annual inflation rate eased more than expected in December, as gas prices came down. However, core measures remained little changed from the previous month, making another interest rate hike this month likely. Inflation slowed to 6.3% in December from 6.8% in November, a notch lower than the 6.4% median forecast of analysts. Meanwhile, prices fell 0.6% from the previous month, again showing price pressures easing more than the 0.5% decline analysts had forecast.

Consumers paid 13.1% less at the pump in December compared with November, the largest monthly decline in almost three years, Statscan said. Excluding food and energy, core prices rose 5.3% in December versus 5.4% in November. Nonetheless, December's headline figure is still more than three times the Bank of Canada's 2% target. As a result, most analysts agreed the Bank of Canada would hike rates by a quarter of a percentage point when it next meets on January 25. Money markets see a 77% chance of a quarter-point hike by the Bank of Canada next week, up from 70% before the data release. Analysts also expect rates to peak at about 4.5%, and a shift to rate cuts in the second half of the year.

The bank has raised its benchmark interest rate at a record pace of 400 basis points in nine months to 4.25% and said after its last increase that a decision to raise rates further would be more data-dependent. Earlier this month, Statscan said the economy recorded a massive jobs gain in December and the jobless rate unexpectedly declined. On Monday the Bank of Canada released its quarterly survey of Canadian businesses, which showed they expect a mild recession but inflation to remain high.

Source: Reuters

Local Market Indices



Foreign Exchange Market

Currency	17-Jan	16-Jan	DoD % Δ	YTD % Δ
USD:JMD	154.04	153.95	0.06%	1.31%
GBP:JMD	185.82	184.75	0.58%	2.05%
CAD:JMD	113.80	114.43	-0.55%	4.90%

Caribbean & Latam

- Latin American currencies outperformed broader emerging market peers on Tuesday as the dollar stayed at seven-month lows, while Brazil's main stock index jumped 1.4% with Americas rising after hefty losses.

USA & Canada

- The Dow fell sharply on Tuesday as weak earnings from Goldman Sachs dragged the index lower, but a jump in Tesla (NASDAQ:TSLA) shares helped the Nasdaq stay little changed as the corporate earnings season took center stage.

Europe

- Despite spending much of the day's session in negative territory, European stocks closed slightly higher on Tuesday thanks to brisk buying at several counters in the final hour.

Asia

- Asian share losses widened on Tuesday after China reported weak fourth-quarter economic data, although investor expectations for a strong rebound in the country remained high even as concerns increase that the global economy is heading for a recession.

Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	357,328.37	1,966.87	0.55%	-3.06%	-10.71%
JSE Index	343,622.12	1,861.07	0.54%	-3.45%	-12.82%
All Jamaican Composite Index	390,218.26	1,643.83	0.42%	-3.19%	-10.40%
JSE Select Index	8,519.21	38.00	0.45%	-4.24%	-13.28%
Junior Market Index	4,006.69	25.13	0.63%	0.51%	13.88%

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
FIRSTROCKJMD	8.54%	CPFV	-11.81%
KEX	8.11%	PURITY	-9.50%
AMG	7.41%	KEY	-7.72%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **93** stocks, of which **47** advanced, **34** declined and **12** traded firm.

International Markets

International Equity Markets					International Currency Market				
Index	17-Jan	DoD % Δ	YTD % Δ	YoY % Δ	Currency	17-Jan	DoD % Δ	YTD % Δ	YoY % Δ
S&P 500	3,990.96	-0.20%	-16.27%	-12.81%	EUR: USD	1.079	-0.37%	-5.10%	-4.72%
Dow Jones	33,910.85	-1.14%	-6.68%	-4.12%	GBP: USD	1.23	0.46%	-9.23%	-9.66%
FTSE All Share	4,294.53	0.07%	2.06%	0.74%	USD: CAD	1.34	-0.06%	5.94%	6.98%
Euro Stoxx 50	4,174.33	0.57%	-2.89%	-1.96%	USD: JPY	128.24	0.29%	11.44%	11.89%
Nikkei 225	26,138.68	0.07%	-9.21%	-7.50%					
MSCI World Index	638.18	0.02%	-15.45%	-12.96%					

Global Interest Rates					Commodities				
Rates	17-Jan	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	17-Jan	DoD % Δ	YTD % Δ	YoY % Δ
10 -Year US Treasury Bond	3.55%	5.00	204.00	168.00	Crude Oil	81.02	1.45%	7.73%	-5.16%
10-Year UK Gilt	3.32%	-5.00	235.00	210.00	Gold	1,908.04	-0.63%	4.31%	5.20%
GOJ 2025 Global Bond	6.47%	0.00	243.00	235.00	Silver	23.92	-1.42%	2.62%	1.91%
					Aluminium	2,620.50	0.98%	-6.66%	-13.36%



Mutual Funds



A member of the Group

JN MUTUAL FUNDS

January 16, 2023

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$12.9195	-8.57%	-0.22%	2.86%
Global Equity	J\$14.3263	-6.65%	-1.75%	0.00%
Global Fixed Income	J\$13.8435	4.35%	0.44%	5.95%
Global Money Market (US\$)	US\$11.4108	3.71%	0.13%	4.22%
Global Fixed Income (US\$)	US\$11.4705	1.11%	0.25%	4.15%
Local Money Market	J\$12.1394	4.40%	0.65%	6.83%

	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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