

## ECB raises key rate to historic high, keeps options open

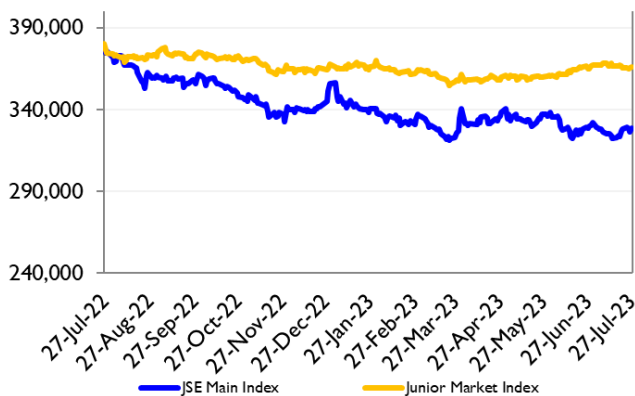
The European Central Bank (ECB) raised its deposit rate to a historic high on Thursday and kept its options open on whether more increases will be needed to bring down inflation against a worsening economic backdrop. Thursday's hike, the ninth in a row, increases the rate that the ECB pays on banks' deposits from 3.50% to 3.75%, its highest level since 2000, before euro banknotes and coins had even been put into circulation. But the ECB removed a clear hint at further hikes from its policy statement, meaning a fresh increase at the ECB's next meeting in September should not be taken for granted.

In its June statement, the ECB had said rates would "be brought" to sufficiently restrictive levels, implying more rises. Inflation in the euro zone has halved since last October but, at 5.5%, it remains well above the ECB's 2% target. On the other hand, credit creation, demand for loans and economic activity have all slowed sharply, showing the ECB's steady diet of rate hikes is already taking a toll on the economy. The ECB has now increased borrowing costs by a combined 4.25 percentage points in a year, its fastest pace on record. But a peak is now clearly in sight and the debate is set to shift to how long rates will need to be kept at current levels.

With Thursday's decision the rate that banks pay to borrow at the ECB's weekly auctions was also increased to 4.25% from 4.0% while daily loans will now cost 4.50%, from 4.25% previously. Both facilities have been little used as the banking system is still awash with cash from a decade of monetary stimulus by the ECB.

Source: Reuters

### Local Market Indices



### Foreign Exchange Market

Currency	27-Jul	26-Jul	DoD % Δ	YTD % Δ
USD:JMD	155.55	155.64	-0.06%	2.30%
GBP:JMD	203.22	200.32	1.45%	11.60%
CAD:JMD	118.23	117.85	0.32%	8.98%

### Caribbean & Latam

- Brazil's job market saw fewer formal job creation than anticipated in June, with a net increase of 157,198 positions, Labor Ministry data showed on Thursday.

### USA & Canada

- U.S. stocks ended lower on Thursday after news that the Bank of Japan will allow long-term interest rates to rise sent U.S. yields higher, snapping the longest winning streak for the Dow since 1987.

### Europe

- British retail sales fell in July at the fastest rate since April 2022 and stores are bracing for worse times ahead, with many chains cutting orders placed with suppliers, an industry survey showed on Thursday.

### Asia

- The Malaysian ringgit and the Thai baht logged strong gains among a firmer Asian currency basket on Thursday, boosted by a weak dollar, after the U.S. Federal Reserve delivered its much-awaited 25 basis point hike, while remaining vague about another possibility of a raise in September.

### Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	342,890.87	2,679.41	0.79%	-6.97%	-12.43%
JSE Index	328,877.60	2,674.68	0.82%	-7.59%	-12.66%
All Jamaican Composite Index	365,690.74	2,392.06	0.66%	-9.28%	-15.02%
JSE Select Index	8,305.07	51.03	0.62%	-6.65%	-14.82%
Junior Market Index	3,935.55	20.08	0.51%	-1.28%	-10.33%

### BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
CABROKERS	12.36%	CAC	-25.48%
LEARN	11.18%	SRFJMD	-17.63%
PULS	10.46%	KPREIT	-9.21%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **93** stocks, of which **43** advanced, **34** declined and **16** traded firm.

### International Markets

International Equity Markets					International Currency Market				
Index	27-Jul	DoD % Δ	YTD % Δ	YoY % Δ	Currency	27-Jul	DoD % Δ	YTD % Δ	YoY % Δ
S&P 500	4,537.41	-0.64%	18.18%	12.77%	EUR: USD	1.0979	-0.97%	2.56%	7.64%
Dow Jones	35,282.72	-0.67%	6.44%	9.58%	GBP: USD	1.28	-1.12%	5.90%	5.25%
FTSE All Share	4,198.69	0.24%	3.03%	3.54%	USD: CAD	1.32	0.12%	-2.43%	3.11%
Euro Stoxx 50	4,447.44	2.33%	17.23%	23.27%	USD: JPY	139.48	-0.54%	6.38%	2.13%
Nikkei 225	32,891.16	0.68%	14.24%	18.67%					
MSCI World Index	700.10	-0.27%	15.65%	12.43%					

Global Interest Rates					Commodities				
Rates	27-Jul	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	27-Jul	DoD % Δ	YTD % Δ	YoY % Δ
10 -Year US Treasury Bond	4.00%	13.00	13.00	122.00	Crude Oil	80.09	1.66%	-0.21%	-17.65%
10-Year UK Gilt	4.31%	3.00	64.00	235.00	Gold	1,946.00	-1.32%	6.69%	12.21%
GOJ 2025 Global Bond	6.63%	1.00	259.00	53.00	Silver	24.14	-3.19%	0.76%	26.45%
					Aluminium	2,205.00	-0.36%	-7.28%	-8.98%



# Mutual Funds



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## JN MUTUAL FUNDS

July 26, 2023

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
<b>Global Diversified Income</b>	J\$13.3077	0.58%	2.78%	2.99%
<b>Global Equity</b>	J\$14.1968	-5.70%	-2.64%	0.00%
<b>Global Fixed Income</b>	J\$14.5722	8.12%	5.72%	6.69%
<b>Global Money Market (US\$)</b>	US\$11.6542	4.24%	2.27%	4.16%
<b>Global Fixed Income (US\$)</b>	US\$11.7221	4.05%	2.45%	5.02%
<b>Local Money Market</b>	J\$12.9406	10.14%	7.18%	7.68%

	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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