

U.S. housing starts tumble in October, amid soaring mortgage rates

U.S. homebuilding fell sharply in October, with single-family projects dropping to the lowest level in nearly 2-1/2 years, as the housing market buckles under the strain of surging mortgage rates, which are pricing out potential homeowners. Housing starts decreased 4.2% to a seasonally adjusted annual rate of 1.425 million units last month, the Commerce Department reported on Thursday. Data for September was revised higher to a rate of 1.488 million units from the previously reported 1.439 million units. Economists polled by Reuters had forecast housing starts sliding to a rate of 1.410 million units. Housing starts dropped 8.8% year-on-year in October. Single-family housing starts, which account for the biggest share of homebuilding, tumbled 6.1% to a rate of 855,000 units, the lowest level since May 2020. Single-family homebuilding declined in all four regions. Starts for housing projects with five units or more slipped 0.5% to a rate of 556,000 units. Multi-family housing construction has fared better as the soaring mortgage rates force many potential home buyers to remain renters. A key gauge of rents surged by the most on record on a year-on-year basis in October, according to the latest consumer price data.

Mortgage rates have jumped in response to rampant inflation, which has compelled the Federal Reserve to unleash the fastest interest rate-hiking cycle since the 1980s. The 30-year fixed mortgage rate is averaging above 7%, the highest since 2002, according to data from mortgage finance agency Freddie Mac (OTC:FMCC). Additionally, data on Wednesday showed confidence among single-family homebuilders fell for an 11th straight month in November, pushing the National Association of Home Builders (NAHB)/Wells Fargo housing market index to the lowest level since June 2012, excluding the tumble during the initial wave of the COVID-19 pandemic in the spring of 2020. Permits for future home construction fell 2.4% to a rate of 1.526 million units in October. Single-family building permits dropped 3.6% to a rate of 839,000 units. Permits for housing projects with five units or more slipped 1.9% to a rate of 633,000 units.

Source: Reuters

Local Market Indices



Foreign Exchange Market

Currency	17-Nov	16-Nov	DoD % Δ	YTD % Δ
USD:JMD	154.67	154.90	-0.15%	-0.27%
GBP:JMD	183.81	181.28	1.39%	-12.5%
CAD:JMD	117.15	117.02	0.11%	-4.6%

Caribbean & Latam

- Brazil's Economy Ministry on Thursday cut its 2023 GDP growth forecast to 2.1%, from the 2.5% anticipated in September, due to a deterioration in the global economic outlook.

USA & Canada

- The S&P 500 slipped for a second-straight day Thursday as Federal Reserve officials continued to call for further rate hikes, stoking concerns about a deeper recession.

Europe

- Euro zone inflation in October was marginally lower than previously reported in year-on-year terms but still at a record high because of surging energy prices, final data showed from the European Union's statistics office showed on Thursday.

Asia

- Most Asian stocks and currencies extended falls on Thursday, as stronger-than-expected U.S. retail sales data overnight strengthened the dollar, while central banks in the Philippines and Indonesia hiked interest rates in line with expectations.

Local Equity Market

Stock Index	Today's close	DoD Δ	DoD % Δ	YTD % Δ	YoY % Δ
JSE Combined Index	352,122.35	-4,937.96	-1.38%	-12.22%	-12.28%
JSE Index	338,770.12	-4,910.98	-1.43%	-14.49%	-14.75%
All Jamaican Composite Index	383,315.69	-6,080.71	-1.56%	-12.55%	-12.79%
JSE Select Index	8,653.41	-91.56	-1.05%	-12.44%	-10.04%
Junior Market Index	3,933.61	-38.65	-0.97%	14.74%	17.69%

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
ISP	23.25%	KW	-15.67%
KLE	20.48%	CHL	-15.38%
PJX	13.33%	LEARN	-11.23%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **96** stocks, of which **32** advanced, **53** declined and **11** traded firm.

International Markets

International Equity Markets					International Currency Market				
Index	17-Nov	DoD % Δ	YTD % Δ	YoY % Δ	Currency	17-Nov	DoD % Δ	YTD % Δ	YoY % Δ
S&P 500	3,946.56	-0.31%	-17.20%	-15.83%	EUR: USD	1.0366	-0.28%	-8.83%	-8.42%
Dow Jones	33,546.32	-0.02%	-7.68%	-6.64%	GBP: USD	1.19	-0.44%	-12.35%	-12.06%
FTSE All Share	4,033.92	-0.05%	-4.14%	-3.14%	USD: CAD	1.33	-0.05%	5.43%	5.65%
Euro Stoxx 50	3,878.42	-0.11%	-9.77%	-11.87%	USD: JPY	140.19	0.49%	21.82%	22.89%
Nikkei 225	27,930.57	-0.35%	-2.99%	-5.92%					
MSCI World Index	613.28	-0.53%	-18.75%	-18.92%					

Global Interest Rates					Commodities				
Rates	17-Nov	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	17-Nov	DoD % Δ	YTD % Δ	YoY % Δ
10-Year US Treasury Bond	3.77%	8.00	226.00	218.00	Crude Oil	81.92	-4.29%	8.92%	4.54%
10-Year UK Gilt	3.20%	5.00	223.00	224.00	Gold	1,761.00	-0.73%	-3.73%	-5.70%
GOJ 2025 Global Bond	6.49%	3.00	245.00	276.00	Silver	20.95	-2.42%	-10.11%	-16.48%
					Aluminium	2,391.00	-0.87%	-14.84%	-8.62%



Mutual Funds

Fund Managers Ltd.

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JN MUTUAL FUNDS

November 16, 2022

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$12.8421	-8.35%	-9.23%	1.60%
Global Equity	J\$14.3644	-8.44%	-8.56%	0.00%
Global Fixed Income	J\$13.7398	4.03%	3.56%	4.55%
Global Money Market (US\$)	US\$11.3445	3.67%	3.25%	4.01%
Global Fixed Income (US\$)	US\$11.3700	0.68%	0.25%	3.50%
Local Money Market	J\$12.0212	4.04%	3.77%	5.83%

	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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