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“History shows that the market rewards discipline more than brilliance.” – Howard Marks

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Caribbean Sovereigns: Updating the Fiscal Playbook to Mitigate Climate Risk

In the heart of the Caribbean, where blue waters meet sun-soaked shores, climate change, rising sea levels, and natural disasters, particularly Hurricanes, pose significant risks to sovereigns. With the 2025 hurricane season winding down¹, Caribbean countries have been largely spared so far this year, as none of the weather systems have bothered to drop in for a damaging visit. But even if they're out of the woods for now, catastrophes can strike at any time and bring devastation that can cause setbacks to economic growth and deplete external buffers. Such situations may force governments to borrow more, often at higher costs, to fund recovery efforts, which can upend fiscal progress, increase default and undermine their sovereign creditworthiness. Fortunately, Caribbean sovereigns are increasingly embracing innovative financial instruments, like climate-responsive debt clauses and catastrophe bonds, to enhance fiscal resilience, manage disaster risk more effectively, and secure sustainable financing in the face of climate-related shocks. This week, we will explore how Caribbean sovereigns have used these innovative financial tools to mitigate climate risk.

Tropical cyclones are among the most damaging weather-related events in the Caribbean and can affect a country's economic and fiscal health. According to the United Nations Development Programme (UNDP), Caribbean countries suffered yearly losses from storm damage equivalent to 17% of their GDP between 1963-2017. In 2017, for example, Dominica lost the equivalent of 253% of its GDP during Hurricane Maria, just two years after it lost the equivalent of 92% of its GDP during Hurricane Erika.

Tourism-dependent sovereigns like Jamaica, Barbados and the Dominican Republic also have to contend with blows to their tourism sectors and foreign exchange earnings, which could in turn affect overall growth prospects. They can also erode public finances and external buffers, given the need for increased spending on reconstruction and relief. Consequently, creditworthiness can become fragile after a tropical storm or hurricane hits, due to direct damage, and from increased borrowing – often at higher interest costs – and liquidity pressures. For the Bahamas, credit ratings and investor confidence were strained after Hurricane Dorian hit, as lenders and markets factored in the greater risk of future disasters. Over time, substantial deficits, including hurricane-related spending, exacerbated by the COVID-19 pandemic, increased the sovereign debt burden and affected its credit quality². Similarly, S&P Global Ratings (S&P) downgraded Grenada's credit rating from B+/Stable in 2003 to B-/Negative in 2004 after it faced severe economic and fiscal challenges post-Hurricane Ivan.

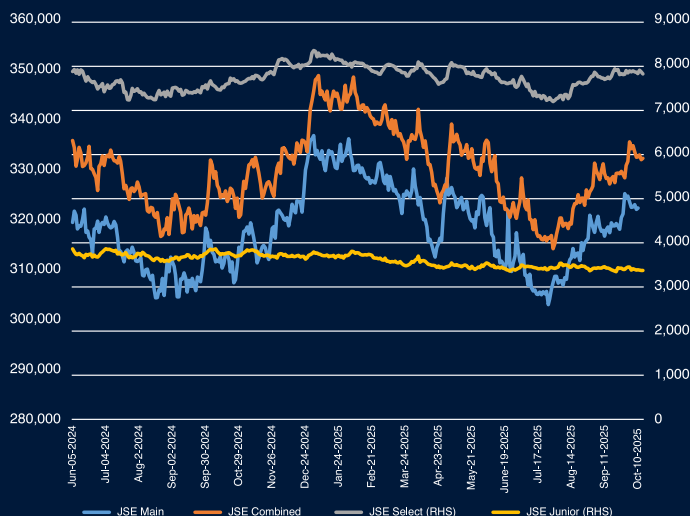
Acknowledging the risks posed by Storms/Hurricanes, Caribbean sovereigns are adjusting their fiscal playbook to better weather climate shocks. Several countries have explored climate-resilient debt instruments and utilised disaster-linked debt pause clauses³ in their sovereign bonds. These disaster link clauses allow them to temporarily pause debt payments in the wake of a qualifying natural disaster. They also provide fiscal breathing space during a crisis, freeing up cash for urgent recovery needs. Grenada, for example,

1 June 1 to November 30, annually

2 On March 12, 2020, S&P Global Ratings changed the Bahamas' outlook given the high debt levels and on April 9, 2022, Moody's Investor Services placed its rating on review for downgrade, citing coronavirus risks compounded on the effects of Hurricane Dorian.

3 A debt pause clause - also known as a climate resilient debt clause - is a state-contingent debt instrument that suspends repayments for a pre-agreed period when a pre-defined trigger threshold is met, for example, a violent earthquake or hurricane.

WEEKLY MOVEMENT IN INDICES



MOVEMENT IN INDICES

JSE Indices	Closing Levels	WoW % Change	YTD % Change
Combined Index	332,226.89	-0.39%	-4.50%
Main Market Index	322,286.12	-0.37%	-4.02%
Select Index	7,775.54	-0.56%	-6.15%
Junior Market Index	3,355.01	-0.63%	-10.17%

WINNERS & LOSERS FOR THE WEEK ENDED OCTOBER 10, 2025

	\$ Change	% Change
MDS	\$0.28	19.72%
SRFUSD	\$0.01	16.70%
JPS7	-\$7.04	-15.67%
MPCCEL	-\$7.60	-15.17%

MARKET OVERVIEW

Trading activity slowed markedly week-over-week (WoW), with market volume amounting to 63.62Mn units (J\$468.43Mn) for the week ended October 10, 2025. This represented a 71.1% and 80.1% decrease in volume and value, respectively, compared to the previous trading week. Still, trading activity widened, with the top three volume leaders accounting for 39.5% of total market volume, compared to 49.8% in the previous week, suggesting a lower concentration of trading activity in the top 3 movers. The top 3 movers were TransJamaican Highway Limited ordinary shares with 15.04Mn units (23.2%), Wigon Energy Limited with 5.36Mn units (8.26%) and Sagicor Select Funds Limited Manufacturing & Distribution with 5.26Mn units (8.10%).

The market's performance, as tracked by the JSE Combined Index, inched down by 0.4%, with 54 of the 124 stocks that traded advancing, 52 declining, and 20 remaining unchanged. Sagicor Group Limited (SJ: -3.7%), Seprod Limited (SEP: -4.4%) and Barita Investments Ltd.'s (BIL: -2.7%) were the biggest contributors. Notably, BIL's price is normalising following a block trade of 6.53Mn shares on October 1st that put upward pressure on the stock price. Meanwhile, seven (7) of the remaining eight (8) JSE indices declined. The main decliners were the JSE Financial (-0.99%) and the JSE Junior Market (-0.63%) Indices. For the JSE Financial Index, SJ and BIL were the major contributors, albeit partly offset by a 2.4% increase from Scotia Group Jamaica Limited (SGJ). Meanwhile, the decline in the Junior Market Index was primarily driven by a 13.33% tumble from Knutsford Express (KEX) – likely down to volatility as it traded within its normal band of \$12.50 to \$15.00 over the past 3 months. The only index that advanced last week was the JSE Cross-Listed Index (+0.32%) – the 4th consecutive week of appreciation. Massy Holdings Limited (MASSY) was the major contributor, up 0.65%.

became the first in the world to trigger its disaster clause after Hurricane Beryl in 2024. The government activated a clause in its 2015 bond issuance that allowed it to defer payments due in late 2024 and mid-2025, with accrued interest rolled into the final maturity in 2030. Activating the clause enabled the government to delay over US\$12Mn in debt payments and redirect funds to rebuilding efforts. Meanwhile, Barbados, from its 2018-19 debt restructuring, adopted debt pause clauses. These clauses, whose activation depends on predefined disaster conditions, are fast becoming standard in the region. New bond issue from Barbados (the BARBAD 8.00% 2035) also has embedded disaster clauses to ensure fiscal space when it might be needed most. The Bahamas also previously included a debt pause clause in a debt swap transaction with private sector creditors; however, this provision was not included in its most recent global bond issuance (BAHAMA 8.25% 2036). For Barbados, the clause allows the government to defer interest and principal payments for up to two years after the occurrence of a qualifying event⁴. However, a deferral cannot extend the final maturity of the Notes. These clauses allow issuers to respond to climate risks without triggering a default on their debt.

Sovereigns have also sought to adapt and mitigate the effects of climate change through the use of catastrophe bonds (CAT bonds)⁵, one of the most prominent innovations in the field of sustainable finance over the last decade. Jamaica has taken this different but equally innovative route. If a qualifying storm hits, Jamaica receives a payout; if not, investors receive their full principal back, plus interest payments. Despite narrowly missing out on a US\$45Mn payout when Hurricane Beryl swept through the region, Jamaica's Tropical Cyclone Policy with the Caribbean Catastrophe Risk Insurance Facility (CCRIF) was triggered (roughly US\$26.6Mn) and provided much-needed liquidity without adding to its debt burden – a lifeline that allowed for a faster, more financially secure recovery. Barbados also benefited from a US\$2.5Mn payout in 2021 after Hurricane Elsa, while Grenada benefited from US\$44Mn after Hurricane Beryl, though not linked to catastrophe bonds. These tools, whether in the form of smart clauses, market-backed CAT bonds or other layered disaster risk financing (DRF)

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strategies, are helping Caribbean nations shift from reactive recovery to proactive resilience, while setting a new benchmark in climate-smart fiscal policy.

Far from scaring off investors, climate-linked bond clauses, catastrophe bonds, and other DRF strategies are increasingly being seen as smart, forward-looking tools. Rather than viewing these features as a sign of risk, bondholders and credit agencies have recognised them as instruments of resilience, especially given the high frequency of major weather systems over the past seven (7) years (See Table 1). Climate-responsive debt has not deterred investors, especially as global markets increasingly factor environmental, social, and governance (ESG) metrics into portfolio decisions. Moreover, these clauses help ensure that governments can maintain debt service over the long term by allowing short-term flexibility in the event of a disaster. For example, despite the need for higher capital expenditure post-Hurricane Beryl, the government of Grenada generated both primary (11.1% of GDP) and overall surpluses (9.5% of GDP) in 2024, given its ability to defer bond payments, along with its payout from the CCRIF on the back of an expanding economy. Climate-resilient policies and CAT bonds have also aided in the improvement of sovereign credit quality. S&P, for instance, cited Jamaica's proactive disaster risk policy framework, including the issuance of its catastrophe bond, as a contributing factor in upgrading its credit rating from BB- to BB in September 2025. Likewise, multilateral institutions, including the International Monetary Fund (IMF) and the World Bank, have supported these innovations, often backing their implementation through technical assistance

and funding mechanisms. Despite their intended purpose of providing fiscal relief, these strategies still carry inherent risks for the issuer, particularly the potential that the disasters may not meet the specific parametric thresholds required to trigger a payment or pause. Nonetheless, Barbados, the Bahamas, Jamaica, and other sovereigns are all showing how these instruments, coupled with other DRF strategies, can safeguard public finances during crisis moments.

Table 1: Major Weather Systems per Sovereigns since 2018

Country	Total Number of Hurricanes
Barbados	8
Jamaica	13
The Bahamas	12
Source: WorldData.info	

⁴ The events that can trigger a deferral of debt service payments are clearly defined, including specific payouts from the CCRIF for natural disasters, or a pandemic declared by the World Health Organization (WHO) that also leads the Government to declare a public health emergency as well as either a GDP contraction of 5% over two consecutive quarters relative to the same two quarters of the previous fiscal year, or an announcement by the government of pandemic-related spending above US\$18.75Mn.

⁵ Catastrophe (cat) bonds are a form of insurance-linked securities (ILS), also known as insurance securitisation, where insurers transfer risk, usually from a catastrophe or natural disaster, through a sponsor, typically a reinsurer, to investors.

Foreign Exchange Market

The Jamaican dollar depreciated by 0.17% relative to the USD, week over week, with the USD selling rate moving from J\$161.34 on October 3, 2025, to J\$161.62 on October 10, 2025. Looking forward, with summer over, we anticipate foreign exchange inflows should taper off in the short term. We also expect heightened demand for JMD from local retailers preparing for the Christmas season.

Selling	Close: 10/03/25	Close: 10/10/25	Change
J\$/US\$1	\$161.34	\$161.62	\$0.28
J\$/CDN\$1	\$115.85	\$115.47	(\$0.38)
J\$/GBP£1	\$216.85	\$216.27	(\$0.58)

Global Bond Prices

Late Last week, the market was roiled by news of a reescalation of trade tensions, which added to the growing uncertainty from the prolonged U.S. government shutdown ahead of the Federal Reserve's next policy move. Threats by President Donald Trump on Friday – via a Truth Social post – to impose higher tariffs on Chinese goods dominated market sentiment. President Trump noted that Chinese President Xi Jinping is becoming increasingly hostile, sending letters to countries about imposing export controls on all aspects of rare earth production. The post sent investors fleeing to safer asset classes, including treasury bonds and gold. The latest tariff threat added to the uncertainty investors face as they also waded through a U.S. government shutdown, which entered its tenth day on Friday, deepening uncertainty across markets and policymaking. Negotiations in Congress remain stalled, with lawmakers rejecting multiple funding proposals last week. The longer the shutdown drags on, the greater the near-term hit to growth. Hundreds of thousands of federal workers are missing paychecks, which is expected to weigh on consumer spending in October. Even if they eventually receive back pay, economists warn that temporary income loss can ripple through retail, hospitality, and service sectors. Added to that, they could constrain the Fed's decision-making because of what analysts are calling a "data blackout". Key reports on jobs, inflation, and retail sales have all been delayed. However, certain Bureau of Labour Statistics (BLS) staff were ordered by the White House to return to work on the Consumer Price Index (CPI) inflation report for September, as it is necessary for calculating accurate benefit payments.

While the Keynote data releases were paused, there were alternatives. Fresh data from Haver Analytics showed initial jobless claims rising slightly to 224,000, suggesting a labour market that's stuck in neutral – with hiring slowing, but large-scale layoffs still rare. Economists point to trade and immigration policies under President Trump and the rapid adoption of artificial intelligence as key factors behind the stall, reducing both demand for workers and the supply of labour. In the absence of key reports such as the September

jobs print, investors turned to the Federal Open Market Committee minutes for clues about the shape of the economy. The minutes showed that officials last month were mostly in agreement on lowering interest rates but split on just how many reductions there should be this year. Money markets are currently pricing in a 98.3% chance of the central bank trimming its key interest rate again in October, according to the CME's FedWatch tool.

Amid the uncertainty, particularly the tariff developments that sent investors fleeing for safety, U.S. Treasury yields fell from 4.12% on October 3rd to 4.06% on October 11th as bond prices moved higher. However, bonds from Latin American and Caribbean issuers had mixed price movements. KinAir, MoAir, TJH, the governments of Jamaica and the Dominican Republic experienced mostly higher yields as prices fell. Conversely, bonds issued by the governments of Costa Rica, Panama and the Bahamas saw lower yields as prices rose.

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
BAHAMA (6.00%) 2028	BB-/Stable	103.75	4.68%	BUY
BAHAMA (6.63%) 2033	BB-/Stable	96.50	7.23%	BUY
BAHAMA (6.95%) 2029	BB-/Stable	105.75	5.36%	BUY
BAHAMA (8.25%) 2036	BB-/Stable	111.50	6.72%	BUY
BAHAMA (8.95%) 2032	BB-/Stable	114.25	6.39%	BUY
BAHAMA (9.00%) 2029	BB-/Stable	111.75	5.41%	BUY
BARBAD (8.00%) 2035	B+/Stable	107.50	6.92%	BUY
BCRED (6.00%) 2032 (NEW)⁶	BBB-/Positive	104.25	5.20%	BUY
BEEFBZ (4.88%) 2031	BB/Stable	85.65	7.22%	BUY
BERMUD (4.75%) 2029	A2/Stable	104.25	3.38%	BUY
DOMREP (5.5%) 2029	Ba2/ STABLE	104.50	4.04%	BUY
DOMREP (6.95%) 2037	Ba2/ STABLE	109.50	5.80%	BUY
DOMREP (8.63%) 2027	Ba2/ STABLE	107.00	3.78%	BUY
GM (5.4%) 2029	Baa2/ Stable	106.00	3.76%	BUY
JAMAN (6.75%) 2028	BB/Positive	107.00	3.81%	BUY

⁶ 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
KINGAIR (6.75%) 2036	BB+/STABLE	105.50	6.06%	BUY
LTMCI (7.625%) 2031	BB/Stable	105.75	6.31%	BUY
LTMCI (7.88%) 2030	BB/Stable	105.50	6.44%	BUY
MOAIR (6.60%) 2029 (NEW ISSUE!) ⁷	BB+ Stable	105.00	5.91%	BUY
NFLX (4.875%) 2030	A/Stable	105.50	3.58%	BUY
NFLX (5.875%) 2028	A/Stable	108.00	3.12%	BUY
NRG (3.88%) 2032	BB+/Stable	94.25	4.94%	BUY
NRG (6%) 2033	BB+/Stable	103.25	5.45%	BUY
NRG (6.25%) 2034	BB+/Stable	104.25	5.64%	BUY
POSWDL (7.88%) 2040	BB/Stable	103.75	7.44%	BUY
PYPL (2.85%) 2029	A-/Stable	98.00	3.40%	BUY
SFC (5.3%) 2028	BB-/POSITIVE	102.50	4.26%	BUY
TGU (7.75%) 2033	BB/STABLE	108.00	6.41%	BUY
TPHLLT (9%) 2029	Ba3/STABLE	106.00	7.17%	BUY
TRAJAM (5.75%) 2036	BB/Positive	96.75	6.16%	BUY
BANORT (5.75%) 2031	Baa1/Negative	100.00	1.25%	SELL
NFE (6.5%) 2026	CCC-/Negative	35.25	166.37%	SELL
WBD (4.125%) 2029	BB+/RWN	95.25	5.61%	SELL

⁷ 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

GOJ Globals

Ticker	Maturity	Bid	Offer Yield*
JAMAN	2028	104.25	3.89%
	2039	121.3	5.59%
	2045	120.7	6.06%

*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	Coupon	Price	Yield
PBS	2025	6.50%	100.85	6.03%
BDHR	2027	8.15%	100.35	8.02%
SJPC	2032	8.85%	103.75	8.18%

Money Market

Last week, liquidity in the JMD money market increased, as measured by the aggregated current balances held by Deposit-Taking Institutions (DTIs). As at October 10, 2025, the total aggregate current balance amounted to J\$73.53Bn, marking a 12.0% rise compared to the previous week.

Demand for money market instruments remains strong, as evidenced by the oversubscription in the Bank of Jamaica's (BOJ's) weekly 30-day Certificate of Deposit (CD) Auctions. Total bids amounted to J\$42.24Bn relative to the J\$31.50Bn issue size, implying a bid-to-offer ratio of 1.34x. While the previous week's 1.93x bid-to-offer was higher, the bid and offer amounts were lower at J\$26.94Bn and J\$14.00Bn, respectively. The average yield on the 30-day CD auction inched up to 5.92% from 5.89% the previous week. The next auction date is set for October 15, 2025.

Additionally, the BOJ conducted a 14-day Repurchase Operation with deposit-taking institutions in the amount of J\$1.00Bn. The total value of bids received was \$1.50Bn, implying a 1.5x bid-offer ratio. The weighted average yield was 6.26% - marginally higher than the 6.23% in the previous auction.

Meanwhile, oversubscriptions for Government of Jamaica (GOJ) Treasury Bills (T-bills) provided by the Debt Management Branch, Ministry of Finance and the Public Service. All tenors (the 3-month, 6-month, and 9 month) bills, each with J\$700.00Mn offer sizes, were oversubscribed. The amount applied for the 3-month T-bill totalled J\$1.36Bn (1.94x bid-offer), 6-month T-bill totalled J\$2.43Bn (2.43x bid-offer) and the 9-month T-bill J\$3.22Bn (4.03x bid-offer) with average yields of 5.15%, 5.17% and 5.44%, respectively. This was down from yields of 5.20%, 5.24% and 5.33% in the preceding auction results. The next auction date is October 8, 2025.

Dates to watch this week

■ International ■ Local

OCTOBER 2025				
MON	TUE	WED	THUR	FRI
13	14	15	16	17
			Consumer Price Index (September 2025) SJ Dividend Payment Date (\$0.89 per share)	SGJ Dividend Payment Date (\$0.45 per share)
		US CPI (MOM & YoY) (SEP) Core CPI (MoM) (Sep)	US Initial Jobless Claims US PPI (MoM) (Sep) US Unemployment Rate (Sep) UK GDP (MoM) (Aug)	

Recommendations

Ticker	Closing Price (October 14, 2025)	P/E	Avg. Sector P/E	Current Recommendation
GK	\$71.02	8.6x	9.3x	BUY
SVL	\$18.30	27.3x	27.3x	BUY
TJH	\$4.10	9.3x	15.4x	BUY
TJHUSD	\$0.03	9.1x	14.3x	BUY

Regional News

Chevron Set to Begin Drilling Suriname Well Later This Month

Chevron is set to begin drilling its Korikori 1 exploration well offshore Suriname this month, according to the South American nation's state-owned oil company and market regulator Staatsolie. The well will be drilled 78 kilometres from Suriname's coast in the north-central part of offshore Block 5, in a water depth of about 40 metres, Staatsolie said in a statement.

Chevron received a permit in July from Suriname's National Environmental Authority (NMA) for the well, Staatsolie said. The harsh environment, Jack-up Noble, Regina Allen, will drill the well and is scheduled to reach the block in the first half of October, Staatsolie said. Drilling should take about 90 days.

Noble in March announced a \$17.7Mn contract for the Noble Regina Allen, set to begin in the fourth quarter of this year, though it did not name the operator at the time. That contract will run from October through December, according to the company's fleet status report.

Block 5 covers about 2,200 square kilometres and lies 45 to 82 kilometres offshore with water depths ranging from 30 to 60 metres, according to Staatsolie. Chevron operates Block 5 with a 40% interest, and its partners include Staatsolie subsidiary Paradise Oil Company (40%) and QatarEnergy (20%). Industry sources told Upstream in February that Chevron was readying the Suriname well for drilling in the fourth quarter.

Source ~ Upstream Online

Guyana Gains French Support Amid U.S. Pressure on Venezuela

Guyana has strengthened military cooperation with France to safeguard the oil-rich Essequibo region, escalating tensions with Venezuela just as the United States expands maritime strikes on vessels linked to Caracas. The defence announcement follows new reports of French assistance in surveillance and air patrols over Guyana's western frontier, where ExxonMobil-led production continues to rise above 640,000 barrels per day (bpd), United Press International reported.

Venezuela maintains its long-standing claim over Essequibo, an area that encompasses most of Guyana's proven offshore reserves, which now rank among the largest discoveries of the century. Caracas argues the 1899 arbitral award granting the region to then-British Guiana is invalid and continues to reject the jurisdiction of the International Court of Justice (ICJ), where Guyana has filed its case.

French defence officials said the partnership aims to reinforce "regional stability and maritime domain awareness," while Georgetown emphasised that its growing oil output requires stronger security coordination as exports climb toward 800,000 bpd by mid-2026. The new alignment comes amid renewed confrontation between Washington and Caracas.

Over the past week, U.S. forces have carried out at least four strikes on what the Pentagon described as "drug-trafficking vessels" operating near Venezuelan waters. One attack killed four crew members after a speedboat was hit in international waters off the Paria Peninsula. President Donald Trump has defended the actions under expanded rules of engagement against cartels, while Venezuelan officials denounced them as "acts of war."

The tensions now reach into two of South America's main oil zones. In Guyana, production led by ExxonMobil and its partners has topped 640,000 barrels a day and is expected to double by 2027 as new fields come online. Just across the border, Venezuela holds the world's largest crude reserves but remains trapped under U.S. sanctions and chronic underinvestment. The two stories are now intermingling, with one country expanding output under Western backing, and the other struggling to sell its oil as U.S. warships patrol nearby waters.

Source ~ Oilprice

International News

Trump Ratchets Up US-China Trade War, Promising New Tariffs

U.S. President Donald Trump revived the trade war against Beijing on Friday, ending an uneasy truce between the two largest economies with promises to sharply hike tariffs in a reprisal against China, curbing its critical mineral exports. The president unveiled additional levies of 100% on China's U.S.-bound exports, along with new export controls on "any and all critical software" by November 1, nine days before existing tariff relief is set to expire.

The new trade steps were Trump's reaction to China dramatically expanding its rare earth element export controls. China dominates the market for such elements, which are essential to tech manufacturing. "It was shocking," Trump said of China's steps, which did not specifically target Washington. "I thought it was very, very bad."

The actions signalled the biggest rupture in relations in six months between Beijing and Washington - the world's biggest factory and its biggest consumer. Many questioned whether the uneasy economic detente reached over the summer can survive. It was a swift and dramatic response by Trump, who has wielded tariffs paid by U.S. importers against friends and foes. It could escalate a trade war that Washington and Beijing paused earlier this year after painstaking diplomacy.

Experts said restrictions on U.S. software shipments to China could be a massive blow to the country's tech industry, including cloud computing and artificial intelligence. Trump also threatened new export controls on airplanes and airplane parts, and a person familiar with the matter said the administration was sketching out other possible targets. Beijing has long called for Washington to abandon unilateral trade restrictions it says undermine global commerce.

Source ~ Reuters

Gazans Stream Back Home As Israel-Hamas Ceasefire Holds

Thousands of Palestinians streamed north along the coast of Gaza on Saturday, trekking by foot, car and cart back to their abandoned homes as a ceasefire between Israel and Palestinian militant group Hamas appeared to be holding. Israeli troops pulled back under the first phase of a U.S.-brokered agreement reached this week to end the war, which has killed tens of thousands of people and left much of the enclave in ruins. U.S. President Donald Trump's Middle East envoy Steve Witkoff was in Gaza early Saturday to observe the Israeli military redeployment, Israeli Army Radio reported, citing a security source. He was joined by the head of the U.S. military's Central Command (CENTCOM), Admiral Brad Cooper, who said in a statement that his visit was part of the establishment of a task force that would support stabilisation efforts in Gaza, though U.S. troops would not be deployed inside the enclave.

Once the Israeli forces had completed their redeployment on Friday, which keeps them out of major urban areas but still in control of roughly half the enclave, the clock began ticking for Hamas to release its hostages within 72 hours. According to the agreement, after the hostages are handed over, Israel will free 250 Palestinians serving long sentences in its prisons and 1,700 detainees captured during the war. Hundreds of trucks per day are expected to surge into Gaza carrying food and medical aid, according to the agreement. But questions remain about whether the ceasefire and hostage-prisoner exchange deal, the biggest step yet towards ending two years of war, will lead to a lasting peace under Trump's 20-point plan. Much could still go wrong. Further steps in Trump's plan have yet to be agreed upon. These include how the demolished Gaza Strip is to be ruled when fighting ends, and the ultimate fate of Hamas, which has rejected Israel's demands that it disarm.

Source ~ Reuters

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