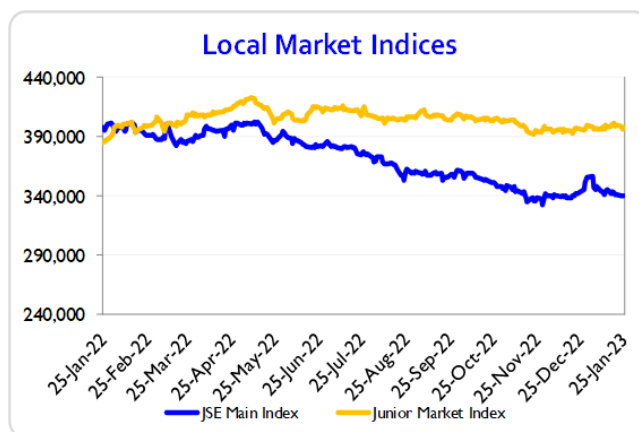


Bank of Canada hikes rates, becomes first major central bank to signal pause

The Bank of Canada on Wednesday hiked its key interest rate to 4.5%, the highest level in 15 years and became the first major central bank fighting global inflation to say it would likely hold off on further increases for now. The 25-basis-point increase was in line with analysts' expectations. The bank has raised rates at a record pace of 425 basis points in 10 months to tame inflation, which peaked at 8.1% and slowed to 6.3% in December, still more than three times the bank's 2% target. Andrew Kelvin, chief Canada strategist at TD Securities said that "the members of the Governing Council clearly have enough confidence that the tightening currently in place is already slowing the economy that they are comfortable they won't need to lift rates further in most scenarios."

In its quarterly Monetary Policy Report (MPR), which includes new forecasts, the bank painted a picture of an economy that is going to stall and could tip into a recession during the first half of the year, bringing inflation down to about 3% at mid-year and back to 2% in 2024. Money markets see the Bank of Canada cutting rates as soon as October. The central bank had said in December that future rate decisions would be data dependent, and a blowout December employment report, released earlier this month, highlighted the upside risk to wage and price growth. While food and shelter cost increases are still weighing on households and headline inflation is still high, the bank said in its MPR that, "three-month CPI inflation has fallen to about 3.5%, suggesting a significant slowdown in inflation in coming months."

Source: Reuters



Foreign Exchange Market

| Currency | 25-Jan | 24-Jan | DoD % Δ | YTD % Δ |
|----------|--------|--------|---------|---------|
| USD:JMD | 154.51 | 154.69 | -0.12% | 1.61% |
| GBP:JMD | 190.68 | 190.73 | -0.02% | 4.72% |
| CAD:JMD | 114.42 | 121.87 | -6.11% | 5.47% |

Caribbean & Latam

- Latin American stocks and currencies rose for the fourth straight session on Wednesday, with the Brazilian real at an about one-week high even as concerns about a slowdown in the country's economic growth linger.

USA & Canada

- The S&P 500 moved off lows Wednesday, as investors weighed up a slump in Alphabet against a rebound in Microsoft despite the latter's mixed quarterly results and underwhelming outlook on growth ahead.

Europe

- A blazing rally in European stocks and government bonds has gone too far, the chief investment officer of the region's largest asset manager said on Wednesday, warning that markets are ignoring the possibility of euro zone rates going as high as 4%.

Asia

- Japan cut its view on the overall economy for the first time in 11 months in January, as China's COVID-19 infections and a slowdown in global demand for tech and semiconductors hurt exports, especially to Asia.

Local Equity Market

| Stock Index | Today's close | DoD Δ | DoD% Δ | YTD % Δ | YoY% Δ |
|------------------------------|---------------|--------|--------|---------|---------|
| JSE Combined Index | 353,428.88 | 431.30 | 0.12% | -4.11% | -12.72% |
| JSE Index | 340,093.16 | 104.88 | 0.03% | -4.44% | -14.60% |
| All Jamaican Composite Index | 386,165.16 | 555.68 | 0.14% | -4.20% | -12.17% |
| JSE Select Index | 8,407.45 | -74.09 | -0.87% | -5.50% | -15.62% |
| Junior Market Index | 3,940.68 | 35.91 | 0.92% | -1.15% | 8.89% |

BEST AND WORST PERFORMERS

| ADVANCERS | | DECLINERS | |
|-----------|--------|-----------|---------|
| LASM | 14.63% | MTL | -15.03% |
| KREMI | 12.43% | PBS | -15.00% |
| SIL | 11.52% | KEX | -13.35% |

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **97** stocks, of which **46** advanced, **41** declined and **10** traded firm.

International Markets

| International Equity Markets | | | | | International Currency Market | | | | |
|------------------------------|-----------|---------|---------|---------|-------------------------------|--------|---------|---------|---------|
| Index | 25-Jan | DoD % Δ | YTD % Δ | YoY % Δ | Currency | 25-Jan | DoD % Δ | YTD % Δ | YoY % Δ |
| S&P 500 | 4,016.22 | -0.02% | -15.74% | -7.81% | EUR: USD | 1.0915 | 0.26% | -4.00% | -3.42% |
| Dow Jones | 33,743.84 | 0.03% | -7.14% | -1.61% | GBP: USD | 1.24 | 0.53% | -8.37% | -8.16% |
| FTSE All Share | 4,241.85 | -0.18% | 0.80% | 2.47% | USD: CAD | 1.34 | 0.13% | 5.93% | 5.99% |
| Euro Stoxx 50 | 4,148.11 | -0.12% | -3.50% | 1.71% | USD: JPY | 129.55 | -0.48% | 12.57% | 13.76% |
| Nikkei 225 | 27,395.01 | 0.35% | -4.85% | 0.97% | | | | | |
| MSCI World Index | 643.56 | 0.10% | -14.74% | -8.09% | | | | | |

| Global Interest Rates | | | | | Commodities | | | | |
|---------------------------|--------|----------|----------|----------|-------------|----------|---------|---------|---------|
| Rates | 25-Jan | DoD Δbps | YTD Δbps | YoY Δbps | Commodity | 25-Jan | DoD % Δ | YTD % Δ | YoY % Δ |
| 10 -Year US Treasury Bond | 3.45% | 0.00 | 194.00 | 168.00 | Crude Oil | 80.5 | 0.46% | 7.03% | -5.96% |
| 10-Year UK Gilt | 3.24% | -4.00 | 227.00 | 208.00 | Gold | 1,946.28 | 0.46% | 6.40% | 5.32% |
| GOJ 2025 Global Bond | 6.45% | -2.00 | 241.00 | 227.00 | Silver | 23.91 | 0.99% | 2.58% | 0.42% |
| | | | | | Aluminium | 2,656.00 | 0.21% | -5.40% | -14.10% |



Mutual Funds



A member of the Group

JN MUTUAL FUNDS

January 24, 2023

| JN Mutual Funds | NAV Price | 12 Months Growth Rate | YTD Growth Rate | Yield (Estimated Yearly Income) |
|-----------------------------------|--------------|-----------------------|-----------------|---------------------------------|
| Global Diversified Income | J\$ 12.8785 | -8.05% | -0.54% | 2.75% |
| Global Equity | J\$ 14.3037 | -5.93% | -1.91% | 0.00% |
| Global Fixed Income | J\$ 13.8858 | 4.75% | 0.74% | 5.96% |
| Global Money Market (US\$) | US\$ 11.4220 | 3.73% | 0.23% | 4.20% |
| Global Fixed Income (US\$) | US\$ 11.4942 | 1.40% | 0.46% | 4.15% |
| Local Money Market | J\$ 12.1999 | 4.88% | 1.05% | 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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