

## Canada's inflation rate slows, weakening case for a July rate hike

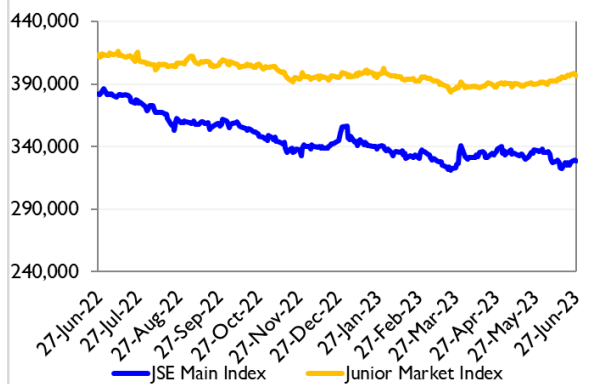
Canada's annual inflation rate came in at 3.4% in May, its slowest pace in two years, data showed on Tuesday, weakening the case for another hike next month. Analysts polled by Reuters had expected annual inflation to drop to 3.4% from 4.4% in April. Month over month, the Consumer Price Index (CPI) was up 0.4%, Statistics Canada said, a tick below forecasts for a 0.5% rise. The annual rate, which benefited from a comparison to last May's strong price increases, is the slowest since June 2021 and broadly in line with the Bank of Canada's expectation that inflation would cool to around 3% by mid-2023. The central bank hiked its overnight rate to a 22-year high of 4.75% earlier in June after a series of surprisingly strong data, including an unexpected uptick in April inflation.

After the last rate increase, the Bank of Canada said it would be gauging economic data to decide whether to keep raising borrowing costs. The average of two of the Bank of Canada's core measures of underlying inflation, CPI-median and CPI-trim, came in at 3.9% compared with 4.3% in April. Canadians have continued to renew and take new mortgages at higher interest rates, resulting in the mortgage interest cost index rising 29.9% on a year-over-year basis in May, the third consecutive month of record increases, Statscan said.

Grocery prices also continued to surge, rising 9% year over year in May, nearly unchanged from the increases recorded in April. Energy prices slid 12.4% in May compared with the same month a year earlier, when supply uncertainty surrounding Russia's invasion of Ukraine led to a surge in energy prices, Statscan said. An 18.3% drop in gasoline prices and the first year-over-year decline in natural gas prices since August 2020 contributed to the energy price deceleration. Excluding food and energy, prices rose 4.0% compared with a 4.4% rise in April.

Source: Reuters

### Local Market Indices



### Foreign Exchange Market

Currency	27-Jun	26-Jun	DoD % Δ	YTD% Δ
USD:JMD	155.02	154.91	0.07%	1.95%
GBP:JMD	196.61	194.83	0.91%	7.97%
CAD:JMD	117.93	118.77	-0.70%	8.71%

### Caribbean & Latam

- Most Latin American currencies rose against a weaker dollar on Tuesday amid demand optimism in major trading partner China, while Brazil's real lagged after its central bank raised the possibility of an interest rate cut at its next meeting.

### USA & Canada

- U.S. stock indexes rebounded on Tuesday from a recent losing streak as upbeat economic data soothed investor worries about an imminent recession triggered by the Federal Reserve's aggressive interest rate hikes.

### Europe

- European shares struggled to maintain positive momentum on Tuesday, after Asian stocks got a boost from China's government saying it would support the economy, as investors focused on concerns about the economic outlook for Europe and the United States..

### Asia

- Asian stocks shook off earlier losses on Tuesday, helped by assurances that Beijing would support flagging growth in the world's second-largest economy, which helped investors shift their focus away from risks around interest rates and Russia.

### Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	342,581.56	-958.70	-0.28%	-7.06%	-13.36%
JSE Index	328,855.37	-518.40	-0.16%	-7.60%	-13.85%
All Jamaican Composite Index	365,190.94	772.25	0.21%	-9.40%	-16.42%
JSE Select Index	7,913.09	-68.62	-0.86%	-11.05%	-20.27%
Junior Market Index	3,904.02	-51.89	-1.31%	-2.07%	-8.87%

### BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
PBS	17.90%	SOS	-16.89%
EPLY	16.77%	PULS	-15.22%
MDS	13.41%	BPOW	-13.36%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **97** stocks, of which **35** advanced, **49** declined and **13** traded firm.

### International Markets

International Equity Markets					International Currency Market				
Index	27-Jun	DoD % Δ	YTD% Δ	YoY% Δ	Currency	27-Jun	DoD % Δ	YTD% Δ	YoY% Δ
S&P 500	4,382.47	1.24%	14.14%	12.37%	EUR: USD	1.0963	0.52%	2.41%	3.58%
Dow Jones	33,926.47	0.63%	2.35%	7.91%	GBP: USD	1.28	0.31%	5.54%	3.98%
FTSE All Share	4,052.97	0.15%	-0.54%	1.22%	USD: CAD	1.32	0.21%	-2.74%	2.37%
Euro Stoxx 50	4,305.26	0.58%	13.49%	21.66%	USD: JPY	144.01	0.35%	9.83%	6.31%
Nikkei 225	32,538.33	-0.49%	13.01%	21.09%					
MSCI World Index	674.27	0.93%	11.38%	9.71%					

Global Interest Rates					Commodities				
Rates	27-Jun	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	27-Jun	DoD % Δ	YTD% Δ	YoY% Δ
10 -Year US Treasury Bond	3.76%	4.00	-11.00	56.00	Crude Oil	67.66	-2.47%	-15.70%	-38.25%
10-Year UK Gilt	4.38%	8.00	71.00	199.00	Gold	1,913.58	-0.50%	4.91%	4.98%
GOJ 2025 Global Bond	6.74%	0.00	270.00	42.00	Silver	22.86	0.31%	-4.56%	8.04%
					Aluminium	2,195.00	2.16%	-7.70%	-12.04%



# Mutual Funds



A member of the JN Group

## JN MUTUAL FUNDS

June 26, 2023

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
<b>Global Diversified Income</b>	J\$13.2317	-2.35%	2.19%	2.99%
<b>Global Equity</b>	J\$14.2099	-5.22%	-2.55%	0.00%
<b>Global Fixed Income</b>	J\$14.4364	7.58%	4.74%	6.69%
<b>Global Money Market (US\$)</b>	US\$11.6062	4.52%	1.85%	4.16%
<b>Global Fixed Income (US\$)</b>	US\$11.6554	3.46%	1.87%	5.02%
<b>Local Money Market</b>	J\$12.8309	10.11%	6.27%	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.

## Contact us

### Kingston & St. Andrew

**Jason Adams** - 876-550-9504 [JYadams@jngroup.com](mailto:JYadams@jngroup.com)

**Kimberly Savage** – 876-307-9461 [ksavage@jngroup.com](mailto:ksavage@jngroup.com)

**Tamara Honeyghan** - 876-557-0082 [tamarah@jngroup.com](mailto:tamarah@jngroup.com)

**Gayon Knight** - 876-564-9563 [gknight@jngroup.com](mailto:gknight@jngroup.com)

### Mandeville

**Horace Walters** – 876-487-9267 [waltersh@jngroup.com](mailto:waltersh@jngroup.com)

### St. Catherine

**Nickesha Mullings-Gilling** - 876-891-4736 [nmullings@jngroup.com](mailto:nmullings@jngroup.com)

### Montego Bay

**Anna-kaye Lynfatt** - 876-564-8276 [alynfatt@jngroup.com](mailto:alynfatt@jngroup.com)

**Marissa Williams** - 876-465-3726 [mwilliams1@jngroup.com](mailto:mwilliams1@jngroup.com)

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