

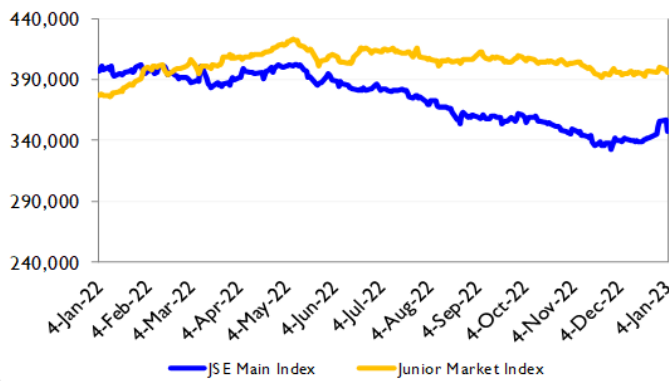
## U.S. Manufacturing Sector Contracts in December

The Institute for Supply Management (ISM) said on Wednesday that its manufacturing Purchasing Managers' Index (PMI) dropped to 48.4 last month from 49.0 in November, contracting for a second straight month. This was the weakest reading since May 2020, when the economy was slammed by the first wave of COVID-19 cases, and pushed the Index just below the 48.7 level, which the ISM says is consistent with a recession in the broader economy. But with the continued growth in the labour market sustaining consumer spending, it is unlikely that the economy is in recession. A PMI reading below 50 indicates contraction in manufacturing, which accounts for 11.3% of the U.S. economy. Economists polled by Reuters had forecast the Index slipping to 48.5.

Despite U.S. manufacturing contracting further in December, weakening demand amid higher borrowing costs pushed a measure of prices paid by factories for inputs to the lowest level in more than 2 1/2 years, signaling that goods disinflation was underway. The Federal Reserve's fastest interest rate-hiking cycle since the 1980s, as it battles inflation, is dampening the demand for goods which are typically bought on credit. Americans are also shifting spending away from goods to services, as the nation moves to a post-pandemic era. The ISM survey's forward-looking new orders sub-index tumbled to 45.2, from 47.2 in November, the lowest reading since May 2020. It was the fourth straight month that this measure has contracted. Additionally, unfinished work has virtually dried up, a function of both weakening demand and improved supply chains. The survey's measure of supplier deliveries fell to 45.1 from 47.2 in November. In October, it declined below the 50.0 threshold, which indicates faster deliveries to factories, for the first time since February 2016. Fed officials and economists have always viewed supply chains, which were stretched early in the pandemic, as key to bringing inflation down to its 2.0% target. The significant improvement in supply as well as waning demand are already translating into monthly price decreases for goods. On a year-on-year basis, goods price increases have slowed considerably. Economists therefore expect goods deflation this year.

Source: Reuters

### Local Market Indices



### Foreign Exchange Market

Currency	4-Jan	3-Jan	DoD % Δ	YTD % Δ
USD:JMD	152.85	152.60	0.16%	0.52%
GBP:JMD	183.70	181.73	1.09%	0.89%
CAD:JMD	112.56	110.90	1.50%	3.76%

### Caribbean & Latam

- Brazil's real steadied on Wednesday, while other Latin American currencies were mixed after the U.S. Federal Reserve minutes served as a reminder that interest rates will remain high for a while.

### USA & Canada

- The S&P 500 pared some gains in volatile trading on Wednesday, after minutes from the Federal Reserve's last meeting showed that while officials agreed to slow the pace of interest rate hikes, they were still laser-focused on controlling inflation.

### Europe

- European stocks closed on a buoyant note on Wednesday as easing concerns about inflation triggered hectic buying at several counters from across various sectors.

### Asia

- Asian equities rose sharply on Wednesday, boosted by Hong Kong shares, while the dollar was on the back foot, with investors keenly awaiting minutes from the Federal Reserve's most recent meeting to gauge the path forward for interest rates.

### Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	359,650.24	-8,910.35	-2.42%	-2.43%	-10.37%
JSE Index	347,149.59	-9,089.39	-2.55%	-2.46%	-12.42%
All Jamaican Composite Index	394,631.15	-9,718.27	-2.40%	-2.10%	-9.98%
JSE Select Index	8,691.03	-259.82	-2.90%	-2.31%	-11.08%
Junior Market Index	3,901.24	-47.01	-1.19%	-2.14%	14.06%

### BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
SML	27.11%	MEEG	-17.28%
PAL	12.38%	ICREATE	-16.75%
LASF	10.59%	ROC	-15.74%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **96** stocks, of which **36** advanced, **52** declined and **8** traded firm.

### International Markets

International Equity Markets					International Currency Market				
Index	4-Jan	DoD % Δ	YTD % Δ	YoY % Δ	Currency	4-Jan	DoD % Δ	YTD % Δ	YoY % Δ
S&P 500	3,853.35	0.76%	-19.15%	-19.61%	EUR: USD	1.0606	0.55%	-6.72%	-6.03%
Dow Jones	33,269.77	0.40%	-8.44%	-9.59%	GBP: USD	1.21	0.74%	-10.90%	-10.89%
FTSE All Share	4,154.17	0.55%	-1.28%	-2.85%	USD: CAD	1.35	-1.40%	6.67%	6.07%
Euro Stoxx 50	3,973.97	2.36%	-7.55%	-9.01%	USD: JPY	132.64	1.24%	15.26%	14.19%
Nikkei 225	25,716.86	-1.45%	-10.68%	-12.23%					
MSCI World Index	609.68	0.70%	-19.23%	-19.61%					

Global Interest Rates					Commodities				
Rates	4-Jan	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	4-Jan	DoD % Δ	YTD % Δ	YoY % Δ
10 -Year US Treasury Bond	3.68%	-6.00	217.00	203.00	Crude Oil	73.18	-4.87%	-2.70%	-4.95%
10-Year UK Gilt	3.49%	-16.00	252.00	240.00	Gold	1,856.42	0.92%	1.49%	2.30%
GOJ 2025 Global Bond	6.47%	6.00	243.00	242.00	Silver	23.80	-0.85%	2.12%	3.25%
					Aluminium	2,266.50	-1.93%	-19.27%	-20.17%



# Mutual Funds



A member of the Group

## JN MUTUAL FUNDS

January 3, 2023

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
<b>Global Diversified Income</b>	J\$12.8891	-8.19%	-0.46%	2.90%
<b>Global Equity</b>	J\$14.4086	-6.80%	-1.19%	0.00%
<b>Global Fixed Income</b>	J\$13.7995	3.92%	0.12%	5.96%
<b>Global Money Market (US\$)</b>	US\$11.3992	3.72%	0.03%	4.25%
<b>Global Fixed Income (US\$)</b>	US\$11.4478	1.04%	0.06%	4.16%
<b>Local Money Market</b>	J\$12.0960	4.35%	0.19%	7.23%

	Global Money Market Fund	Local Money Market Fund	Global Fixed Income Funds	Global Diversified Income Fund	Global Equity Fund
<b>Objective</b>	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.
<b>Strategy</b>	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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