

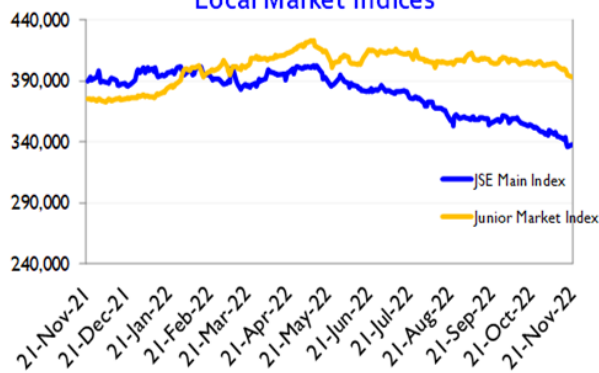
Real impact of Fed hikes likely bigger than what target rate implies, Daly says

San Francisco Federal Reserve President Mary Daly said on Monday the real-world impact of the U.S. central bank's interest rate hikes is likely greater than what its short-term rate target implies. Against the Fed's current short-term target rate of between 3.75% and 4.00%, Daly said some researchers have found "the level of financial tightening in the economy is much higher than what the (federal) funds rate tells us". Compared to the current target rate, she added, "financial markets are acting like it is around 6%". Given that markets have priced in a monetary policy setting that's well beyond what the Fed has imposed on the economy so far, Daly said "it will be important to remain conscious of this gap between the federal funds rate and the tightening in financial markets. Ignoring it raises the chances of tightening too much". That said, the Fed's policy rate is currently in "modestly restrictive" territory and "there is more work to do" to get monetary policy in the right place to cool inflation, Daly said in prepared remarks for an address to the Orange County Business Council in California.

Daly weighed in as Fed officials have continued to beat the drum for further rate rises aimed at lowering the highest levels of inflation in 40 years. The central bank has lifted its short-term target from a near-zero level in March. In economic projections released in September, Fed policymakers penciled in a mid-4% target rate for next year. Comments from a wide range of officials since then, however, have suggested that, given the performance of inflation and the ongoing strength of the job market, they may want to go higher than that. Daly has herself said that the rate could go as high as 5.25%. But officials are also mindful that pushing the rate hikes too far and tightening policy too fast could cause too much pain for the economy, and some have debated downshifting on the size of individual rate rises as they move toward a point where the policy rate will remain unchanged for a while. Recent data showing signs that inflation may be moderating have given officials some space to hope they can moderate the rate hikes.

Source: Reuters

Local Market Indices



Foreign Exchange Market

Currency	21-Nov	18-Nov	DoD % Δ	YTD % Δ
USD:JMD	154.69	154.82	-0.08%	-0.25%
GBP:JMD	181.54	183.92	-1.29%	-13.6%
CAD:JMD	115.66	116.24	-0.50%	-5.8%

Local Equity Market

Stock Index	Today's close	DoD Δ	DoD% Δ	YTD % Δ	YoY% Δ
JSE Combined Index	350,396.72	2,002.86	0.57%	-12.65%	-11.19%
JSE Index	337,924.43	2,547.40	0.76%	-14.70%	-13.25%
All Jamaican Composite Index	379,341.61	-1,041.36	-0.27%	-13.46%	-11.82%
JSE Select Index	8,475.85	-60.72	-0.71%	-14.24%	-11.33%
Junior Market Index	3,830.39	-41.57	-1.07%	11.73%	13.24%

BEST AND WORST PERFORMERS

ADVANCERS		DECLINERS	
KPREIT	20.80%	ISP	-18.81%
PTL	19.21%	GENAC	-18.37%
JP	17.79%	CPFV	-16.80%

Today's combined market activity (excluding preference and deferred shares) resulted in trading of **96** stocks, of which **34** advanced, **43** declined and **19** traded firm.

International Markets

International Equity Markets					International Currency Market				
Index	21-Nov	DoD % Δ	YTD % Δ	YoY % Δ	Currency	21-Nov	DoD % Δ	YTD % Δ	YoY % Δ
S&P 500	3,949.94	-0.39%	-17.13%	-15.65%	EUR: USD	1.0238	-0.84%	-9.96%	-8.89%
Dow Jones	33,700.28	-0.13%	-7.26%	-5.39%	GBP: USD	1.18	-0.63%	-12.69%	-11.81%
FTSE All Share	4,057.01	0.01%	-3.59%	-2.18%	USD: CAD	1.35	0.58%	6.45%	5.92%
Euro Stoxx 50	3,909.28	-0.40%	-9.05%	-9.90%	USD: JPY	142.09	1.23%	23.47%	23.69%
Nikkei 225	27,944.79	0.16%	-2.94%	-6.14%					
MSCI World Index	611.49	-0.74%	-18.99%	-18.53%					

Global Interest Rates

Rates	21-Nov	DoD Δbps	YTD Δbps	YoY Δbps
10-Year US Treasury Bond	3.83%	0.00	232.00	221.00
10-Year UK Gilt	3.19%	-5.00	222.00	226.00
GOJ 2025 Global Bond	6.47%	1.00	243.00	271.00

Commodities

Commodity	21-Nov	DoD % Δ	YTD % Δ	YoY % Δ
Crude Oil	79.73	-0.44%	6.01%	3.88%
Gold	1,738.92	-0.67%	-4.94%	-3.64%
Silver	20.86	-0.39%	-10.51%	-13.74%
Aluminium	2,384.50	-1.87%	-15.07%	-11.34%

Caribbean & Latam

- Mexican President Andres Manuel Lopez Obrador said Monday that he was considering "alternatives" for the country's central bank deputy governor Gerardo Esquivel, who lost a bid to become the next president of the Inter-American Development Bank (IDB).

USA & Canada

- The S&P 500 stumbled Monday, led by energy as reports that Beijing returned to economically-sapping Covid restrictions stoked renewed fears about slowing energy demand.

Europe

- European stocks closed on a weak note on Monday as investors stayed wary of making significant moves due to concerns over a surge in Covid-19 cases in China, and rising geopolitical tensions.

Asia

- Asian stock markets are trading mostly lower on Monday, despite the broadly positive cues from global markets on Friday, as traders reacted to the fresh COVID-19 outbreak and restrictions in China with a 5-day lockdown in Guangzhou.



Mutual Funds



A member of the Group

JN MUTUAL FUNDS

November 18, 2022

JN Mutual Funds	NAV Price	12 Months Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
Global Diversified Income	J\$12.7064	-9.15%	-10.19%	1.60%
Global Equity	J\$14.1476	-8.33%	-9.94%	0.00%
Global Fixed Income	J\$13.7432	4.03%	3.58%	4.55%
Global Money Market (US\$)	US\$11.3862	4.03%	3.63%	4.01%
Global Fixed Income (US\$)	US\$11.4258	0.99%	0.74%	3.50%
Local Money Market	J\$12.0242	4.04%	3.80%	5.83%

	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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