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2023 Stock Market Year in Review: JSE Underperformed Despite Pockets of Growth.

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“The key to investing is not assessing how much an industry is going to affect society, or how much it will grow, but rather determining the competitive advantage of any given company and, above all, the durability of that advantage.” – Warren Buffet

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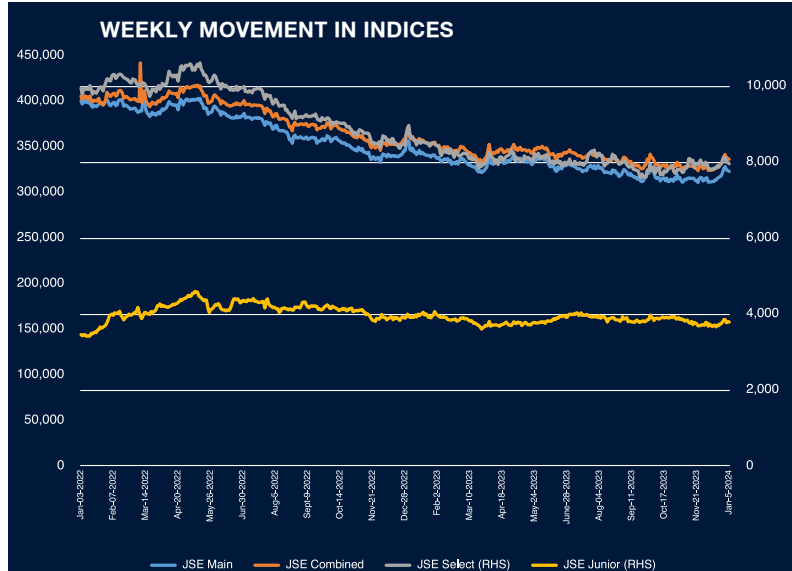
2023 Stock Market Year in Review: JSE Underperformed Despite Pockets of Growth

Heralded as the best-performing stock exchange not too long ago, the once bullish local stock market has now turned bearish. Perhaps taking that metaphor a bit too literally, it appears that the market has gone into a long COVID, interest-rate-induced hibernation. In fact, despite experiencing similar macroeconomic themes, Jamaican investors did not experience the gains their US counterparts did, as the US stock market unexpectedly rallied in 2023. Last year, if you had invested \$100.00 in both the S&P 500 and the JSE Combined index, you would have gained \$23.80 from American stocks and lost approximately \$10.30 from Jamaican stocks. That being said, despite it being another difficult year for local stocks, there were standouts that delivered outsized gains for local investors.

Local stock market activity cooled in 2023, evidenced by a slowdown in IPO activity, weak secondary trading activity, and the general falloff in stock prices. As the year progressed, favourable conditions including, cooling inflation, strong demand in key sectors such as tourism performance and Manufacturing and Distribution, and falling freight prices, were not enough to offset the impact of elevated interest rates and tight Jamaican dollar liquidity. Like other major central banks, the Bank of Jamaica (BOJ) kept monetary policy tight in a bid to bring inflation within its target range. Against this background, despite drought conditions for much of the year, wage pressures, and increased transportation costs, local inflation moved from 8.14% in January, to within the 4.0% to 6.0% range trice, before November's reading of 6.3% local inflation. Still unconvinced given the incoming data, the BOJ maintained its policy rate

at 7.00% during the year, which sustained high interest rates for consumers and businesses alike. Additionally, the high policy rates and tight market liquidity meant BOJ CD and T-Bill yields were still high, which rendered stocks far less attractive to investors, even as corporate earnings trended upward. Against this mixed macroeconomic outcome, the local stock market continued its downtrend from 2022 to reach levels not seen since August 2018. The JSE combined index declined by 10.3% (see graph below), the main market index lost ground to the tune of 10.8% and after a stellar 50.8% increase in 2022, the Junior market was also down 6.4% in 2023. This was a stark contrast to the AI-inspired 23.8% gains in the US stock market (S&P 500), which advanced from a muted 4.1% increase in 2022.

With YoY declines in both the Junior and Main Market, there weren't many safe havens for equity investors. 6 of the 13 sectors¹ we track saw declines in market value, and all remaining sectors reported single-digit increases. For sectors like Main Market Financial stocks and Junior Market Distributors, which were the biggest losers, investors kept their distance. Elevated interest rates narrowed net interest margins and bore unrealized losses as the value of investments slumped, which weighed on overall sector profitability. Additionally, the spotlight on fraud in the sector, regulatory changes like IFRS-17, Basel III, and the shift to a tighter regulatory environment gave investors a lot to consider. As a result, investors continued to sell financial sector stocks, which led to a \$149.32Bn decline in market value (\$99.35Bn in 2022). At the same time, the market value for Junior Market Distributors reversed some of the



MOVEMENT IN INDICES

JSE Indices	Closing Levels	WoW % Change	YTD % Change
Combined Index	335,745.66	-1.01%	-1.01%
Main Market Index	322,697.93	-0.92%	-0.92%
Select Index	7,943.69	-2.17%	-2.17%
Junior Market Index	3,780.14	-1.77%	-1.77%

WINNERS & LOSERS FOR THE WEEK ENDED JAN. 5, 2024

	\$ Change	% Change
138SL	+\$19.36	+16.91%
BPOW	+\$0.33	+12.36%
RJR	-\$0.49	-25.26%
SPURTREE	-\$0.71	-23.51%

MARKET OVERVIEW

Local stocks failed to start the new year on a strong footing, as the market continued the declining trend seen in 2023 in the first week of trading. Most of the indices gave up ground in the week ended January 5, 2024, as 7 out of the 9 indices declined; however, early January is usually characterised as a seasonally slow period. The JSE Select Index had the largest week-over-week (WoW) depreciation of 2.17% followed by the JSE All Jamaica Composite Index with a WoW depreciation of 1.93% and the JSE Junior Market Index at 1.77%. The 10.40% decline in the share price of Fosrich Company weighed heavily on the JSE Select Index (+2.17%) WoW, and to a lesser extent Carreras Limited (-1.33%) and TransJamaican Highway Limited (-1.48%). Future Energy Source Company (-6.27%) and Dolla Financial Services Limited (-6.64%) helped to drive the falloff in the JSE Junior Index. There was no news to support the fall in prices. The largest week-on-week appreciation was the JSE USD Equities Index (4.87%), followed by the JSE Cross-Listed Index (4.05%). The 10.31% increase in the share price of Productive Business Solutions (PBS) a major market capitalisation stock and Sygnus Credit Investments Limited USD (SCIUSD) (+10.29%) contributed to the JSE US Equity Index WoW gains of +4.87%. The JSE Cross-Listed Index (4.05%) followed closely behind, bolstered by Guardian Holdings Limited (+12.21%) and Massy Holdings Ltd (+0.50%) share price appreciations.

Overall, market activity resulted from trading in 123 stocks, of which, 52 advanced, 55 declined, and 16 traded firm. Market volume amounted to 60,606,506 units valued at over \$252,129,311.21. TransJamaican Highway Limited with 7,842,579 units (12.84%), Sagicor Select Funds Limited with 5,718,036 units (9.36%), and Wigton Windfarm Limited Ordinary Shares with 4,708,449 units (7.71%) were the volume leaders.

1 These sectors include Main Market Conglomerate Sector Average, Main Market Distribution & Manufacturing Average, Main Market Energy, Industrials and Materials Sector, Main Market Communications Sector Average, \$USD Stock Market Average, Junior Market Others Average

\$21.65Bn market value gains in 2022 with a \$6.56Bn selloff as investors cashed in on last year's gains, even for companies that recorded improved profits in 2023. Outside broader sector themes, several companies faced significant market declines. ICREATE's shares dropped 70.6%, ending 2023 at an all-time low of \$0.52, due to substantial losses and financial delays. JSE also briefly suspended trading of ICREATE and the company was also put into receivership by Sagicor², capping off a difficult year. Medical stocks ELITE and MDS weren't immune to challenges either. ELITE was affected by machine downtime and market saturation, and MDS suffered losses due to discounted inventory sales to reduce inventory buildup and supply chain challenges for in-demand products. Consequently, both companies, trailing 12 months profits were down 96.3% and 95.2%, respectively, leading to share price declines of 47.6% and 43.4%. Real Estate company First Rock also saw a 43.3% decline due to lower unrealized gains on financial investments.

However, even in the challenging macroeconomic environment, it was not all doom and gloom on the stock market. While the performance across most sectors was stunted, there were pockets of growth. Standout sectors and companies managed to attract investor confidence and generate significant share price appreciation and corporate earnings growth. The Main Market Manufacturing and Distribution (M&D) sector was the most attractive followed by Conglomerates. Investors added \$66.2Bn to the market value of Main Market M&D companies, driven by the A.S. Bryden IPO and share price appreciation from Wisynco, SEPROD, and JBG supported by strong local and export demand for their products³. This YoY increase reinforced the \$14.1Bn gains observed last year. The growth seen from conglomerates came as investors bid MASSY's stock price

up by 12.5%⁴, increasing the Market Value by \$19.8B to outstrip the \$3.7Bn Market Value decline from GK amid a slowdown in remittance gains.

In terms of individual stock performances for 2023, there were 8 stocks, excluding CBNY and ISP⁵, that produced capital gains above 15.0%⁶ (See Table 1). The biggest winner was TJH whose price appreciated 93.6% YoY, as its recent acquisition of JIO led to a 43.6% slash in direct costs and supercharged profits. Profits increased by 326.8% for the first nine (9) months of 2023 compared to 2022, allowing TJH to double dividend payments to investors, with expectations for further increases in dividends in the years to come. Among the 8 standout stocks, 4 operate in the Manufacturing and Distribution sector. Revenue and net profit growth for the sector came from strong demand increased employment and wages across the economy and a rebound in demand from the tourism sector. RPL, which listed on December 15, 2022, saw its share price grow by 52.2% by the end of 2023. Higher fuel prices, two new locations, and increased LPG and gasoline sales volumes all had a positive impact on revenue, but net profit slowed largely due to one-off costs. Junior Market Food M&D company LASD, saw a 45.6% stock price appreciation, with a 39.9% increase in profit over the last 12 months driven by increased sales volumes despite supply disruptions in some segments. For Wisynco, expansion plans to meet strong local and export demand and double-digit growth in revenue and net profit encouraged a 21.7% gain in its share price. Lastly, KREMI's recovery from \$62.07Mn LTM losses to a \$28.91Mn net profit and focus on CAPEX to improve efficiency factored into the 18.9% gain in its stock price.

3 of the 8 companies (DCOVE, KEX, and MEEG) operate in our Junior Market others sector⁷. These companies would have benefitted

Bull Run - A bull market (aka a bull run) is a long, extended period in the market when overall stock prices are on the rise.

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from the post-Covid tourism recovery. DCOVE, the Dolphin park operator made a splash in 2023 with visitor numbers back to pre-pandemic levels, although net cruise arrivals decreased. Investments in new attractions and maintenance encouraged a 55.5% LTM net profit increase and its highest-ever 9-months net profit of US\$3.7M. With this strong performance and a dividend yield that ended 2023 at 8.4%, DCOVE's stock price increased by 28.9%. KEX, which operates in the transport sector benefitted from continued strong demand for its passenger travel services supported by tourism arrivals and its courier services supported by individuals and businesses. At the end of 2023, MEEG, which operates in the entertainment sector, continued its post-pandemic bull run with a 54.6% share price appreciation as investors responded positively to continued LTM growth despite timing shifts in its event pipeline⁸.

As we draw the curtain on a challenging 2023 and enter 2024, what is clear is that even in a challenging macroeconomic environment, there will still be opportunities to generate attractive returns. As central banks bring inflation under control and signal possible rate cuts by mid-2024, we anticipate that there will be more opportunities for investors to grow their portfolios as corporate earnings gain momentum and stock

² According to media outlets, Sagicor Group put iCreate in receivership after a default on a \$24.0Mn bond payment.

³ In FY2023, the stock prices for WISYNCO, SEPROD and JBG grew by 21.7%, 12.2% and 10.2% respectively. This came off the back of double-digit increases in net profit.

⁴ This strong demand supported a 21% increase in group earnings supported by a strong tourism season, increased economic activity and M&A activity.

⁵ Ciboney does not have significant operations and ISP had low trade volumes.

⁶ Returns above 15.0% are better than returns on bonds and money market instruments which typically have yields below 13.0%.

⁷ Other Junior Market Sector includes all other Junior Market companies that aren't featured in Finance, M&D or Health sectors. The stocks cover a wide range of sectors such as Tourism, Entertainment and Transport but don't have enough peers to form a peer group.

⁸ Management noted that while the shifts slowed revenue growth it gave the company time to align its capabilities and services for strategic moves.

market sentiment recovers. Still, 2024 will undoubtedly have high uncertainty and challenges for investors to navigate in the pursuit of wealth creation. As we kick off the new year, we renew our commitment to helping you find the best opportunities and unlock wealth for you, our valued client. As usual, we invite you to peruse our curated list of stock recommendations on page 6. These stocks are in multiple sectors that have the right fundamentals to lead growth in the near to medium term.



Table 1: Top 8 advancers on JSE for 2023 | Source NCBCM Research

Rank	Ticker	Industry	YoY LTM Earnings change %	YoY price change
1	TJH	Main Market Energy, Industrials and Materials	-3.1%	93.6%
2	MEEG	Junior Market Others	137.1%	54.6%
3	RPL	Junior Market Distribution	-32.9%	52.2%
4	LASD	Junior Market Distribution	39.9%	45.6%
5	KEX	Junior Market Others	100.4%	42.2%
6	DCOVE	Junior Market Others	55.5%	28.9%
7	WISYNCO	Main Market Distribution & Manufacturing	18.2%	21.7%
8	KREMI	Junior Market Manufacturing	146.6%	18.9%

Foreign Exchange Market

For the week ending January 5, 2023, the Jamaican dollar depreciated by 0.12%, moving from a selling rate of \$154.95 on December 29, 2023, to \$155.13 on January 5, 2024. This slight depreciation was due to greater demand for US dollars relative to supply. However, the exchange rate has shown some amount of stability over the week

Selling	Close: 29/12/23	Close: 05/01/24	Change
J\$/US\$1	\$154.95	\$155.13	+\$0.18
J\$/CDN\$1	\$117.90	\$116.80	+\$1.10
J\$/GBP£1	\$197.48	\$197.46	-\$0.02

Global Bond Prices

The US investment-grade primary bond market is off to an optimistic start for 2024, having rebounded in the latter part of 2023. While the fundamental backdrop of a resilient economy and potentially less-restrictive Fed policy remains a guide, the market's mood has shifted to kick off 2024. This is due in part to some early-year repositioning after the sharp rally through the final months of last year. After a disappointing start to

2023, where investment grade bonds were negative through the end of October, bonds staged a historic comeback in the final two months to finish the year higher by 5.5%. Against that background, bond syndicate desks anticipated that investment-grade bond issuances would average nearly US\$63Bn for the first week of the year. This is projected to be above the US\$50Bn average for that period over the past five years, as companies tapped demand from investors anticipating lower interest rates later this year⁹. However, emerging market bonds saw lower prices week over week as Jamaican and Dominican prices decreased across the curve.

That said, the resilient US market continues to create uncertainty for investors and the Fed. US job growth picked up in December and wage gains exceeded expectations a report showed, alluding to the underlying strength of the labour market. According to the report published by the US Department for Labour, new applications for unemployment benefits in December fell to a two-month low. A total of 202,000 state unemployment claims were registered in the week ending December 30, below economists' expectations of 216,000 claimants. Furthermore, other data showed that new employee additions in businesses continued to supersede expectations that month. That said, the U.S. unemployment data, indicating a resilient labour market, could possibly temper expectations of Federal Reserve interest rate cuts in 2024. However, this is still left to be seen as claims data tend to be volatile around this time of year because of holidays. At its last meeting on December 13, 2023, the Federal Open Market Committee (FOMC) held its target range for the federal funds rate steady at 5.25% to 5.5%, setting expectations for multiple cuts to come in 2024 and beyond. The notes outlined that policymakers agreed that rates would remain restrictive "for some time," but at the same time recognised that the federal funds rate was "likely at or near its peak for this tightening cycle."

Against that background, the 10-year treasury yield closed higher as investors reacted negatively to robust labour market conditions, which may stymie rate cuts; however, improved Core CPI might prove a bright spot. Since the start of the year, week-over-week 10-year Treasury yield has swung back above 4% after the December jobs report was released, from 3.86% to 4.103%. December's Consumer Price Index (CPI) for the US will be released this Thursday. The headline index is expected to tick higher to 3.2% from 3.1%; however, consensus looks for core CPI to continue to improve, which bodes well for the Fed's rate cuts throughout the year.

Bonds	Current Rating	Indicative Price	Yield	Recommendation
ALSEA (7.75%) 2026	Ba3/Stable	104.25	6.14%	BUY
BACR (5.75%) 2026	BBB+/ Stable	103.75	4.22%	BUY
BERMUDA (3.72%) 2027	A2/Stable	99.25	3.98%	BUY
CHTR (4.20%) 2028	Ba1/Stable	97.75	4.80%	BUY
DOMREP (5.50%) 2025	BB/STABLE	101.50	4.02%	BUY

⁹ According to Informa Global Markets.

Bonds	Current Rating	Indicative Price	Yield	Recommendation
DOMREP (5.50%) 2029	BB/STABLE	99.25	5.67%	BUY
DOMREP (5.88%) 2024	BB/STABLE	101.75	-0.87%	BUY
DOMREP (5.95%) 2027	BB/STABLE	102.00	5.23%	BUY
DOMREP (6.00%) 2033	BB/STABLE	99.00	6.14%	BUY
DOMREP (6.88%) 2026	BB/STABLE	104.90	4.35%	BUY
DOMREP (8.63%) 2027	BB/STABLE	105.50	6.39%	BUY
DOMREP (6.00%) 2028	BB/STABLE	101.25	5.68%	BUY
FRICON (7.70%) 2028	B+/Stable	89.00	10.84%	BUY
TPHLTT (9.00%) 2029	BB/STABLE	108.00	7.23%	BUY
JAMAN (7.63%) 2025N	BB-/Stable	104.50	4.46%	BUY
NETFLIX (5.88%) 2028	BBB/Stable	107.00	4.26%	BUY
OPY (5.50%) 2025	Ba3/Stable	99.00	6.12%	BUY
PYPL (2.85%) 2029	A-/Stable	93.00	4.24%	BUY
PRIOBZ (6.13%) 2026	BB-/Stable	100.75	5.78%	BUY
PRMRPA (10.75%) 2028	B+/Positive	109.50	8.22%	BUY
SFC (5.30%) 2028	BB-/POSITIVE	98.00	5.83%	BUY
TRAJAM (5.75%) 2036	BB-/Stable	90.75	6.84%	BUY
CSOLNO (6.00%) 2027	B+/Stable	73.00	17.86%	SELL
PEMEX (5.35%) 2028	B+/Stable	87.75	9.01%	SELL
Banort (5.75%) 2031	B+/-/Stable	96.25	6.37%	SELL

GOJ Globals

Ticker	Maturity	Bid	Offer Yield*
JAMAN	2028	105.30	4.98%
	2039	121.50	5.76%
	2045	118.40	6.30%

*NB: The rates quoted above are opening indicative levels on the international market and are subject to change as market conditions vary throughout the trading session. Additionally, the prices quoted to clients of NCB Capital Market Limited (NCBCML) are adjusted to reflect the costs associated with completing the transaction on the respective client's behalf.

Local Corporate Bonds

Name	Maturity	Coupon	Price	Yield
BDHR	2027	8.15%	100.85	6.03%
SJPC	2032	8.85%	100.35	8.02%
PBS	2025	6.50%	103.90	8.19%

Money Market

In the money market, Jamaican and US dollar liquidity continued to fluctuate. As of the 5th of January, a total of J\$18Bn was in the market, as represented by the BOJ's aggregated current balances. The aggregated closing current account balance fell by J\$13Bn from J\$31Bn on December 29th. There was no BOJ intervention in the foreign exchange market via B-FXITT last week. On the demand side, broker demand for JMD remained relatively moderate, particularly for short-term funds. In the USD money market, liquidity continued to fluctuate week over week and broker market demand for USD continued to increase for longer-tenured funds.

Short-term interest rates declined; however, the demand for money market instruments remains high with investors oversubscribing the recent BOJ auction. The average yield from the BOJ's 30-day competitive price auction declined to 10.32% relative to the 12.75% in the prior week. The auction was oversubscribed, despite the upcoming BOJ maturity and refinancing expected. Typically, investors might be unwilling to lock up their funds for 30 days and instead invest in the longer-dated fixed-income security, allowing them to lock in high yields for longer as opposed to 30 days. However, given the expectations for rates to remain higher for longer, investors are likely still capitalising from the high rates on short-term notes. Bids received totalled J\$31.1Bn relative to the offer size of J\$21.5Bn. The highest bid rate for full allocation was 11%, which was down from 12.75%, in the prior week.

BOJ instrument maturity is expected to contract liquidity from the market. The BOJ three-year US-Index bond, which represents a sizeable maturity of US\$95Mn, will mature on January 11th. However, the BOJ has announced an auction for the reopening of its two-year and five-month US-indexed note with a coupon of 6.00% that is set to mature on the 29th of May 2026, which if fully taken up, will soak up all of the liquidity from the maturing three-year index bond and more. The offer amount totals USD\$96.5Mn. The settlement currency is payable in JMD using the exchange rate of \$154.87 and bids will be allocated based on the BOJ auction reserve yield. The auction will be held on the 9th of January and settled on the 11th.

The GOJ will also have tender offers for T-bills on January 10th that will settle on the 12th. The auction is set to offer a total of J\$2.2Bn in T-bills to the market. The three (3) tenors up for auction each have an offer size of J\$800Mn for the 273-day tenor and J\$700Mn for the 91-day and 182-day tenors, respectively.

Dates to watch this week

■ International ■ Local

January 2024				
MON	TUE	WED	THUR	FRI
8	9	10	11	12
CAN Trade Balance			US Core CPI MoM (Dec) US Core CPI YoY (Dec)	GBP MoM GDP (Nov) GBP YoY GDP (Nov)
				US Core PPI MoM (Dec) US Core PPI YoY (Dec)

Recommendations

Ticker	Closing Price (January 9, 2024)	P/E	Avg. Sector P/E	Current Recommendation
ASBH	\$33.50	15.0x	14.9x	BUY
CAR	\$8.25	9.6x	14.9x	BUY
CCC	\$55.04	8.5x	18.6x	BUY
CPJ	\$8.90	12.1x	14.9x	BUY
ECL	\$3.85	14.0x	19.4x	BUY
FESCO	\$3.63	15.0x	14.7x	BUY
INDIES	\$3.00	19.0x	15.1x	BUY
IPCL	\$1.93	11.2x	15.1x	BUY
JBG	\$33.78	6.9x	14.9x	BUY
KEX	\$12.60	20.5x	19.4x	BUY
LASD	\$4.00	9.2x	14.7x	BUY
LASM	\$4.57	8.0x	27.1x	BUY
MEEG	\$14.30	44.0x	19.4x	BUY
SGJ	\$38.19	6.9x	12.1x	BUY
SVL	\$25.39	21.7x	12.8x	BUY
TJH	\$2.69	33.4x	18.6x	BUY
TJHUSD	\$0.02	33.4x	16.9x	BUY

Regional News

Central Bank Of Barbados Announces No Fees For Electronic Bank Transactions (Caribbean National Weekly)

The Central Bank of Barbados (CBB) has announced that it will not impose fees on electronic transactions conducted through Automated Clearing House (ACH) and real-time payments (RTP) transfers. This proactive move comes in response to recent developments involving the Bank of Nova Scotia, which had planned to introduce new fees, potentially making it more expensive for residents to conduct inter-bank transfers. Dr. Kevin Greendige, the Governor of the CBB, asserted the central bank's authority under the National Payments Systems Act (NPSA). According to the NPSA, the CBB has the crucial responsibility of overseeing the National Payment System, and this oversight extends to ensuring the interests of consumers. Greendige highlighted that Section 32 of the NPSA empowers the CBB to establish rules aimed at enhancing transparency, including those related to fees and information requirements for payment services.

In light of the CBB's focus on fostering the growth of electronic payments and preserving consumer interests, commercial banks received a directive that went into effect on January 2, 2024. Under this directive, there are no fees for electronic transactions conducted through the ACH, which includes RTP transactions. Moreover, the CBB informed commercial banks that "any fees which are presently charged for electronic transactions through the ACH shall be immediately discontinued."

Central Bank of the Bahamas Relaxes Lending Rules for Residential Mortgages (Eyewitness News)

The Central Bank of the Bahamas has announced that it is relaxing the lending rules for residential mortgages provided by domestic banks and credit unions by revising the minimum equity injection requirement, a move expected to alleviate the financial burden for qualified borrowers and allow some additional individuals to qualify for credit. The announcement was made "with immediate effect," and the mortgage indemnity insurance is removed from the Central Bank's stipulation for borrowers to qualify for a reduced equity or down payment amount on residential mortgages. The regulator noted that the minimum down payment for such mortgages was 15% in the absence of insurance. "Moreover, in line with the relaxed rules for

other personal lending, issued in August 2022, financial institutions may also vary or set lower down payment requirements for residential mortgages, in line with their internal frameworks for assessing and managing individual borrower risks," the Central Bank said in a statement.

The regulator specified, however, that lending institutions are directed to observe that personal lending is still subject to the borrower's total debt service ratio remaining within a prudent limit of 50%. The exceptions are debt restructurings and/or consolidations for borrowers who are already indebted beyond this threshold and for whom outstanding obligations are not increased as a result of the restructuring and/or consolidations. The regulator pledged that it would continue to monitor the impact of credit trends on the outlook for external reserves and domestic financial stability and that if conditions justify interventions, it may tighten or relax the minimum qualification standards for new credits or enhance any of its macro-prudential or micro-prudential tools as deemed necessary.

International News

Fed Minutes Cite Lower Inflation Risks, Concern About 'Overly Restrictive' Policy (Reuters)

Federal Reserve officials in December launched an expansive debate about a coming turn in U.S. monetary policy, with fresh concerns voiced about how long the economy could hold up under current high-interest rates and at least initial discussion about when to halt the rundown of its balance sheet, according to minutes of the Dec. 12-13 meeting. Fed Chair Jerome Powell had laid out the broad contours of the meeting, noting that the central bank was likely done raising interest rates and expected to begin reducing borrowing costs by the end of 2024.

While the minutes did not provide direct clues about when rate cuts might commence, they reflected a growing sense that inflation is under control and growing concern about the risks that "overly restrictive" monetary policy may pose to the economy. The document caps a year that began with the Fed still uncertain about how much harm it might have to inflict on the economy to control inflation and Powell's warning of "pain" to come but ended with inflation falling faster than anticipated and policymakers becoming increasingly hopeful that they could tame inflation while skirting the recession even staff members thought was sure to come.

Notably, for the first time since June 2022, policymakers did not use the phrase “unacceptably high” to describe inflation, according to the minutes, while laying out reasons why they felt inflation would continue to fall. There were still risks, with several participants saying they felt the Fed had gotten all the help it could expect from improved supply chains to lower inflation, with tight monetary policy still needed to dampen demand and new geopolitical risks possibly causing inflation progress to stall.

Total U.S. Public Debt Tops \$34 Trillion as Congress Heads into Funding Fight (Reuters)

The U.S. federal government’s total public debt has reached \$34 trillion for the first time, the U.S. Treasury Department reported on Tuesday as members of Congress gear up for another series of federal funding battles in the coming weeks. The debt that counts toward the federal debt ceiling rose to \$33.89 trillion on Friday from \$33.794 trillion on Thursday. This “debt subject to limit” category excludes the unamortized discount on Treasury bills and zero coupon bonds, debt issued by the Federal Financing Bank, and guaranteed debt of certain other agencies. The milestone comes shortly after the federal debt topped \$33 trillion in September amid rising federal deficits fueled by falling tax revenues and rising federal expenditures.

Congress returns to Washington this week to tackle the Jan. 19 and Feb. 2 deadlines for settling government spending through September, amid Republican demands to reduce fiscal 2024 discretionary spending below caps agreed in June. Lawmakers also hope to pass emergency aid for Ukraine and Israel, possibly with unrelated U.S. border security provisions attached. Failure to approve the one-dozen fiscal 2024 spending bills would plunge Washington agencies into shutdown mode. However, reaching a compromise could become more difficult with the November presidential and congressional elections coming quickly into focus. Maya MacGuineas, president of the Committee for a Responsible Federal Budget, a fiscal watchdog group, called the \$34 trillion federal debt figure “a truly depressing achievement,” attributing it to political leaders’ unwillingness to make difficult fiscal choices.

NCB Capital Markets Ltd (formerly Edward Gayle and Co.) established in 1968 is Jamaica's oldest stockbrokerage. The company became a part of the National Commercial Bank (NCB) Group in 1994 and a fully owned subsidiary in October 2002. In December 2002, the then Edward Gayle and Co. was merged with another NCB subsidiary, NCB Investments. The products distributed by this combined subsidiary cover the traditional money market product offerings (J\$ and US\$ Repos), primary dealer services, stock brokerage and investment advisory services. Edward Gayle was renamed NCB Capital Markets Ltd. in October 2003.

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