

World Bank cuts 2024 global growth forecast as rate hikes bite but lifts 2023 outlook

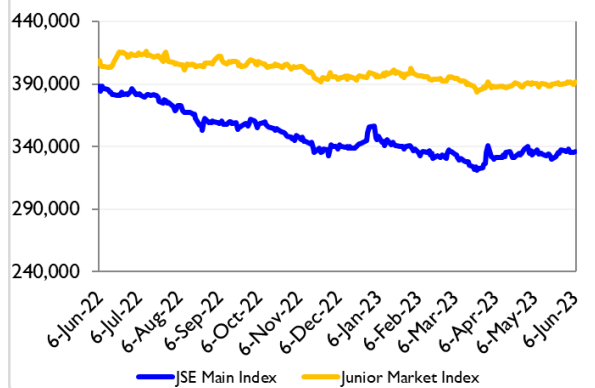
The World Bank on Tuesday raised its 2023 global growth outlook as the U.S., China and other major economies have proven more resilient than forecast, but said higher interest rates and tighter credit will take a bigger toll on next year's results. Real global Gross Domestic Product (GDP) is set to climb 2.1% this year, the World Bank said in its latest Global Economic Prospects report. That's up from a 1.7% forecast issued in January but well below the 2022 growth rate of 3.1%. The development lender cut its 2024 global growth forecast to 2.4% from 2.7% in January, citing the lagged effects of central bank monetary tightening and more restrictive credit conditions that were reducing business and residential investment. These factors will slow growth further in the second half of 2023 and into 2024, but the bank released a new 2025 global growth forecast of 3.0%.

In January, the World Bank had warned that global GDP was slowing to the brink of recession, but since then, strength in the labour market and consumption in the U.S. had exceeded expectations as has China's recovery from COVID-19 lockdowns. U.S. growth for 2023 is now forecast at 1.1%, more than double the 0.5% forecast in January, while China's growth is expected to climb to 5.6%, compared to a 4.3% forecast in January after COVID-19 restrictions reduced growth of 3% in 2022. The bank, however, halved its previous 2024 U.S. growth forecast to 0.8%, and cut China's forecast by 0.4 percentage point to 4.6%. The euro zone got a forecast increase to 0.4% growth for 2023 from a flat outlook in January, but the forecast for next year was also cut slightly.

Recent banking sector stress is also contributing to tighter financial conditions that will continue into 2024, the lender said. It cited one potential downside scenario where banking stress results in a severe credit crunch and broader financial market stress in advanced economies. This would likely cut 2024 growth by nearly half to just 1.3% - the slowest pace in 30 years outside of the 2009 and 2020 recessions. The bank said inflation is expected to gradually edge down as growth decelerates and labour demand in many economies softens and commodity prices remain stable. But it added that core inflation is expected to remain above central bank targets in many countries throughout 2024.

Source: Reuters

Local Market Indices



Foreign Exchange Market

Currency	6-Jun	5-Jun	DoD % Δ	YTD% Δ
USD:JMD	155.57	155.87	-0.19%	2.31%
GBP:JMD	194.41	193.17	0.64%	6.76%
CAD:JMD	117.01	115.97	0.90%	7.86%

Caribbean & Latam

- Brazilian inflation probably declined to an eight-month low in May versus April, opening a much anticipated window for interest rate cuts in the second-half of the year, a Reuters poll of economists predicted.

USA & Canada

- U.S. stocks closed up on Tuesday, helped by some advances in economically sensitive sectors, as investors awaited inflation data and the Federal Reserve's policy meet next week.

Europe

- European shares were range-bound on Tuesday as worries of further interest rate hikes by major central banks in the face of slowing economic growth countered support from health-care-giant Novo Nordisk.

Asia

- Japan's wages rose in April as major companies lifted pay at the fastest pace in three decades on workers' increased demands for salaries to keep up with inflation, but households' spending remained weak and underlined a patchy economic recovery.

Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	348,389.68	1,237.03	0.36%	-5.48%	-12.10%
JSE Index	336,184.38	866.00	0.26%	-5.54%	-12.48%
All Jamaican Composite Index	371,176.34	1,720.36	0.47%	-7.92%	-15.31%
JSE Select Index	8,184.83	93.02	1.15%	-8.00%	-17.37%
Junior Market Index	3,791.44	46.87	1.25%	-4.89%	-8.37%

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
KREMI	20.71%	ISP	-20.12%
BPOW	13.18%	KLE	-14.51%
ROC	12.39%	SRFJMD	-13.33%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **94** stocks, of which **46** advanced, **33** declined and **15** traded firm.

International Markets

International Equity Markets					International Currency Market				
Index	6-Jun	DoD % Δ	YTD% Δ	YoY% Δ	Currency	6-Jun	DoD % Δ	YTD% Δ	YoY% Δ
S&P 500	4,283.85	0.24%	11.57%	3.94%	EUR: USD	1.0693	-0.19%	-0.11%	-0.03%
Dow Jones	33,573.28	0.03%	1.29%	2.00%	GBP: USD	1.24	-0.10%	2.83%	-0.85%
FTSE All Share	4,167.20	0.39%	2.26%	-0.93%	USD: CAD	1.34	-0.32%	-1.12%	6.53%
Euro Stoxx 50	4,295.22	0.05%	13.22%	11.90%	USD: JPY	139.67	0.06%	6.52%	5.91%
Nikkei 225	32,506.78	0.90%	12.90%	16.45%					
MSCI World Index	664.69	0.29%	9.80%	1.93%					

Global Interest Rates					Commodities				
Rates	6-Jun	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	6-Jun	DoD % Δ	YTD% Δ	YoY% Δ
10 -Year US Treasury Bond	3.68%	0.00	-19.00	64.00	Crude Oil	71.51	-0.89%	-10.90%	-39.65%
10-Year UK Gilt	4.21%	0.00	54.00	196.00	Gold	1,963.09	0.06%	7.62%	6.61%
GOJ 2025 Global Bond	6.75%	-1.00	271.00	104.00	Silver	23.60	0.23%	-1.48%	6.92%
					Aluminium	2,210.00	-1.52%	-7.06%	-20.58%



Mutual Funds

Fund Managers Ltd.

A member of the JN Group

JN MUTUAL FUNDS

June 5, 2023

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$13.1105	-3.95%	1.25%	3.34%
Global Equity	J\$14.0479	-8.05%	-3.66%	0.00%
Global Fixed Income	J\$14.3975	8.20%	4.46%	6.54%
Global Money Market (US\$)	US\$11.5622	4.28%	1.46%	3.93%
Global Fixed Income (US\$)	US\$11.6084	2.97%	1.46%	4.82%
Local Money Market	J\$12.7950	9.90%	5.97%	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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