

## Jamaica's Inflation Rate Rises in July

August 16, 2018

### DAILY COMMENTARY

During the month of July 2018, Jamaica's inflation rate was 1.0% relative to 0.4% in June. According to the Statistical Institute of Jamaica (STATIN), this movement was mainly attributable to a 3.4% increase in 'Housing, Water, Electricity, Gas and Other Fuels' primarily as a result of higher cost for electricity and sewage rates. The division Food and Non-Alcoholic Beverages' showed a 0.9% increase due to higher prices for agricultural produce. As at July 2018, point-to-point inflation was 3.2% and year-to-date inflation was 0.7%. Inflation remains below the Bank of Jamaica's forecasted range for this fiscal year of 4.0-6.0% and slightly under the 3.5%-6.5% targeted range under the stand-by arrangement with the International Monetary Fund (IMF).

We anticipate the drought conditions in prior months and higher fuel prices will push inflation higher in the short term, reversing the previous deflationary trend experienced earlier in 2018. The rise in inflation is likely to be insufficient in the short term to immediately drive local interest rates higher but instead, we may see rates stabilize. On this basis, investors should seek to position their investments to protect against inflation reducing their real returns.



### Foreign Exchange Market

Currency	16-Aug	15-Aug	DoD % Δ	YTD % Δ
USD:JMD	136.85	136.85	0.00%	9.48%
GBP:JMD	0.02	174.36	-99.99%	-99.99%
CAD:JMD	19.73	105.27	-81.26%	-79.74%

### Caribbean & Latam

- Argentina's central bank said on Thursday it hiked reserve requirements by 3 percentage points for the country's largest banks, as it tries to keep its plan for reducing short-term debt from adding to already high inflation.

### USA & Canada

- U.S. stocks rebounded on Thursday with the Dow posting its biggest percentage gain in over four months, as positive earnings and waning trade jitters buoyed investor confidence.

### Europe

- European shares recovered on Thursday after Beijing said it would hold trade talks with the United States this month, spurring risk appetite, although Italian shares fell sharply as Atlantia sank.

### Asia

- Japan's Nikkei ended lower on Thursday after paring early losses following news of fresh talks between China and the United States, which raised hopes of a potential thaw in their trade war and weakened the yen.

### Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	327,310.32	4013.03	1.23%	10.96%	19.48%
JSE Index	318,013.77	3917.07	1.25%	10.28%	26.55%
All Jamaican Composite Index	349,038.81	4299.21	1.25%	10.28%	23.68%
JSE Select Index	9,364.52	53.18	0.57%	9.96%	15.21%
Junior Market Index	3,199.63	37.74	1.10%	17.11%	-12.22%

### BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
INDIES	50.00%	PTL	-22.22%
BPOW	17.12%	EPLY	-7.83%
EFRESH	10.10%	SCIJMD	-6.83%

In today's combined market activity 53 stocks of which 34 advanced, 13 declined and 6 traded firm.

### International Markets

International Equity Markets				
Index	16-Aug	DoD % Δ	YTD % Δ	YoY % Δ
S&P 500	2,840.69	0.79%	6.25%	15.10%
Dow Jones	25,558.73	1.58%	3.40%	16.04%
FTSE All Share	4,153.09	0.75%	-1.63%	1.90%
Euro Stoxx 50	3,377.56	0.55%	-3.61%	-3.07%
Nikkei 225	22,192.04	-0.05%	-2.52%	12.48%
MSCI World Index	508.32	0.00%	-0.92%	6.85%

International Currency Market				
Currency	16-Aug	DoD % Δ	YTD % Δ	YoY % Δ
EUR: USD	1.1378	0.29%	-5.22%	-3.31%
GBP: USD	1.2716	0.15%	-5.90%	-1.36%
USD: CAD	1.316	0.14%	4.69%	4.30%
USD: JPY	110.9	0.14%	-1.59%	0.64%

Global Interest Rates				
Rates	16-Aug	DoD Δbps	YTD Δbps	YoY Δbps
10-Year US Treasury Bond	2.87%	1.00	46.00	65.00
10-Year UK Gilt	1.24%	1.00	5.00	13.00
GOJ 2025 Global Bond	4.83%	-33.00	39.00	16.00

Commodities				
Commodity	16-Aug	DoD % Δ	YTD % Δ	YoY % Δ
Crude Oil	65.47	0.71%	8.36%	39.95%
Gold	1,174.04	-0.07%	-9.88%	-8.50%
Silver	14.65	1.46%	-13.49%	-14.40%
Aluminium	2,025.00	-2.17%	-10.71%	-3.30%



# Mutual Funds

**JN MUTUAL FUNDS**

August 15, 2018

Managed by



A member of the Group

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
<b>Global Diversified Income</b>	J\$12.3705	16.10%	5.29%	3.28%
<b>Global Equity</b>	J\$12.3156	15.02%	5.98%	0.00%
<b>Global Fixed Income</b>	J\$11.4526	10.32%	6.79%	4.94%
<b>Global Money Market (US\$)</b>	US\$10.0421	1.30%	0.42%	1.04%
<b>Global Fixed Income (US\$)</b>	US\$9.8885	-	-1.12%	4.14%
<b>Local Money Market</b>	J\$10.3069	6.82%	3.07%	2.43%

	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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