

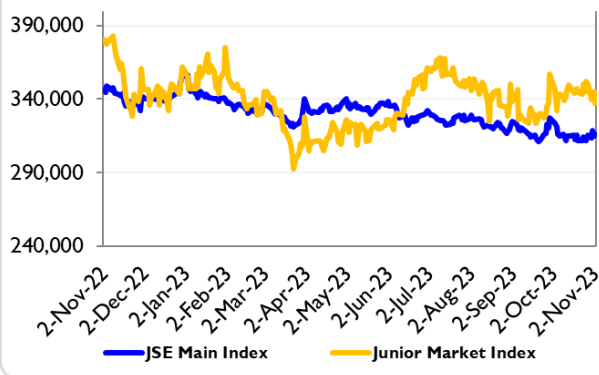
BoE holds interest rate at 5.25% amid inflationary pressures and economic stagnation

The Bank of England (BoE) has upheld its 5.25% interest rate, deviating from its tradition of rate increases in a move that mirrors the actions of the US Federal Reserve and European Central Bank. The decision was made by the Monetary Policy Committee (MPC) in a 6-3 split, marking the second hold after a series of 14 hikes initiated since late 2021 to combat inflation. Despite the pause, the BoE has signaled an extended period of monetary tightening due to persistent inflationary pressures on UK businesses. This comes as the bank continues to use interest rates as a tool against inflation, yet it remains below its 2% target. Three dissenters within the MPC advocated for a rise to 5.5%, indicating differing views on the ideal rate.

Governor, Andrew Bailey reaffirmed the effectiveness of higher rates in reducing inflation, dismissing premature discussions of rate cuts. He confirmed that while government projections suggest a halving of inflation by year-end, reaching the 2% target will take longer than anticipated. The quarter three insolvency report highlighted the impact of these inflationary pressures, citing the highest level of corporate insolvency in over two decades. Critics argue that the BoE's aggressive response to inflation has resulted in these high rates and is calling for significant rate reductions. Further complicating matters, the quarter four Consumer Prices Index inflation is forecasted at 4.6%, straying from the Chancellor's projected 5.4%. Inflation is now expected to remain above 2% until quarter four of 2025. In addition to these challenges, the BoE foresees a stagnation in Gross Domestic Product growth for four consecutive quarters starting from March next year. Growth rates are predicted to be at 0.6% for each of the last two quarters of 2023, falling to 0.2% in quarter one of 2024, based on the timeline for interest rate reductions. This forecast indicates a slowing economy alongside persistent inflation, presenting a complex scenario for the BoE and its monetary policy decisions moving forward.

Source: Investing.com

Local Market Indices



Foreign Exchange Market

Currency	2-Nov	1-Nov	DoD % Δ	YTD % Δ
USD:JMD	156.69	156.37	0.21%	3.05%
GBP:JMD	190.58	187.88	1.44%	4.66%
CAD:JMD	114.37	113.57	0.70%	5.42%

Caribbean & Latam

- Most Latin American stocks and currencies gained on Thursday as investors were hopeful that U.S. interest rates had peaked, while Chilean markets got a lift after data reflected steady economic performance in September.

USA & Canada

- Wall Street's three main stock indexes rallied nearly 2% on Thursday on hopes that the U.S. Federal Reserve has reached the end of its interest rate hiking campaign and a batch of upbeat quarterly financial updates added to the bullish mood.

Europe

- European shares climbed on Thursday, led by rate-sensitive real estate and technology stocks, as investors bet on the possibility of an end to the U.S. monetary policy tightening after the Federal Reserve held interest rates steady.

Asia

- Asian shares and bonds extended a global rally on Thursday as a non-committal Federal Reserve chief had markets double down on bets that U.S. interest rates have peaked and cuts are on the way.

Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	329,968.51	732.97	0.22%	-10.48%	-8.57%
JSE Index	315,905.85	1,215.72	0.38%	-11.24%	-8.87%
All Jamaican Composite Index	349,099.70	387.89	0.11%	-13.39%	-11.96%
JSE Select Index	7,801.51	19.91	0.26%	-12.31%	-10.79%
Junior Market Index	3,847.42	-45.28	-1.16%	-3.49%	-5.95%

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
PTL	21.43%	MPCCEL	-16.44%
CAC	20.39%	FIRSTROCKJMD	-14.05%
KREMI	11.75%	JAMT	-10.96%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **93** stocks, of which **46** advanced, **33** declined and **14** traded firm.

International Markets

International Equity Markets					International Currency Market				
Index	2-Nov	DoD % Δ	YTD % Δ	YoY % Δ	Currency	2-Nov	DoD % Δ	YTD % Δ	YoY % Δ
S&P 500	4,317.78	1.89%	12.46%	14.84%	EUR: USD	1.0622	0.49%	-0.78%	8.19%
Dow Jones	33,839.08	1.70%	2.09%	5.26%	GBP: USD	1.22	0.42%	0.99%	7.12%
FTSE All Share	4,033.98	1.67%	-1.01%	3.17%	USD: CAD	1.37	-0.84%	1.36%	0.20%
Euro Stoxx 50	4,169.62	1.90%	9.91%	15.12%	USD: JPY	150.45	-0.33%	14.74%	1.72%
Nikkei 225	31,949.89	1.10%	10.97%	15.50%					
MSCI World Index	655.05	1.93%	8.20%	13.29%					

Global Interest Rates					Commodities				
Rates	2-Nov	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	2-Nov	DoD % Δ	YTD % Δ	YoY % Δ
10 -Year US Treasury Bond	4.66%	-7.00	79.00	56.00	Crude Oil	82.46	2.51%	2.74%	-8.38%
10-Year UK Gilt	4.38%	-12.00	71.00	98.00	Gold	1,985.78	0.16%	8.87%	21.44%
GOJ 2025 Global Bond	6.77%	-4.00	273.00	33.00	Silver	22.77	-0.80%	-4.96%	18.39%
					Aluminium	2,237.00	0.02%	-5.93%	-0.62%



Mutual Funds

Fund Managers Ltd.

A member of the JN Group

JN MUTUAL FUNDS

November 1, 2023

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$13.2877	2.92%	2.62%	3.23%
Global Equity	J\$13.9779	-3.79%	-4.14%	0.00%
Global Fixed Income	J\$14.8226	8.35%	7.54%	7.10%
Global Money Market (US\$)	US\$11.7081	3.36%	2.74%	4.19%
Global Fixed Income (US\$)	US\$11.6817	2.90%	2.10%	5.21%
Local Money Market	J\$13.1791	9.92%	9.16%	7.65%

	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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