

US consumer sentiment races to a 2 1/2-year high; inflation expectations ease

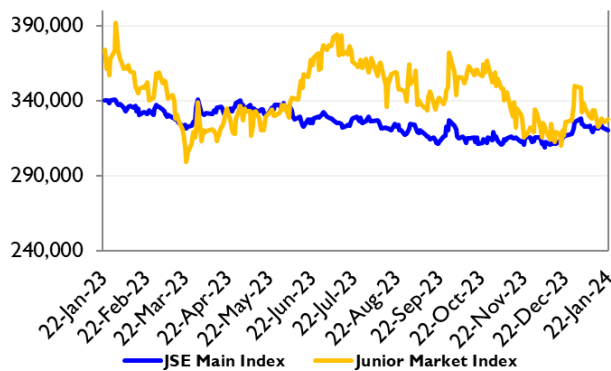
Consumer sentiment in the United States (US) improved in January, hitting the highest level in 2 1/2 years amid growing optimism over the outlook for inflation and household incomes, which bodes well for the economy's prospects this year. The better-than-expected reading in sentiment reported by the University of Michigan reflected a brightening of moods across all age and income groups, education and geographical locations, as well as political affiliation.

The University of Michigan's preliminary reading on the overall index of consumer sentiment came in at 78.8 this month, the highest reading since July 2021, compared to 69.7 in December. Economists polled by Reuters had forecast a preliminary reading of 70.0. It was the second straight monthly increase and occurred against the backdrop of a stock market rally, a fairly healthy labour market, and gasoline prices that have held at lower levels. The index has now rebounded nearly 60% after plumbing record lows in June 2022.

The survey's reading of one-year inflation expectations fell to 2.9% this month, the lowest level since December 2020. That was down from 3.1% in December and put these inflation expectations within the 2.3%-3.0% range observed in the two years prior to the COVID-19 pandemic. Easing inflation expectations support economists' views that the U.S. central bank will start cutting interest rates in the first half of this year. Though there is no strong correlation between sentiment and consumer spending, the main engine of the economy, the surge could help to allay fears of a recession. Americans have maintained spending despite higher prices and borrowing costs as labour market tightness keeps wage growth elevated.

Source: Reuters

Local Market Indices



Foreign Exchange Market

Currency	22-Jan	19-Jan	DoD % Δ	YTD % Δ
USD:JMD	156.40	156.08	0.20%	0.93%
GBP:JMD	196.86	197.90	-0.52%	-0.32%
CAD:JMD	116.13	116.49	-0.31%	-1.50%

Caribbean & Latam

- Brazil's economy is set to cool this year, a Reuters survey found, amid an intensifying tug of war between the government and some lawmakers over which sector should pick up the tab for adjustments needed to meet ambitious budget goals.

USA & Canada

- The S&P 500 hit a record high close for a second straight session on Monday as tech stocks added to recent gains and investors awaited upcoming corporate reports for clues on this year's profit outlook.

Europe

- European shares rose on Monday as they tracked a Wall Street rally that drove the benchmark S&P 500 to a record peak in the previous session, while investors awaited the European Central Bank's policy decision due this week.

Asia

- Shares in Japan and Taiwan led the charge in Asia on Monday after corporate earnings fuelled a big rally in the S&P 500 to an all-time high in the last session, while currencies in the Southeast Asian region largely traded mixed.

Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	333,128.32	-934.48	-0.28%	-1.78%	-5.82%
JSE Index	320,309.99	-1,065.68	-0.33%	-1.65%	-5.82%
All Jamaican Composite Index	357,171.52	577.72	0.16%	-2.68%	-7.28%
JSE Select Index	8,058.97	1.46	0.02%	-0.75%	-5.10%
Junior Market Index	3,737.00	7.42	0.20%	-2.89%	-5.84%

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
SCIUSD	27.49%	BRG	-14.98%
KLE	22.83%	SALF	-11.95%
AMG	20.54%	ASBH	-9.18%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **96** stocks, of which **47** advanced, **36** declined and **13** traded firm.

International Markets

International Equity Markets					International Currency Market				
Index	22-Jan	DoD % Δ	YTD % Δ	YoY % Δ	Currency	22-Jan	DoD % Δ	YTD % Δ	YoY % Δ
S&P 500	4,850.43	0.22%	1.69%	20.66%	EUR: USD	1.0883	-0.14%	-1.41%	0.10%
Dow Jones	38,001.81	0.36%	0.83%	13.00%	GBP: USD	1.27	0.06%	-0.16%	2.67%
FTSE All Share	4,098.31	0.45%	-3.16%	-3.79%	USD: CAD	1.35	0.37%	1.78%	0.83%
Euro Stoxx 50	4,480.32	0.71%	-0.91%	7.94%	USD: JPY	148.09	-0.02%	5.00%	13.33%
Nikkei 225	36,546.95	1.62%	26.94%	35.83%					
MSCI World Index	726.55	0.31%	-0.06%	13.05%					

Global Interest Rates					Commodities				
Rates	22-Jan	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	22-Jan	DoD % Δ	YTD % Δ	YoY % Δ
10 -Year US Treasury Bond	4.11%	-1.00	23.00	60.00	Crude Oil	75.19	2.42%	4.94%	-7.88%
10-Year UK Gilt	3.90%	-3.00	36.00	54.00	Gold	2,020.56	-0.44%	-2.06%	4.64%
GOJ 2025 Global Bond	6.64%	14.00	260.00	13.00	Silver	22.07	-2.43%	-7.24%	-5.91%
					Aluminium	2,159.00	-0.32%	-9.44%	-18.11%



Mutual Funds

Fund Managers Ltd.

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JN MUTUAL FUNDS

January 19, 2024

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$13.3740	3.90%	-0.77%	3.21%
Global Equity	J\$14.2251	-0.33%	-1.59%	0.00%
Global Fixed Income	J\$15.0427	8.49%	0.59%	7.15%
Global Money Market (US\$)	US\$11.5689	1.37%	0.18%	3.05%
Global Fixed Income (US\$)	US\$11.4738	-0.05%	0.15%	3.00%
Local Money Market	J\$13.1228	7.89%	0.65%	7.43%

	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.

Contact us

Kingston & St. Andrew

Jason Adams - 876-550-9504 JYadams@jngroup.com

Kimberly Savage – 876-307-9461 ksavage@jngroup.com

Tamara Honeyghan - 876-557-0082 tamarah@jngroup.com

Gayon Knight - 876-564-9563 gknight@jngroup.com

Mandeville

Horace Walters – 876-487-9267 waltersh@jngroup.com

St. Catherine

Nickesha Mullings-Gilling - 876-891-4736 nmullings@jngroup.com

Montego Bay

Anna-kaye Lynfatt - 876-564-8276 alynfatt@jngroup.com

Marissa Williams - 876-465-3726 mwilliams1@jngroup.com

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