

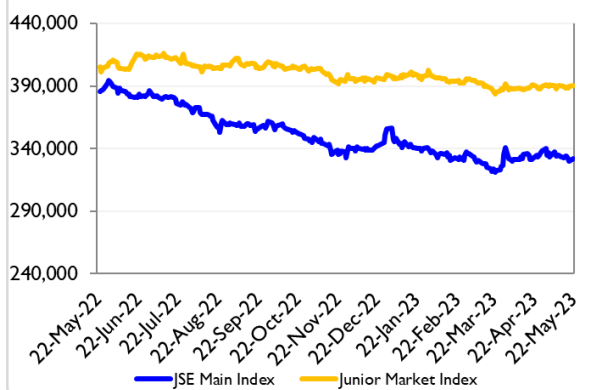
## Bank of Jamaica Holds Policy Rate at 7.0 per cent in May 2023

The Bank of Jamaica's (BOJ) Monetary Policy Committee (MPC) announced on May 19, 2023, that it will again hold its policy interest rate (the rate offered to deposit-taking institutions on overnight placements with BOJ) at 7.0 per cent per annum. This was against the background of April's 5.8% point-to-point inflation rate announced earlier in the week – a reading within the BOJ's target range of 4.0 – 6.0%, and a level not seen since July 2021. The Committee's decision to maintain the policy rate once again, was based on the incoming data on inflation being generally positive. Nonetheless, the BOJ expects that the inflation rate may temporarily rise again above the inflation target range over the next three to four months. April's inflation rate of 5.8 per cent, was below March's 6.2 per cent. Core inflation (which excludes food and fuel prices) at April 2023 of 5.7 per cent was well below the outturn of 8.4 per cent at April 2022. Furthermore, the key external drivers of headline inflation, such as grains, fuel and shipping prices, continued to trend downwards, in line with the BOJ's expectations. In addition, the pace of monetary tightening by the United States Federal Reserve Board (Fed) has slowed, as expected and future rate increases by the Fed are likely to continue to slow, as interest rates in the US may be near their peak. The decision was also based on the Jamaican economy continuing to perform creditably. Gross Domestic Product (GDP) for fiscal year 2022/23 is projected in the range 4.0 to 5.5 per cent, in line with the range previously anticipated by the bank. There are also signs that the economy continued to expand for the June 2023 quarter and GDP growth for FY2023/24 is projected to moderate between 1.0 and 3.0 per cent.

However, there are likely to be temporary upticks in inflation above the target range during the June and September 2023 quarters, affected by recent increases in the cost of communication services, the national minimum wage, seasonally higher agricultural prices as well as pending increases in other regulated prices such as transport costs. However, consistent with the global consensus forecasts for a fall in commodity prices and the bank's overall monetary policy stance, inflation is projected to generally trend back towards the bank's inflation target range of 4.0 to 6.0 per cent by the December 2023 quarter. Conversely, the factors that could lead to lower-than-projected inflation include weaker-than-expected global growth, which could negatively affect domestic demand, and some projected adjustments to regulated prices may not materialize. The bank noted that it will continue to closely monitor the global and domestic economic environments for potential risks to Jamaica's inflation rate.

Source: The Bank of Jamaica

### Local Market Indices



### Foreign Exchange Market

Currency	22-May	19-May	DoD % Δ	YTD % Δ
USD:JMD	155.03	155.27	-0.15%	1.96%
GBP:JMD	191.30	194.34	-1.56%	5.06%
CAD:JMD	116.07	115.20	0.76%	6.99%

### Caribbean & Latam

- Mexico's peso led most Latam currencies lower on Monday as the dollar firmed with focus on U.S. debt ceiling negotiations, while the Brazilian real rebounded from more than one-week lows hit in the previous session.

### USA & Canada

- Wall Street finished mixed on Monday, helped by gains in Alphabet and Meta Platforms, while some investors refrained from big bets ahead of a fresh round of talks about raising the U.S. debt ceiling.

### Europe

- European stocks were broadly flat on Monday, as concerns about a U.S. debt ceiling deal and the outlook for monetary policies in the United States and Europe weighed on sentiment after a strong run in several of the region's markets recently.

### Asia

- Asian stocks rose on a rally in regional chip shares on Monday after China banned some purchases from Micron Technology MU.O, while Wall Street futures struggled as U.S. debt ceiling negotiations approached crunch time after stalling last week.

### Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	344,360.63	2,185.89	0.64%	-6.57%	-13.38%
JSE Index	332,183.18	2,217.69	0.67%	-6.66%	-14.04%
All Jamaican Composite Index	367,371.61	3,640.76	1.00%	-8.86%	-16.49%
JSE Select Index	8,067.56	60.56	0.76%	-9.32%	-19.93%
Junior Market Index	3,759.14	12.74	0.34%	-5.70%	-6.66%

### BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
SRFUSD	23.22%	ROC	-19.20%
SCIUSD	12.48%	EPLY	-14.99%
PJAM	12.27%	CPFV	-12.97%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **102** stocks, of which **45** advanced, **48** declined and **9** traded firm.

### International Markets

International Equity Markets					International Currency Market				
Index	22-May	DoD % Δ	YTD % Δ	YoY % Δ	Currency	22-May	DoD % Δ	YTD % Δ	YoY % Δ
S&P 500	4,192.63	0.02%	9.20%	6.37%	EUR: USD	1.0813	0.07%	1.01%	0.72%
Dow Jones	33,286.58	-0.42%	0.42%	4.25%	GBP: USD	1.24	-0.06%	2.93%	-0.76%
FTSE All Share	4,234.14	0.14%	3.90%	2.60%	USD: CAD	1.35	0.00%	-0.36%	5.35%
Euro Stoxx 50	4,385.63	-0.22%	15.61%	20.23%	USD: JPY	138.60	0.45%	5.70%	9.28%
Nikkei 225	31,086.82	0.90%	7.97%	16.22%					
MSCI World Index	657.46	0.16%	8.60%	5.07%					

Global Interest Rates					Commodities				
Rates	22-May	DoD Δbps	YTD Δbps	YoY Δbps	Commodity	22-May	DoD % Δ	YTD % Δ	YoY % Δ
10 -Year US Treasury Bond	3.71%	4.00	-16.00	96.00	Crude Oil	71.99	0.61%	-10.30%	-34.42%
10-Year UK Gilt	4.06%	6.00	39.00	217.00	Gold	1,971.86	-0.30%	8.11%	5.65%
GOJ 2025 Global Bond	6.63%	5.00	259.00	102.00	Silver	23.63	-0.94%	-1.37%	6.83%
					Aluminium	2,269.00	-0.63%	-4.58%	-21.80%



# Mutual Funds

**Fund Managers Ltd.**

A member of the JN Group

## JN MUTUAL FUNDS

May 19, 2023

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
<b>Global Diversified Income</b>	J\$12.8851	-6.57%	-0.49%	3.34%
<b>Global Equity</b>	J\$13.8912	-9.30%	-4.73%	0.00%
<b>Global Fixed Income</b>	J\$14.2331	7.07%	3.26%	6.54%
<b>Global Money Market (US\$)</b>	US\$11.5569	4.34%	1.41%	3.93%
<b>Global Fixed Income (US\$)</b>	US\$11.6153	2.74%	1.52%	4.82%
<b>Local Money Market</b>	J\$12.4831	7.30%	3.39%	7.04%

	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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