

Bank of Canada holds rates, says policy talks shift toward when to cut

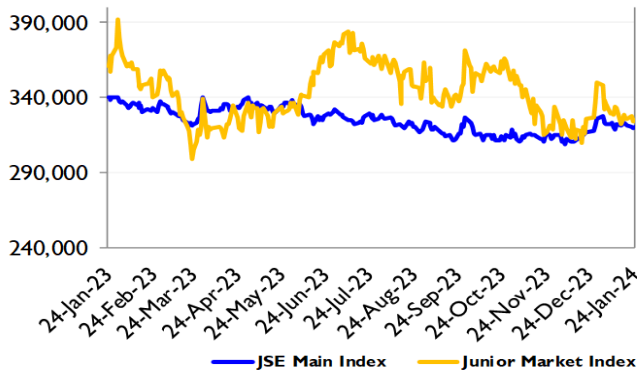
The Bank of Canada (BoC) held its key overnight rate at 5% on Wednesday and said while underlying inflation was still a concern, the bank's focus is shifting to when to cut borrowing costs rather than whether to hike again. The BoC governing council has held rates steady at four consecutive policy meetings after last hiking in July. Annual inflation in December accelerated to 3.4%, still higher than the central bank's 2% target but below a June 2022 peak of 8.1%.

Money markets are expecting a cut of 25 basis points in June after having pushed back bets for a cut in April following the release of December annual inflation data. A Reuters poll of 34 economists published last week forecast the BoC would hold rates on Wednesday and at its next meeting in March. Twelve analysts said the first rate cut since March 2020 would come in April, while about two-thirds expect one in June or later.

The BoC trimmed its outlook for growth and was slightly more optimistic about when inflation would come down to its 2% target, according to new forecasts also published on Wednesday. The BoC sees growth weak in the first quarter and then picking up gradually. Inflation is projected to stay around 3% through the first half of 2024, easing to 2.5% in the second half, and returning to target sometime in 2025. In October, the BoC said it would hit its target by the end of 2025. In the third quarter of last year, the economy contracted, and the BoC's quarterly business survey showed that firms had fewer orders than a year ago. An increasing number of firms expect a recession over the next 12 months.

Source: Reuters

Local Market Indices



Foreign Exchange Market

Currency	24-Jan	23-Jan	DoD % Δ	YTD% Δ
USD:JMD	156.87	156.58	0.19%	1.24%
GBP:JMD	197.80	197.79	0.00%	0.16%
CAD:JMD	116.70	124.05	-5.93%	-1.02%

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

- U.S. business activity picked up in January and inflation appeared to abate, with a measure of prices charged by companies for their products falling to the lowest level in more than 3-1/2 years, suggesting that the economy kicked off 2024 on a strong note.

Europe

- European shares rose over 1% on Wednesday, boosted by technology stocks after software company SAP (SAPG.DE), opens new tab and chip-making equipment maker ASML Holding posted strong earnings, while fresh stimulus from China's central bank further aided sentiment.

Asia

- Japan's exports surged to record highs in December, with shipments to the U.S. soaring to their strongest-ever level while those to China were also robust, logging their first rise in more than a year.

Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	333,306.71	909.96	0.27%	-1.73%	-5.58%
JSE Index	320,606.67	944.29	0.30%	-1.56%	-5.70%
All Jamaican Composite Index	357,434.77	1,716.13	0.48%	-2.61%	-7.31%
JSE Select Index	8,043.58	16.78	0.21%	-0.94%	-5.16%
Junior Market Index	3,725.60	2.78	0.07%	-3.19%	-4.59%

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
CFF	14.67%	ISP	-25.70%
GWEST	9.20%	JETCON	-7.69%
FESCO	8.81%	MGL	-6.70%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **90** stocks, of which **40** advanced, **34** declined and **16** traded firm.

International Markets

International Equity Markets					International Currency Market				
Index	24-Jan	DoD % Δ	YTD% Δ	YoY% Δ	Currency	24-Jan	DoD % Δ	YTD% Δ	YoY% Δ
S&P 500	4,868.55	0.08%	2.07%	21.20%	EUR: USD	1.0879	0.23%	-1.45%	-0.07%
Dow Jones	37,806.39	-0.26%	0.31%	12.07%	GBP: USD	1.27	0.24%	-0.11%	3.11%
FTSE All Share	4,120.13	0.61%	-2.64%	-3.04%	USD: CAD	1.35	0.47%	2.13%	1.17%
Euro Stoxx 50	4,564.11	2.20%	0.94%	9.90%	USD: JPY	147.59	-0.51%	4.64%	13.38%
Nikkei 225	36,226.48	-0.80%	25.82%	32.70%					
MSCI World Index	730.47	0.42%	0.48%	13.62%					

Global Interest Rates					Commodities				
Rates	24-Jan	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	24-Jan	DoD % Δ	YTD% Δ	YoY% Δ
10 -Year US Treasury Bond	4.17%	4.00	29.00	72.00	Crude Oil	75.41	1.40%	5.25%	-5.89%
10-Year UK Gilt	4.01%	2.00	47.00	73.00	Gold	2,012.97	-0.80%	-2.42%	3.90%
GOJ 2025 Global Bond	6.75%	4.00	271.00	28.00	Silver	22.66	0.95%	-4.78%	-4.30%
					Aluminium	2,229.50	0.07%	-6.48%	-15.88%



Mutual Funds

Fund Managers Ltd.

A member of the JN Group

JN MUTUAL FUNDS

January 23, 2024

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$13.4204	3.88%	-0.43%	3.21%
Global Equity	J\$14.3548	0.22%	-0.69%	0.00%
Global Fixed Income	J\$15.0594	8.46%	0.70%	7.15%
Global Money Market (US\$)	US\$11.5703	1.32%	0.19%	3.05%
Global Fixed Income (US\$)	US\$11.4736	-0.15%	0.15%	3.00%
Local Money Market	J\$13.1427	7.77%	0.81%	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.

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