

## Fed delivers big rate hike, sees another large move higher this year

The Federal Reserve raised its target interest rate by three-quarters of a percentage point to a range of 3.00%-3.25% on Wednesday and signaled more large increases to come in new projections showing its policy rate rising to 4.40% by the end of this year before topping out at 4.60% in 2023 to battle continued strong inflation. The U.S. central bank's quarterly economic projections, meanwhile, showed the economy slowing to a crawl in 2022, with year-end growth at 0.2%, rising to 1.2% in 2023, well below the economy's potential. The unemployment rate is projected to rise to 3.8% this year and 4.4% in 2023. Inflation is seen slowly returning to the Fed's 2% target in 2025. Rate cuts are not foreseen until 2024. The federal funds rate projected for the end of this year signals total rate hikes of another 1.25 percentage points to come in the Fed's two remaining policy meetings in 2022, a level that implies another 75-basis-point hike in the offing.

The updated projections point to an extended Fed battle to quell the highest bout of inflation since the 1980s, and one that potentially pushes the economy at least to the borderline of a recession. The Fed said that "recent indicators point to modest growth in spending and production," but the economy is still seen slowing to a near crawl this year, with year-end growth of just 0.2%. The rise in the unemployment rate from 3.8% at the end of 2022 to 4.4% at the end of 2023, meanwhile, is above the half-percentage-point rise in unemployment that has been associated with past recessions.

Source: Reuters

### Local Market Indices



### Foreign Exchange Market

Currency	21-Sep	20-Sep	DoD % Δ	YTD % Δ
USD:JMD	152.85	152.71	0.09%	-1.44%
GBP:JMD	171.20	173.18	-1.14%	-18.5%
CAD:JMD	114.51	115.46	-0.82%	-6.7%

### Caribbean & Latam

- Most Latin American currencies were subdued on Wednesday as the dollar scaled a fresh two-decade high driven by bets of a big interest rate hike from the Federal Reserve later in the day, with concerns about an escalation in the Ukraine war keeping any gains in check.

### USA & Canada

- Wall Street's main indexes see-sawed before slumping in the final 30 minutes of trading to close lower on Wednesday, as investors absorbed the Federal Reserve's latest rate hike and future policy commentary.

### Europe

- Prime Minister Liz Truss's plans to cut payroll taxes and reverse a planned increase in corporation tax, risk putting Britain's national debt on an unsustainable upward path, the Institute for Fiscal Studies think tank said on Wednesday.

### Asia

- Asian stocks closed lower on Wednesday after Russian President Vladimir Putin announced a partial military mobilization in the country, bringing geopolitical tensions to the forefront.

### Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	369,404.75	1,373.98	0.37%	-7.91%	-9.23%
JSE Index	355,486.09	2,095.04	0.59%	-10.27%	-12.16%
All Jamaican Composite Index	404,794.39	-299.62	-0.07%	-7.65%	-8.93%
JSE Select Index	9,097.44	-57.40	-0.63%	-7.95%	-7.77%
Junior Market Index	4,117.05	-64.27	-1.54%	20.09%	27.90%

### BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
CAC	18.53%	FIRSTROCKUSD	-17.80%
AFS	9.90%	KREMI	-11.76%
TJHUSD	9.76%	EFRESH	-9.50%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **88** stocks, of which **33** advanced, **46** declined and **9** traded firm.

### International Markets

International Equity Markets					International Currency Market				
Index	21-Sep	DoD % Δ	YTD % Δ	YoY % Δ	Currency	21-Sep	DoD % Δ	YTD % Δ	YoY % Δ
S&P 500	3,805.92	-1.30%	-20.15%	-12.59%	EUR: USD	0.9844	-1.27%	-13.42%	-16.05%
Dow Jones	30,183.78	-1.70%	-16.94%	-11.01%	GBP: USD	1.13	-0.91%	-16.66%	-17.44%
FTSE All Share	3,973.75	0.66%	-5.57%	-1.37%	USD: CAD	1.34	0.63%	6.43%	4.91%
Euro Stoxx 50	3,491.87	0.71%	-18.76%	-14.78%	USD: JPY	143.92	0.12%	25.06%	31.76%
Nikkei 225	27,313.13	-1.36%	-5.14%	-8.47%					
MSCI World Index	586.66	-1.33%	-22.28%	-18.41%					
Global Interest Rates					Commodities				
Rates	21-Sep	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	21-Sep	DoD % Δ	YTD % Δ	YoY % Δ
10-Year US Treasury Bond	3.51%	-5.00	200.00	219.00	Crude Oil	83.36	-1.29%	10.84%	18.14%
10-Year UK Gilt	3.31%	2.00	234.00	250.00	Gold	1,674.68	0.59%	-8.45%	-5.63%
GOJ 2025 Global Bond	5.94%	7.00	190.00	233.00	Silver	19.62	1.82%	-15.81%	-12.77%
					Aluminium	2,209.00	-1.63%	-21.32%	-22.38%



# Mutual Funds

**Fund Managers Ltd.**

A member of the JN Group

## JN MUTUAL FUNDS

September 20, 2022

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
<b>Global Diversified Income</b>	J\$12.8158	-7.48%	-9.41%	1.51%
<b>Global Equity</b>	J\$14.5471	-6.37%	-7.40%	0.00%
<b>Global Fixed Income</b>	J\$13.5129	3.38%	1.85%	4.72%
<b>Global Money Market (US\$)</b>	US\$11.2801	3.61%	2.66%	3.95%
<b>Global Fixed Income (US\$)</b>	US\$11.3455	0.55%	0.03%	3.92%
<b>Local Money Market</b>	J\$11.8451	4.13%	2.25%	5.99%

	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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