

▶ Market Guide

September 22, 2025

THIS ISSUE

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Stocks Giving Donkey Lengths!**

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“Investing is a business where you can look silly for a long time before you are right.” — Bill Ackman, Pershing Square

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Stock Market Relay – Real Estate, FS and M&D stocks giving Donkey Lengths!

The 2025 World Championship ended yesterday in Tokyo, and among the various track and field events that were on display, few rivalled the drama of the 4x100m relay. Anticipation builds with each baton exchange, momentum can shift in an instant, and it's often the anchor leg that decides the race. The local stock market behaves similarly, as each quarter can be seen as a leg of a relay. Different sectors sprint for pole position as their aggregate market values change over the period. As we near the end of the third quarter of 2025, we are approaching the anchor leg of this year's "stock market relay," making it a fitting time to review the race so far and look ahead to the finish. Today, as a nod to the world championships and our athletes that "Repped for the Black Green and Gold", we'll discuss the performances of the market sectors and the notable companies that contributed.

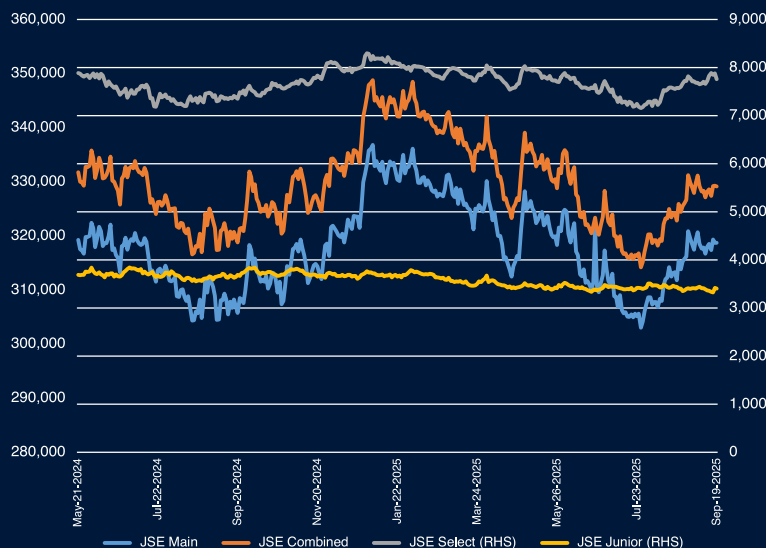
First Leg: Real Estate and FS stocks take an early lead

For the first quarter of 2025 (the first leg), stock market performance, measured by changes in the aggregate market values of each sector, had Real Estate (RE: +3.6%) and Financial Services (FS: +0.8%) stocks as the quickest out of the blocks. The aggregate gains for the RE sector were powered by Eppley CPFV (+15.5%), which doubled its interim dividends¹ and Sygnus Real Estate Finance (SRF: +14.9%), which started appreciating following a block trade of its USD shares. The more modest start for FS was fuelled by main market stocks Sagicor Group Jamaica (SJ: +7.5%) and Sterling Investments (SIL: +25.0%). SJ's growth was despite a 40.9% decline in earnings during the quarter,

driven by a 50% rise in insurance expenses, which outpaced insurance revenue growth. For SIL, investors reacted positively to its \$46.10Mn Q3 profits, due to a quadrupling of FX gains to \$22.78Mn, a recovery from the \$4.01Mn loss the prior year. In contrast, Conglomerates (-3.1%) weren't as quick at the start with GraceKennedy (GK) down -7.8%, despite an 8.1% increase in annual earnings and the announcement that it gained full control of the bottling company, Catherine's Peak². Fellow conglomerate Massy's stock price was also down 5.0% despite a 4.3% increase in annual earnings, announced during the quarter. Meanwhile, the aggregate value of Manufacturing & Distribution (M&D) stocks slipped 1.0% as a 20.9% drop in Jamaica Broilers Group (JBG) helped to outweigh gains from Jamaican Teas (+24.6%), Fontana (+15.7%), and Carreras (+10.2%). Investors reacted negatively to the reported \$1.15Bn loss arising from a weak US segment performance.

Other sectors like Energy, Materials & Industrials (EMI: -10.9%), Entertainment (-10.8%), Tourism (-16.0%), and Health/Tech (-13.5%) were even slower out of the blocks. For EMI, Kingston Wharves (KW) dipped 16.5% following a depreciation-driven 6.0% profit decline, while TransJamaican Highway (TJH) declined 12.5% amid its offer for sale³. For Entertainment companies, Supreme Ventures (SVL: -11.3%) was the notable laggard as the market reacted to a 17.2% decrease in earnings following Hurricanes Beryl's and Rafael's aftermath, despite management framing their impact as one-off. Tourism and Health/Tech had an even slower first leg. For Tourism, steep declines from

WEEKLY MOVEMENT IN INDICES



MOVEMENT IN INDICES

JSE Indices	Closing Levels	WoW % Change	YTD % Change
Combined Index	329,150.73	+0.30%	-5.39%
Main Market Index	318,730.33	+0.24%	-5.08%
Select Index	7,756.20	+0.51%	-6.38%
Junior Market Index	3,401.02	+1.00%	-8.94%

WINNERS & LOSERS FOR THE WEEK ENDED SEPTEMBER 19, 2025

	\$ Change	% Change
ISP Finance	\$3.67	32.48%
FirstRockUSD	\$0.00	24.00%
PBS	-\$0.31	-26.72%
SCIUSD3.5E	-\$1.90	-16.71%

MARKET OVERVIEW

Despite a falloff in market activity, the local stock market registered marginal gains in trading last week. Trading activity softened, with total market volume slipping 4.67% to 125.92Mn units week-over-week (WoW). Interestingly, despite fewer shares changing hands, the total value of trade jumped 24.4% to \$807.12Mn. The top three volume leaders, TransJamaican Highways Ltd (31.5%), Sagicor Select Funds (6.9%), and Indies Pharma Jamaica (6.8%) collectively account for 45.2% of overall market activity.

Market performance was modestly positive, with the JSE Combined Index edging up 0.3%. Of the 124 traded stocks, decliners and advancers were evenly split, 58 advanced, 58 declined, and 13 closed unchanged. Overall, seven of the nine JSE indices posted gains, led by the JSE Cross Listed Index (+1.7%) and the JSE Junior Market Index (+1.0%). The JSE Cross Listed Index was buoyed by a 10.8% surge in the share price of Guardian Holdings Limited (GHL), the index's second most heavily weighted stock in terms of market capitalisation. Meanwhile, the Junior Market saw a tug-of-war between advancers and decliners. However, the index still managed to rise, supported by modest gains in ISP Finance Limited (+32.5%) and Fosrich Limited (+4.7%). On the downside, the JSE USD Equities Index lagged, dipping 4.1% to emerge as the week's biggest laggard. The downward trend in the index reflected a steep 26.7% slide in the share price of PBS.

1 Starting February 2025, CPFV's interim dividends doubled from approximately BBD0.0025 to BBD0.0050

2 GK announced it acquired an additional 30% of the company

3 Note: Stock prices often dip during an offer for sale because shares are made available at a discount, and the sudden increase in supply puts short-term pressure on the stock. Once the offer closes, prices usually stabilise as selling pressure eases.

Express Catering (-20.1%) and Dolphin Cove (DCOVE: -12.9%) weighed heavily. DCOVE's parent company announced that it had entered Mexican restructuring proceedings⁴ and this weighed on its stock price. Lastly, the Health/Tech sector was heavily impacted by OneGreat Studio (1GS: -33.3%), as investors placed more emphasis on its 54.9% earnings decline over news that it acquired public relations company DRT Communications.

Second Leg: Mixed Performance on the Back Straight

The second leg in Q2 brought reshuffling in the race, EMI stocks found rhythm, and other sectors lost ground. EMI stocks climbed 1.3%, led by KW (+12.0%), as the market rallied on news of a 6.2% increase in quarterly earnings. KW benefited from strong transshipment volumes, which boosted terminal revenues. However, the rest of the competing sectors slowed. Conglomerates fell a further 4.9% after PanJam slipped 10.0% despite a 119.0% increase in earnings and full post-Beryl recovery of its JP farms. FS dropped 4.4% as NCBFG (-17.4%), BIL (-4.4%), and SGJ (-2.6%) all declined in market value. This reflected investors' continued bearish sentiment towards FS stocks, despite major players like NCBFG, GHL, SJ, and SGJ reporting YoY growth in quarterly earnings. M&D also fell 4.3%, pressured by continued bearish sentiment towards JBG's earlier disclosures and other stocks, including Seprod (-7.0%) and AS Bryden (ASBH: -14.3%), as investors processed the takeover bid involving both companies⁵. The value of RE companies also declined by 3.8%, despite continued appreciation from CPFV. Meanwhile, Tourism remained under pressure, down 13.2%, Entertainment slipped 7.9%, and Health/Tech slowed by another 4.1%, keeping them well behind the leading sectors in the race.

Third Leg: FS and Tourism Stocks Picked up the pace

We are almost at the end of the third leg in Q3, and the race has begun to heat up with several sectors powering through the bend and into the straight as their aggregate market values increase. FS Stocks (+4.1%) roared back with high knees, led by Guardian Holdings in

Ultimately, while the relay is a powerful metaphor for quarterly market swings that can yield short-term joy, investing for wealth creation requires a long-term view, much like a marathon rather than a sprint

(GHL: +16.2%) and NCBFG (+10.2%) among others. The earnings of both companies benefited from the sale of Dutch insurance brokerage firm Thoma Exploitatie B.V. Meanwhile, Tourism stocks (+4.1%) also had a strong leg, with DCOVE partly rebounding 12.1%, as some investors viewed the Q2 decline as a buying opportunity. M&D gained 2.3% thanks to Seprod's (+18.1%) gain and CAR's (+9.4%) increase. Similar to DCOVE, investors are likely buying the dip on Seprod, following the selling pressure after it announced its takeover bid of ASBH. EMI stocks appreciated 0.9%, supported by a 40.2% increase by Cargo Handlers (CHL). CHL benefited from KW's block trade when it bought 27.0% of the company as a strategic investment and disclosed that it could increase its stake to a maximum of 40.0% though it doesn't seek control of the company. RE stocks (+0.6%) made smaller progress, as CPFV's run continued, up 6.5%. Still tracking behind, Entertainment stocks fell another 12.6%, with SVL down 15.1% and Main Event Entertainment Group (MEEG) down 11.4%. Health/Tech declined 6.4% as 1GS dropped 13.0% and Indies fell 8.0%. Lastly, Conglomerates slid 3.3%, pulled down by JPG (-13.6%) and PanJam (-7.6%).

Anchor Leg Coming Up...

With three legs all but complete and the anchor leg coming up, the leading sectors for 2025 are beginning to emerge, but do not appear to be on track to set personal bests this year (See Figure 1). Financial Services, RE and M&D are running in medal contention, posting year-to-date changes of +0.3%, +0.2%, and -3.1%, respectively. A combination of a strong first leg and renewed third-leg momentum kept them at the front. Conglomerates and EMI are still in the race but remain off the pace, needing a powerful finishing kick in

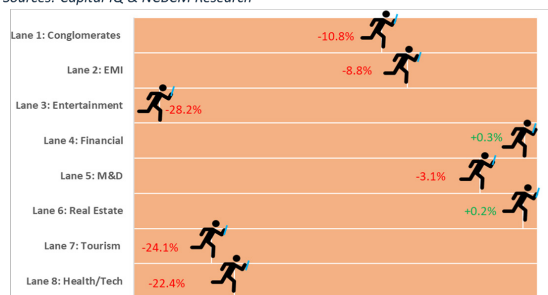
Q4 to catch up. At the back of the pack, Entertainment (-28.1%), Tourism (-24.1%), and Health/Tech (-22.4%) remain far behind, though as every relay fan knows, even late surges can produce thrilling comebacks.

With various sectors jostling for medal contention and mixed performance among individual stocks, diversification remains key for investors to manage risk, capture opportunities, and build sustainable long-term returns. Just as a dropped baton can cost a medal, earnings surprises, company news, local macroeconomic shocks, or global headwinds can affect individual companies and broader sector performance. Conversely, well-positioned companies can seize opportunities and deliver a winning finish. Ultimately, while the relay is a powerful metaphor for quarterly market swings that can yield short-term joy, investing for wealth creation requires a long-term view, much like a marathon rather than a sprint. Sectors that stumble in one leg often recover in another, and those that lead early must sustain performance to finish strong. But even if a sector has a bad year, just as an athlete might have a bad world championship, there will be opportunities for a comeback the next time around! As a result, in the stock market, diversification remains key, ensuring exposure not just to current leaders but also to companies and wider sectors that might lose market value in the short term but have the fundamentals for recovery and long-term growth potential. By maintaining exposure to quality companies across sectors, investors can ride out short-term volatility, benefit from cyclical rebounds, and stay positioned for sustainable wealth creation well beyond the anchor leg of this year's stock market relay. And for those sectors having a not-so-great 2025, just like the world championship, there will be opportunities in the future to win big and set new records!

⁴ According to a Material Disclosure on the JSE on February 25, 2025: Dolphin Cove's parent company's majority owner, Dolphin Discovery, has entered Mexico's concurso mercantil restructuring process, but management noted at the time that Dolphin Cove itself remains unaffected, with operations continuing independently and no assets pledged.

⁵ In 2025, Seprod launched a takeover bid for 447.49 million ASBH shares (29.85%), raising its stake to 79.99%. The move, facilitated by Republic Wealth Management in Trinidad and Tobago, aimed to deepen integration and synergies. Seprod stated it had no plans to delist ASBH from the JSE but did a secondary listing on the Trinidad and Tobago Stock Exchange

Figure 1: YTD Sector Performance (% Change in Aggregate Market Value)
Sources: Capital IQ & NCBM Research



Foreign Exchange Market

The Jamaican dollar (JMD) appreciated in trading last week. It took J\$0.76 less at the close of trading activity last Friday to purchase one United States dollar (US\$1) than at the close of trading on September 12. The slight strengthening of the JMD was supported by strong interdealer activity following the Bank of Jamaica’s (BOJ’s) US\$90.00Mn intervention in the market via its B-FXITT programme, between September 17, 18, and 19, which lends support to the market.

Selling	Close: 09/12/25	Close: 09/19/25	Change
J\$/US\$1	161.52	160.76	-\$0.76
J\$/CDN\$1	119.09	117.93	-\$1.16
J\$/GBP£1	218.40	218.85	\$0.45

Global Bond Prices

Last week, market participants focused on the state of the U.S. economy and the outlook for monetary policy following the Federal Reserve’s (Fed’s) first interest rate cut of the year and a labour market report that pointed to a slowing economy. On Wednesday, the Fed lowered its benchmark overnight lending rate by 25 basis points to a range of 4.00%–4.25%, its first reduction since December 2024. Fed Chair Jerome Powell explained that “the balance of risks has shifted” toward employment, contrasting with earlier months when inflation remained the dominant concern. The Fed’s statement emphasised that “uncertainty about the economic outlook remains elevated,” noting that downside risks to jobs had increased. Policymakers also signalled the possibility of two more rate cuts at their late October and early December meetings. Despite this dovish shift, bond markets reacted cautiously. Traders saw the rate cut as an opportunity to “sell the news” after recent bond market gains, with some voicing concern that cutting rates while inflation remains above the Fed’s 2% target could undermine credibility. Peter Boockvar, Chief Investment Officer at One Point BFG Wealth Partners,

warned that such a move could pose risks for longer-duration bonds, particularly as updated Fed projections pointed to slightly higher inflation expectations in 2026.

Labour market data offered a mixed picture. Initial jobless claims fell, reversing the previous week’s increase, but underlying trends showed continued softening. Hiring has nearly stalled, and both labour demand and supply are shrinking. Economists attribute the drag on demand partly to tariff-related uncertainty, while stricter immigration policies are constraining supply. Powell referred to this as a “curious balance.”

Against this backdrop, the yield on 10-year Treasuries rose to a two-week high of 4.13%. This comes as investors in longer-dated debt weighed not only future short-term rate expectations but also the broader risks of economic growth, persistent inflation and a ballooning fiscal deficit that requires heavy debt issuance.

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
BAHAMA (6.00%) 2028	BB-/Stable	103.00	4.96%	BUY
BAHAMA (6.63%) 2033	BB-/Stable	95.50	7.41%	BUY
BAHAMA (6.95%) 2029	BB-/Stable	103.25	6.05%	BUY
BAHAMA (8.25%) 2036 (NEW ISSUE!) ⁶	BB-/Stable	109.00	7.04%	BUY
BAHAMA (8.95%) 2032	BB-/Stable	112.25	6.74%	BUY
BAHAMA (9.00%) 2029	BB-/Stable	110.75	5.75%	BUY
BARBAD (8.00%) 2035 (NEW ISSUE!) ⁷	B+/Stable	107.00	7.00%	BUY
BCRED (6.00%) 2032 (NEW) ⁸	BBB-/Positive	106.25	4.84%	BUY
BEEFBZ (4.88%) 2031	BB/Stable	85.65	7.22%	BUY
BERMUD (4.75%) 2029	A2/Stable	104.25	3.41%	BUY
DOMREP (5.5%) 2029	Ba2/Stable	104.75	3.99%	BUY
DOMREP (6.95%) 2037	Ba2/Stable	109.50	5.80%	BUY

⁶ Issuer- The Bahamas, Industry- Sovereign, Type- Senior Unsecured, Callable-No, Coupon Rate- 8.25%, Coupon Payment- Semi-annually, Maturity- June 24, 2036, Risk Profile -Aggressive

⁷ Issuer- Barbados, Industry- Sovereign, Type- Senior Unsecured, Callable-Yes, Coupon Rate- 8.00%, Coupon Payment- Semi-annually, Maturity- June 26, 2035, Risk Profile - Aggressive

⁸ Issuer- Blackstone Private Credit Fund, Industry- Financial Services, Type- Senior Unsecured, Callable-Yes, Coupon Rate- 6.00%, Coupon Payment- Semi-annually, Maturity- January 29, 2032, Risk Profile - Moderate

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
DOMREP (8.63%) 2027	Ba2/Stable	107.50	3.65%	BUY
GM (5.4%) 2029	Baa2/Stable	106.00	3.79%	BUY
JAMAN (6.75%) 2028	BB-/Positive	107.50	3.68%	BUY
JAMAN (8.5%) 2036	BB-/Positive	115.50	6.43%	BUY
KINGAIR (6.75%) 2036	BB/Stable	106.50	5.95%	BUY
LTMCI (7.625%) 2031 (NEW ISSUE!) ⁹	BB/Stable	107.00	6.05%	BUY
LTMCI (7.88%) 2030	BB/Stable	106.75	6.15%	BUY
MOAIR (6.60%) 2029 (NEW ISSUE!) ¹⁰	BB+ / Positive	105.75	5.82%	BUY
NFLX (5.875%) 2028	A/Stable	108.25	3.09%	BUY
NRG (3.88%) 2032	BB+/Stable	95.75	4.65%	BUY
NRG (6%) 2033	BB+/Stable	104.50	5.25%	BUY
NRG (6.25%) 2034	BB+/Stable	106.50	5.34%	BUY
POSWDL (7.88%) 2040	BB/Stable	103.50	7.47%	BUY
PYPL (2.85%) 2029	A-/Stable	98.00	3.39%	BUY
SFC (5.3%) 2028	BB-/Positive	102.50	4.28%	BUY
TGU (7.75%) 2033 (NEW ISSUE!) ¹¹	Ba3/Stable	108.75	6.30%	BUY
TPHLLT (9%) 2029	BB/Positive	106.25	7.13%	BUY
TRAJAM (5.75%) 2036	BB/Stable	107.25	6.54%	BUY
BANORT (5.75%) 2031	Baa2/Positive	99.75	1.29%	SELL

⁹ Issuer- LATAM Airlines Group S.A., Industry- Airline, Type-Senior Secured, Callable-Yes, Coupon Rate- 7.625%, Coupon Payment- Semi-annually, Maturity- January 7, 2031, Risk Profile - Moderate

¹⁰ Issuer- Montego Bay Airport Revenue Finance Ltd, Industry- Infrastructure, Type- Senior Secured, Callable-Yes, Coupon Rate- 6.60%, Coupon Payment- Semi-annually, Maturity- June 15, 2035, Risk Profile - Moderate

¹¹ Issuer- Trinidad Generation Unlimited, Industry- Government Entity, Type- Senior Unsecured, Callable-No, Coupon Rate- 7.75%, Coupon Payment- Semi-annually, Maturity- June 16, 2033, Risk Profile - Moderate

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
CSOLNO (6%) 2027	B+/Stable	15.50	1439.37%	SELL
WBD (4.125%) 2029	BB+/Negative	95.50	5.51%	SELL
NFE (6.5%) 2026	CCC/Negative	34.25	159.89%	SELL

GOJ Globals

Ticker	Maturity	Bid	Offer Yield*
JAMAN	2028	104.40	3.86%
	2039	121.30	5.60%
	2045	120.40	6.09%

*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 (NCBCLM) are adjusted to reflect the costs associated with completing the transaction on the respective client's behalf.

Local Corporate Bonds

Name	Maturity	Coupn	Price	Yield
PBS	2025	6.50%	100.85	6.03%
BDHR	2027	8.15%	100.25	7.96%
SJPC	2032	8.85%	100.50	8.75%

Money Market

Last week, liquidity in the JMD money market decreased, as measured by the aggregated current balances held by Deposit-Taking Institutions (DTIs). As at September 19 2025, the total aggregate current balance was J\$29.47Bn, marking a 40.0% reduction compared to the previous week.

Demand for money market instruments remains strong, as shown by the continued oversubscription of the Bank of Jamaica's (BOJ) weekly 30-day Certificate of Deposit (CD) auctions, despite a disproportionate increase in the offer size. Total bids amounted to J\$45.37 billion, slightly above the J\$44.00Bn on offer, implying a bid-to-offer ratio of 1.03x, down from 1.35x previously. This decline reflects a modest 1.7% rise in bids compared to a 33.0% increase in the offer size. The average yield on the 30-day CD climbed 19 basis points to 6.10%, up from 5.91% the week before. The next auction is scheduled for September 24, 2025. The BOJ also conducted a 14-day Repurchase Operation with deposit-taking institutions, offering J\$500Mn. Bids totalled twice the offer size, with the operation clearing at an average yield of 6.17%, up from 6.11% previously.

Dates to watch this week

■ International ■ Local

SEPTEMBER 2025				
MON	TUE	WED	THUR	FRI
22	23	24	25	26
GK Dividend Payment Date (\$0.55 per share)	PJAM Dividend Payment Date (\$0.17 per share) Massy Dividend Payment Date (TT\$0.0354 per share) CAC AGM (231 Marcus Garvey Drive)		FESCO AGM (S-Hotel Kingston- Hybrid) RAWILL AGM (Virtual) USD GDP (QoQ) (Q2)	USD GDP (QoQ) (Q2)

Recommendations

Ticker	Closing Price (September 19, 2025)	P/E	Avg. Sector P/E	Current Recommendation
CAR	\$17.26	18.4x	17.6x	BUY
GK	\$72.00	8.7x	9.4x	BUY
SVL	\$19.24	26.9x	26.9x	BUY
TJH	\$3.94	9.1x	15.3x	BUY
TJHUSD	\$0.02	9.3x	15.9x	BUY

Regional News

ExxonMobil Guyana Strengthens Local Content, Workforce Development

ExxonMobil Guyana continues to deepen its commitment to local content and workforce development, investing heavily in Guyanese businesses, training, and industrial capacity. Since beginning operations in 2015, ExxonMobil and its contractors have spent over US\$2.9Bn with local businesses. In the first half of 2025 alone, US\$419Mn (approximately GY\$87Bn) was directed to 1,800 Guyanese vendors, demonstrating a strong focus on supporting local industry. This year also marked a milestone with the launch of in-country fabrication at the Vreed-en-Hoop Shore Base Inc. (VEHSI), including the production of quad joints and Pipeline End Terminations (PLETs), a step that enhances Guyana's industrial capabilities. As at mid-2025, the company and its contractors employ more than 6,200 Guyanese, representing 70% of the oil-and-gas workforce. Women make up one-third of employees, and 1,800 Guyanese are working offshore. In addition, the workforce has received over 370,000 hours of training in leadership, technical skills, professional development, and health, safety, and security protocols. Alistair Routledge, President of ExxonMobil Guyana, noted, "We are proud of the progress we've made in building local talent. Seeing more Guyanese take on key roles in the oil-and-gas industry is a clear sign that our commitment to capacity building is working." Looking ahead, the Guyana Technical Training College Inc. (GTTCI), supported financially by ExxonMobil, the Stabroek Block co-venturers, and the government, will welcome its first cohort of locally trained students in October 2025, a landmark in technical education. ExxonMobil's internship programme is also yielding tangible results. Of the inaugural class, five interns have already joined the company, while the 2025 programme continues to provide young Guyanese with meaningful opportunities in the oil-and-gas sector. These initiatives reflect ExxonMobil Guyana's ongoing effort to foster local expertise, strengthen the domestic workforce, and contribute to the sustainable growth of Guyana's oil-and-gas industry.

Sources ~ Guyana Chronicles

T&T Faces LNG Revenue Risks Amid Global Oversupply

Trinidad and Tobago's (T&T) energy sector could face growing challenges in the coming years as the global liquefied natural gas (LNG) market heads toward oversupply, the Energy Chamber of T&T has warned. The warning comes in the wake of recent statements by TotalEnergies CEO Patrick Pouyanné. While demand for natural gas is projected to rise by more than 20% by 2050 compared with 2024, Pouyanné cautioned that the rapid expansion of LNG capacity, particularly in the US, Qatar, and Canada, could push global prices down. 'There is a point where we'll face some oversupply,' Pouyanné said, highlighting the potential challenges for producers even as lower prices benefit consumers. Pouyanné also noted that lower LNG prices could make the fuel competitive with the price of coal in key growth markets, including China, potentially triggering a shift from coal and diesel to natural gas. This transition could establish a foundational long-term demand base, supporting future supply cycles. The Energy Chamber said the potential future decline in LNG prices raises key considerations for a country like T&T, where short-term prices of energy commodities have a direct relation to the revenue earned by the government through taxes and other revenue. 'LNG is Trinidad and Tobago's major export and source of foreign exchange. Since the Russian invasion of Ukraine and Europe's moves to stop imports of Russian pipeline gas, LNG prices in both Europe and Asia have been at historically high levels. European and East Asian LNG import prices are currently over US\$11.00 per mmsf compared to the US Henry Hub benchmark price of under US\$3,' it stated. The renegotiated Atlantic marketing arrangements mean that Trinidad & Tobago's wellhead gas prices reflect these high Asian and European LNG prices; however, future LNG price decreases could put further strain on government revenue and foreign exchange earnings. This potential for declining LNG prices highlights the importance of a national policy where there is a range of different export routes for natural gas, rather than relying solely on LNG. 'Maintaining a portfolio of different routes to monetise gas is an important strategic national policy consideration, underlining the importance of ensuring that there is a diversity of downstream gas processing facilities in the country, including petrochemicals such as methanol and ammonia. This means that there is a broader portfolio of export commodities and potentially provides some greater stability in export earnings and government revenue,' the Energy Chamber stated.

Source ~ Trinidad Express Newspapers

International News

US Government Shutdown Looms; Senate Rejects Stopgap Funding Bill

The threat of a U.S. government shutdown surged on Friday, as the U.S. Senate rejected a short-term funding bill to keep federal agencies operating after September 30 and then left town for a week-long break. The lawmakers voted 44-48 to defeat a stopgap spending bill that would have kept federal agencies operating at current funding levels through November 21. Republicans said they could vote again on September 29, just a day before funding is due to expire, when senators return from a break. Congress has struggled to pass spending legislation in recent years due to rising partisan tensions, repeatedly raising the threat of a shutdown that would leave government workers unpaid and a wide range of services disrupted.

The temporary spending bill included \$88Mn to protect lawmakers, executive branch officials and the Supreme Court in the aftermath of conservative activist Charlie Kirk's assassination. Only 43 Republicans and one Democrat, Senator John Fetterman, voted for it, far short of the 60 votes needed to pass the Senate. Two Republicans, Senators Lisa Murkowski and Rand Paul, joined other Democrats and independents in opposition. Republicans were also plagued by absences, with eight members not voting. The annual funding debate covers only about one-quarter of the federal government's \$7 trillion budget, which also includes mandatory programs such as Social Security and Medicare, as well as payments on the nation's \$37.5 trillion debt. The same stopgap bill passed the Republican-controlled U.S. House of Representatives by a vote of 217-212. In a move to pressure Senate Democrats, House Republican leaders said they would not return until after October 1.

Source ~ Reuters

Bank of Canada Cuts Rates to 2.5%, Ready to Cut Again If Risks Rise

The Bank of Canada reduced its key policy rate to a three-year low of 2.5% on Wednesday, the first cut in six months, and said it would be ready to cut again if risks to the economy increased in the coming months. The 25-basis-point cut reflected a weak jobs market and less concern about underlying pressures on inflation, the bank said. It paused its easing campaign in March after reducing rates by a total of 225 basis points in nine months, starting in June last year. Bank of Canada Governor Tiff Macklem said the damaging

effect of U.S. tariffs meant considerable uncertainty remained. "But with a weaker economy and less upside risk to inflation, Governing Council judged that a reduction in the policy rate was appropriate to better balance the risks going forward," he said in opening remarks to reporters. The cut was a unanimous decision of the seven-member Governing Council, Macklem said. The last time the key rate hit 2.50% was in July 2022. The economy initially held up reasonably well in the face of tariffs in some critical sectors. But in the last two months, the job market has slumped, losing more than 100,000 positions. The unemployment rate is at a nine-year high, excluding the COVID-19 pandemic years. The bank's next rate announcement is on October 29, followed by another one in December. While economists are widely expecting another rate cut before the end of the year, money markets are not factoring in more easing in 2025.

Source ~ Reuters

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