

Eurozone inflation ticks up in April

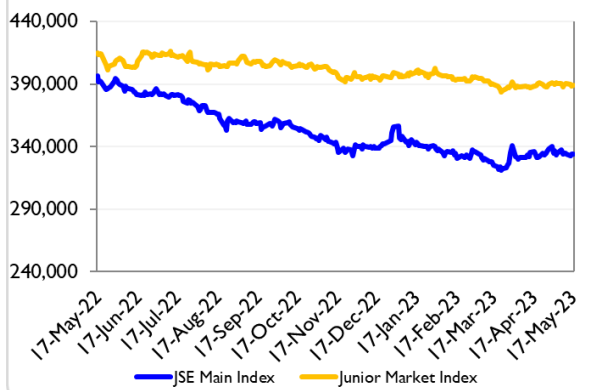
Eurozone inflation accelerated last month, Eurostat said on Wednesday, confirming preliminary data pointing to increasingly stubborn price growth among the 20 nations sharing the euro. Overall price growth accelerated to 7.0% in April from 6.9% a month earlier, as rising services and energy costs offset a slowdown in food price growth. Although underlying price growth, the key focus of European Central Bank (ECB) policymakers in recent months, slowed a touch, the crucial services component continued to accelerate, pointing to mounting wage pressures that could get inflation stuck above the ECB's two per cent target.

Excluding volatile food and fuel prices, core inflation slowed to 7.3% from 7.5%, while an even narrower measure, which excludes alcohol and tobacco, slowed to 5.6% from 5.7% in its first decline since last June. Inflation has been above the ECB's two per cent target for nearly two years and the bank has lifted interest rates by a combined 375 basis points since last July to arrest runaway price growth. But more hikes are likely as it could be 2025 before inflation is back at target and the "last mile" of disinflation, getting from three per cent to two per cent, could be especially difficult, taking nearly twoyears.

Services inflation, which is primarily driven by labour costs, accelerated to 5.2% from 5.1%, confirming policymaker fears that nominal wage growth could become dangerously fast. Wages are still down in real terms given rapid inflation but low unemployment and growing labour scarcity, especially in services, is driving up nominal wages. The ECB has long said that nominal wage growth of three per cent would be consistent with its inflation target but this year's rise could be twice as fast. Unexpectedly generous wage deals in Germany, the bloc's biggest economy, also raise the risk that labour costs could continue to rise especially quickly next year, prolonging inflation. Consumer and market based inflation expectations have both risen in recent months even as energy costs fall, suggesting that inflation is now more embedded than earlier, driven primarily by wages, services and domestic demand. The ECB will next meet on June 15 and has essentially promised another rate hike then.

Source: STATIN

Local Market Indices



Foreign Exchange Market

Currency	17-May	16-May	DoD % Δ	YTD% Δ
USD:JMD	155.48	155.43	0.03%	2.25%
GBP:JMD	197.67	195.74	0.99%	8.55%
CAD:JMD	117.66	114.49	2.77%	8.46%

*Using Midday Rates

Caribbean & Latam

- Most Latin American currencies shrugged off their initial losses on Wednesday, with Colombia's peso spearheading the gains, while Turkish assets fell for a third straight day following the presidential election outcome.

USA & Canada

- Wall Street rallied to a higher close on Wednesday, gathering momentum throughout the afternoon trading, and the dollar touched a six-week high as regional banks surged and negotiations in Washington over raising the debt ceiling progressed.

Europe

- Bank of England Governor Andrew Bailey said on Wednesday there were some signs of a cooling of inflation pressure in Britain's labour market but it was too soon to say the risks posed by the shortage of workers was over.

Asia

- Asian shares were subdued on Wednesday and the dollar hovered around a five-week peak as investors remained risk averse, with the U.S. debt ceiling talks and a mixed set of economic data weighing on sentiment.

Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	345,682.27	114.63	0.03%	-6.22%	-14.67%
JSE Index	333,991.90	-54.13	-0.02%	-6.15%	-14.70%
All Jamaican Composite Index	369,782.50	178.41	0.05%	-8.26%	-17.78%
JSE Select Index	8,082.76	-31.77	-0.39%	-9.15%	-21.31%
Junior Market Index	3,719.15	18.04	0.49%	-6.70%	-14.23%

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
MTLJA	29.98%	KEX	-7.54%
CHL	10.01%	PURITY	-6.47%
EFRESH	9.88%	TJHUSD	-6.15%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **86** stocks, of which **40** advanced, **29** declined and **17** traded firm.

International Markets

International Equity Markets					International Currency Market				
Index	17-May	DoD % Δ	YTD% Δ	YoY% Δ	Currency	17-May	DoD % Δ	YTD% Δ	YoY% Δ
S&P 500	4,158.77	1.19%	8.32%	1.71%	EUR: USD	1.0837	-0.23%	1.23%	2.72%
Dow Jones	33,420.77	1.24%	0.83%	2.35%	GBP: USD	1.25	-0.02%	3.33%	-0.06%
FTSE All Share	4,210.17	-0.35%	3.31%	1.45%	USD: CAD	1.35	-0.19%	-0.72%	5.04%
Euro Stoxx 50	4,323.23	0.18%	13.96%	15.55%	USD: JPY	137.70	0.96%	5.02%	6.43%
Nikkei 225	30,093.59	0.84%	4.52%	12.88%					
MSCI World Index	652.09	0.60%	7.72%	1.82%					

Global Interest Rates					Commodities				
Rates	17-May	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	17-May	DoD % Δ	YTD% Δ	YoY% Δ
10 -Year US Treasury Bond	3.57%	4.00	-30.00	58.00	Crude Oil	72.75	2.67%	-9.36%	-35.28%
10-Year UK Gilt	3.84%	2.00	17.00	196.00	Gold	1,981.96	-0.36%	8.66%	9.19%
GOJ 2025 Global Bond	6.59%	-2.00	255.00	97.00	Silver	23.75	0.00%	-0.86%	9.77%
					Aluminium	2,303.00	1.93%	-3.15%	-20.33%



Mutual Funds

Fund Managers Ltd.

A member of the JN Group

JN MUTUAL FUNDS

May 15, 2023

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$12.9999	-7.78%	0.40%	3.44%
Global Equity	J\$14.0020	-9.70%	-3.98%	0.00%
Global Fixed Income	J\$14.2704	5.91%	3.53%	6.49%
Global Money Market (US\$)	US\$11.5675	4.33%	1.51%	3.92%
Global Fixed Income (US\$)	US\$11.6284	2.71%	1.63%	4.82%
Local Money Market	J\$12.5365	6.78%	3.83%	6.97%

	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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