

U.S. services sector slows in May; prices paid gauge falls to three-year low - ISM survey

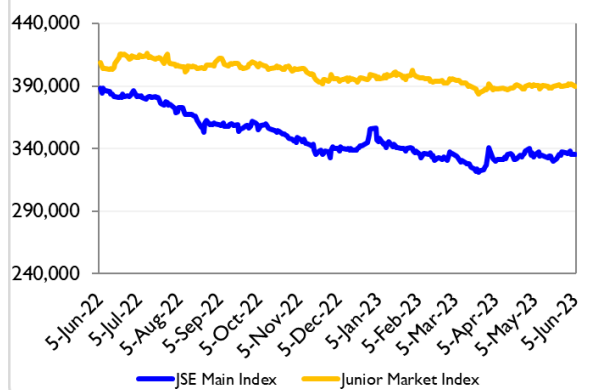
The U.S. services sector barely grew in May as new orders slowed, pushing a measure of prices paid by businesses for inputs to a three-year low, which could aid the Federal Reserve's fight against inflation. The Institute for Supply Management (ISM) said on Monday that its non-manufacturing Purchasing Managers Index (PMI) fell to 50.3 last month from 51.9 in April. A reading above 50 indicates growth in the services industry, which accounts for more than two-thirds of the economy. Economists polled by Reuters had forecast the non-manufacturing PMI edging up to 52.2. Though the PMI remains above the 49.9 level, which the ISM says over time indicates growth in the overall economy, last month's slowdown heightened the risks of a recession. The ISM reported last week that its manufacturing PMI was stuck below the 50 threshold in May for the seventh straight month, the longest such stretch since the Great Recession.

The services sector has benefited from consumers shifting spending from goods. But following 500 basis points worth of interest rate increases from the U.S. central bank since March 2022, consumers could be focusing more on basic needs. A measure of new orders received by services businesses fell to 52.9 last month from 56.1 in April. With demand cooling, services inflation also slowed. This is good news for Fed officials trying to bring inflation down to its 2% target. The services sector is at the center of the battle against inflation as services prices tend to be stickier and less responsive to rate hikes. A gauge of prices paid by services businesses for inputs dropped to 56.2, the lowest level since May 2020, from 59.6 in April.

Some economists view the ISM services prices paid gauge as a good predictor of Personal Consumption Expenditures (PCE) inflation. The Fed tracks the PCE price indexes for monetary policy. Financial markets see a 70% chance of the Fed keeping its policy rate unchanged at its June 13-14 meeting, according to CME Group's (NASDAQ:CME) FedWatch Tool. Services sector employment declined in May. That was, however, at odds with so-called hard data, which have shown persistent strength in the labor market.

Source: Reuters

Local Market Indices



Foreign Exchange Market

Currency	5-Jun	2-Jun	DoD % Δ	YTD% Δ
USD:JMD	155.87	155.88	-0.01%	2.51%
GBP:JMD	193.17	194.43	-0.65%	6.08%
CAD:JMD	115.97	116.09	-0.11%	6.90%

Caribbean & Latam

- Latin American currencies climbed on Monday as the dollar sputtered on weak U.S. economic data, while Colombia's peso jumped after the country's lower house froze debates on government-backed social reforms.

USA & Canada

- The S&P 500 ended lower on Monday as investors weighed whether the U.S. Federal Reserve might pause its interest rate hikes at its upcoming policy meeting, while Apple briefly hit a record high before losing ground.

Europe

- Britain's European shares were flat on Monday as markets struggled to hold on to the tailwind from a rebound seen last week, while London stocks led regional gains following upbeat performances by energy firms on the back of higher oil prices.

Asia

- Most Asian share markets rose on Monday on optimism the Federal Reserve would pause its rate hikes this month after a mixed U.S. jobs report, while oil prices jumped after Saudi Arabia pledged big output cuts.

Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	347,152.65	-633.59	-0.18%	-5.82%	-12.42%
JSE Index	335,318.38	-279.16	-0.08%	-5.78%	-12.71%
All Jamaican Composite Index	369,455.98	-1,262.06	-0.34%	-8.34%	-15.70%
JSE Select Index	8,091.81	-65.17	-0.80%	-9.04%	-18.31%
Junior Market Index	3,744.57	-40.76	-1.08%	-6.07%	-9.50%

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
KEY	20.71%	CFF	-25.44%
tTech	13.18%	BPOW	-15.16%
ICREATE	12.39%	CHL	-14.17%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **97** stocks, of which **38** advanced, **45** declined and **14** traded firm.

International Markets

International Equity Markets					International Currency Market				
Index	5-Jun	DoD % Δ	YTD% Δ	YoY% Δ	Currency	5-Jun	DoD % Δ	YTD% Δ	YoY% Δ
S&P 500	4,273.75	-0.20%	11.31%	3.70%	EUR: USD	1.0712	0.04%	0.07%	0.15%
Dow Jones	33,562.86	-0.59%	1.25%	1.97%	GBP: USD	1.24	-0.18%	2.88%	-0.81%
FTSE All Share	4,150.89	-0.11%	1.86%	-1.32%	USD: CAD	1.34	0.14%	-0.81%	6.87%
Euro Stoxx 50	4,293.24	-0.70%	13.17%	11.85%	USD: JPY	139.57	-0.25%	6.44%	5.83%
Nikkei 225	32,217.43	2.20%	11.90%	15.41%					
MSCI World Index	663.11	-0.02%	9.54%	1.68%					

Global Interest Rates					Commodities				
Rates	5-Jun	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	5-Jun	DoD % Δ	YTD% Δ	YoY% Δ
10 -Year US Treasury Bond	3.69%	0.00	-18.00	65.00	Crude Oil	71.79	0.07%	-10.55%	-39.42%
10-Year UK Gilt	4.21%	5.00	54.00	196.00	Gold	1,961.38	0.69%	7.53%	6.51%
GOJ 2025 Global Bond	6.76%	4.00	272.00	105.00	Silver	23.58	-0.13%	-1.58%	6.81%
					Aluminium	2,244.00	-0.86%	-5.63%	-19.35%



Mutual Funds

Fund Managers Ltd.

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JN MUTUAL FUNDS

June 2, 2023

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$13.0404	-5.65%	0.71%	3.34%
Global Equity	J\$14.0319	-8.41%	-3.77%	0.00%
Global Fixed Income	J\$14.3879	8.20%	4.39%	6.54%
Global Money Market (US\$)	US\$11.5592	4.26%	1.43%	3.93%
Global Fixed Income (US\$)	US\$11.6051	2.92%	1.43%	4.82%
Local Money Market	J\$12.7826	9.83%	5.87%	7.04%

	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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