

US inflation cools considerably in November

U.S. prices fell in November for the first in more than 3-1/2 years, pushing the annual increase in inflation further below 3%, and boosting financial market expectations of an interest rate cut from the Federal Reserve next March. The report from the Commerce Department on Friday also showed underlying inflation pressures continuing to subside last month. Cooling inflation left more income at the disposal of households, helping to underpin consumer spending and the overall economy as the year winds down. Inflation, as measured by the personal consumption expenditures (PCE) price index, fell 0.1% last month, the Commerce Department's Bureau of Economic Analysis said. That was the first monthly decline in the PCE price index since April 2020 and followed an unchanged reading in October.

Food prices edged down 0.1% and energy prices dropped 2.7%. In the 12 months through November, the PCE price index increased 2.6% after rising 2.9% in October. October marked the first time since March 2021 that the annual PCE price index was below 3%. Economists polled by Reuters had forecast the PCE price index unchanged on month and rising 2.8% year-on-year. Excluding the volatile food and energy components, the PCE price index rose 0.1% in November, matching October's gain. The core PCE price index advanced 3.2% year-on-year in November, the smallest rise since April 2021, after increasing 3.4% in October. The Fed tracks the PCE price measures for its 2% inflation target.

Monthly inflation readings of 0.2% on a sustainable basis are needed to bring inflation back to the Fed's target, economists say. Early on Friday, financial markets were pricing a roughly 72% chance of a rate cut at the Fed's March 19-20 policy meeting, according to CME Group's FedWatch Tool. The U.S. central bank held rates steady last week and policymakers signaled in new economic projections that the historic monetary policy tightening engineered over the last two years is at an end and lower borrowing costs are coming in 2024. Since March 2022, the Fed has hiked its policy rate by 525 basis points to the current 5.25%-5.50% range.

Source: Reuters

Currency Markets

International Currency Market

Currency	22-Dec	15-Dec	DoD % Δ	WoW % Δ	YTD% Δ	YoY% Δ
EUR: USD	1.101	1.090	0.03%	1.09%	2.89%	3.94%
GBP: USD	1.270	1.270	0.09%	0.16%	5.11%	5.51%
USD: CAD	1.327	1.340	-0.10%	-0.82%	-2.10%	-2.83%
USD: JPY	142.410	142.150	0.20%	0.18%	8.61%	7.60%

Local Foreign Currency Market

Currency	22-Dec	21-Dec	15-Dec	DoD % Δ	WoW % Δ	YTD% Δ
USD:JMD	155.24	155.38	156.16	-0.09%	-0.59%	2.10%
GBP:JMD	197.05	196.45	198.14	0.31%	-0.55%	8.2%
CAD:JMD	117.09	116.28	117.17	0.69%	-0.07%	7.9%

Global Interest Rates

Rates	22-Dec	15-Dec	DoD Δ bps	WoW Δ bps	YTD Δ bps	YoY Δ bps
10 Year US Treasury Bond	3.90%	3.91%	1.00	-1.00	3.00	22.00
10 Year UK Gilt	3.51%	3.69%	-2.00	-18.00	-16.00	-8.00
GOJ 2025 Global Bond	6.24%	6.33%	0.00	-9.00	220.00	-14.00
5 Year US Treasury Bond	3.87%	3.91%	0.00	-4.00	-13.00	7.00
5 Year UK Gilt	3.46%	3.74%	-3.00	-28.00	-16.00	-16.00

Week in Review: December 18 - December 22, 2023

Local Equity Market

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
AMG	17.75%	ICREATE	-28.05%
CHL	15.04%	CFF	-20.00%
SPURTREE	11.42%	EFRESH	-16.15%

JSE Main Market activity (excluding preference shares) resulted from trading in **50** stocks of which **29** advanced, **20** declined and **1** traded firm. Market Volume (excluding preference shares) amounted to **47,230,350** units valued at over **\$818,626,168**. JSE Junior Market activity (excluding preference shares) resulted from trading in **48** stocks of which **20** advanced, **21** declined and **7** traded firm. Market volume (excluding preference shares) amounted to **119,283,894** units valued at over **\$287,850,749**.

Global Equity Indices

Index	30-Dec	15-Dec	22-Dec	WoW % Δ	YTD% Δ	YoY% Δ
S&P 500	3,839.50	4,719.19	4,754.63	0.75%	23.83%	24.39%
Euro Stoxx 50	3,793.62	4,549.44	4,521.47	-0.61%	19.19%	18.26%
MXWD Index	605.38	716.45	721.17	0.66%	19.13%	19.32%
JSE Main Market Index	355,896.64	311,317.38	316,798.45	1.76%	-10.99%	-7.37%
JSE Junior Market Index	3,986.44	3,695.69	3,728.14	0.88%	-6.48%	-4.85%
JSE Combined Index	368,591.98	324,332.88	329,757.41	1.67%	-10.54%	-7.11%

Upcoming Week: December 25 — December 29, 2023

Country	Report	Period	Forecast	Prior
US	Initial Jobless Claims	23-Dec	210,000	205,000
US	MINI Chicago PMI	Dec	50.5	55.8
US	Wholesale Inventories MoM	Nov P	-0.20%	-0.40%
US	Pending Home Sales MoM	Nov	0.90%	-1.50%
UK	Nationwide House PX MoM	Dec	0.10%	0.20%
UK	Nationwide House Px NSA YoY	Dec	-1.30%	-2.00%
JN	Industrial Production MoM	Nov P	-1.50%	1.30%
JN	Jobless Rate	Nov	2.50%	2.50%

LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS	
December 22, 2023						
Grace Kennedy Ltd (GK)	Current Price	\$79.01	EPS	\$7.86	ROE	10.05%
	52 Week High	\$85.00	BVPS	\$78.16	P/E	10.06
	53 Week Low	\$60.00	T12M Div.	\$2.06	P/B	1.01
	WoW %	4.69%	Div. Yield %	2.57%		
BUY	YTD %	-5.06%				
Jamaica Producers Group (JP)	Current Price	\$22.27	EPS	\$11.81	ROE	41.56%
	52 Week High	\$24.30	BVPS	\$28.41	P/E	1.89
	53 Week Low	\$18.00	T12M Div.	\$0.30	P/B	0.78
	WoW %	-2.15%	Div. Yield %	1.36%		
BUY	YTD %	1.46%				
Wisynco Ltd (WISYNCO)	Current Price	\$20.13	EPS	\$1.38	ROE	22.82%
	52 Week High	\$22.00	BVPS	\$6.04	P/E	14.62
	53 Week Low	\$16.00	T12M Div.	\$0.42	P/B	3.34
	WoW %	-0.40%	Div. Yield %	2.45%		
BUY	YTD %	13.92%				
JMMB Group Ltd (JMMBGL)	Current Price	\$25.04	EPS	\$6.24	ROE	24.27%
	52 Week High	\$36.00	BVPS	\$25.70	P/E	4.01
	53 Week Low	\$25.00	T12M Div.	\$0.00	P/B	0.97
	WoW %	-0.52%	Div. Yield %	0.00%		
BUY	YTD %	-24.01%				

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LOCAL STOCK RECOMMENDATIONS

COMPANY NAME	PRICE MOVEMENTS	J\$	STATISTICS	COMPANY VITALS	INDUSTRY VITALS			
December 22, 2023								
Jamaica Broilers Group Ltd (JBG)	Current Price	\$33.97	EPS	\$4.09	ROE	17.83%	ROE	11.61%
	52 Week High	\$39.99	BVPS	\$22.96	P/E	8.30	P/E	11.60
	53 Week Low	\$28.00	T12M Div.	\$0.78	P/B	1.48	P/B	2.34
	WoW %	-2.19%	Div. Yield %	2.69%				
	YTD %	9.58%						
BUY								
Sygnus Real Estate Finance Limited (SRFJMD)	Current Price	\$9.50	EPS	\$1.30	ROE	5.97%	ROE	7.56%
	52 Week High	\$15.00	BVPS	\$21.82	P/E	7.29	P/E	15.39
	53 Week Low	\$8.90	T12M Div.	\$0.00	P/B	0.44	P/B	0.76
	WoW %	5.56%	Div. Yield %	0.00%				
	YTD %	-5.00%						
BUY								
Scotia Group Jamaica Ltd (SGJ)	Current Price	\$38.35	EPS	\$5.50	ROE	15.05%	ROE	5.27%
	52 Week High	\$41.50	BVPS	\$36.58	P/E	6.97	P/E	10.72
	53 Week Low	\$30.00	T12M Div.	\$1.30	P/B	1.05	P/B	1.28
	WoW %	8.43%	Div. Yield %	3.79%				
	YTD %	12.04%						
BUY								

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Mutual Funds



A member of the Group

JN MUTUAL FUNDS

December 21, 2023

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$13.2409	3.45%	2.26%	3.24%
Global Equity	J\$14.0219	-1.36%	-3.84%	0.00%
Global Fixed Income	J\$14.9405	8.39%	8.39%	7.24%
Global Money Market (US\$)	US\$11.5363	1.32%	1.23%	3.17%
Global Fixed Income (US\$)	US\$11.4440	0.03%	0.02%	3.60%
Local Money Market	J\$13.0230	7.76%	7.86%	7.35%

	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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