

US 30-year mortgage rate soars to highest since 2000

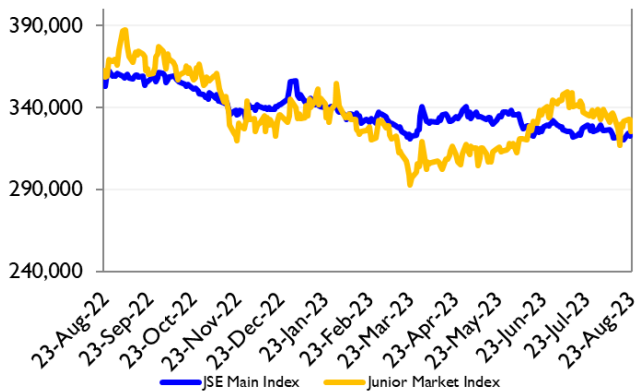
The interest rate on the most popular U.S. home loan last week shot to the highest since December 2000, helping drive mortgage applications to a 28-year low, a survey showed on Wednesday. The Mortgage Bankers Association (MBA) said the average contract rate on a 30-year fixed-rate mortgage climbed 15 basis points to 7.31% in the week ended Aug. 18. That came after yields on the government bonds that influence home-loan rates surged to the highest since the 2007-2009 financial crisis. Yields on Treasury securities have marched higher throughout the summer as surprisingly strong data on the U.S. economy reshaped investors' thinking about how long the Federal Reserve will keep interest rates high. The Fed has lifted its benchmark policy rate from near zero in March 2022 to 5.25% to 5.50% currently to beat back the toughest inflation since the 1980s.

In an otherwise resilient economy featuring a strong job market and robust consumer spending, the housing market has stood out as the sector most afflicted by the Fed's aggressive actions to cool demand and undercut inflation. As borrowing costs surged, home sales tumbled all last year and a hoped-for recovery this year has yet to materialize. Case in point: Sales of previously owned homes, accounting for the majority of U.S. residential real estate transactions, fell for a second month in July to the lowest pace since January.

The MBA data does not point to improvement any time soon. Its index measuring applications for a mortgage for a home purchase sank 5% last week to the lowest since April 1995. It was the largest weekly decline since April. Applications to refinance existing loans fell to the lowest since December, the MBA data showed. The vast majority of homeowners with existing mortgages have a loan from before interest rates began surging in 2022, which has been a headwind for refinancing activity. That dynamic is also contributing to the lack of housing supply because it is a disincentive to move.

Source: Reuters

Local Market Indices



Foreign Exchange Market

Currency	23-Aug	22-Aug	DoD % Δ	YTD% Δ
USD:JMD	155.92	155.78	0.09%	2.55%
GBP:JMD	197.85	198.97	-0.56%	8.66%
CAD:JMD	116.36	115.21	1.00%	7.26%

Caribbean & Latam

- Argentina's economic activity fell 4.4% in June from a year earlier, the country's official statistics agency said on Wednesday, below the expectations of a Refinitiv poll of a 4.0% drop.

USA & Canada

- The Dow closed higher Wednesday, driven by tech as optimism builds ahead of Nvidia's quarterly results due later today.

Europe

- European shares closed off their day's highs on Wednesday on growing evidences of slowing economic activity in the continent, while strong gains in drugmaker Roche boosted the Swiss stock index to a one-week high.

Asia

- China stocks fell on Wednesday as fears of contagion risks in the country's struggling real estate sector rise, triggering a sell-off by foreign investors.

Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	337,133.51	709.40	0.21%	-8.53%	-9.28%
JSE Index	323,635.78	1,279.01	0.40%	-9.06%	-9.55%
All Jamaican Composite Index	356,869.10	1,340.21	0.38%	-11.46%	-12.41%
JSE Select Index	8,155.76	40.89	0.50%	-8.33%	-11.42%
Junior Market Index	3,840.90	-52.88	-1.36%	-3.65%	-6.77%

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
ISP	23.36%	CABROKERS	-12.46%
KREMI	10.09%	ECL	-11.78%
PAL	9.95%	MDS	-10.31%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **88** stocks, of which **28** advanced, **45** declined and **15** traded firm.

International Markets

International Equity Markets					International Currency Market				
Index	23-Aug	DoD % Δ	YTD% Δ	YoY% Δ	Currency	23-Aug	DoD % Δ	YTD% Δ	YoY% Δ
S&P 500	4,436.01	1.10%	15.54%	7.44%	EUR: USD	1.0863	0.16%	1.48%	8.96%
Dow Jones	34,472.98	0.54%	4.00%	4.75%	GBP: USD	1.27	-0.04%	5.33%	7.53%
FTSE All Share	3,992.96	0.74%	-2.02%	-2.81%	USD: CAD	1.35	-0.18%	-0.21%	4.41%
Euro Stoxx 50	4,266.67	0.15%	12.47%	16.81%	USD: JPY	144.84	-0.72%	10.46%	5.90%
Nikkei 225	32,010.26	0.48%	11.18%	12.50%					
MSCI World Index	675.46	0.91%	11.58%	6.52%					

Global Interest Rates					Commodities				
Rates	23-Aug	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	23-Aug	DoD % Δ	YTD% Δ	YoY% Δ
10 -Year US Treasury Bond	4.19%	-13.00	32.00	114.00	Crude Oil	78.89	-1.82%	-1.71%	-15.84%
10-Year UK Gilt	4.47%	-18.00	80.00	189.00	Gold	1,915.48	0.95%	5.01%	9.57%
GOJ 2025 Global Bond	6.80%	-4.00	276.00	126.00	Silver	24.31	3.86%	1.49%	27.17%
					Aluminium	2,179.00	0.09%	-8.37%	-10.11%



Mutual Funds

Fund Managers Ltd.

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JN MUTUAL FUNDS

August 22, 2023

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$13.3173	2.91%	2.85%	3.17%
Global Equity	J\$13.9631	-4.39%	-4.24%	0.00%
Global Fixed Income	J\$14.6374	8.44%	6.20%	7.02%
Global Money Market (US\$)	US\$11.6525	3.94%	2.25%	4.37%
Global Fixed Income (US\$)	US\$11.6677	3.34%	1.98%	5.22%
Local Money Market	J\$13.0323	10.87%	7.94%	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.

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