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“The market is a pendulum that forever swings between unsustainable optimism (which makes stocks too expensive) and unjustified pessimism (which makes them too cheap). The intelligent investor is a realist who sells to optimists and buys from pessimists” - Benjamin Graham

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Tax Heartbreak for Local Stocks?

As many were gearing up for the sweetness of Valentine's Day, the new revenue measures announced by the Minister of Finance on February 12th, might have brought companies and individuals a sudden touch of tax heartbreak. The unsealing of the 2026/2027 Budget proposals signalled the end of a decade-long honeymoon period of "net-zero" taxes. After a historic run of fiscal stability, the Government of Jamaica (GOJ) has introduced a \$29.4Bn tax package to address the fiscal crater left by Hurricane Melissa. While the government has adjusted thresholds and credits in recent years – such as the multi-year personal income tax threshold increase – this marks the first time in ten years that significant new levies have been imposed to bridge a revenue gap. With local Manufacturing and Distribution (M&D), Conglomerates, Energy, Materials, and Infrastructure (EMI), and Tourism sectors caught in the crosshairs, these new taxes could have a meaningful impact on listed companies. In today's story, we'll identify which stocks could be materially impacted (based on our preliminary findings) and what it could mean for your investment strategy.

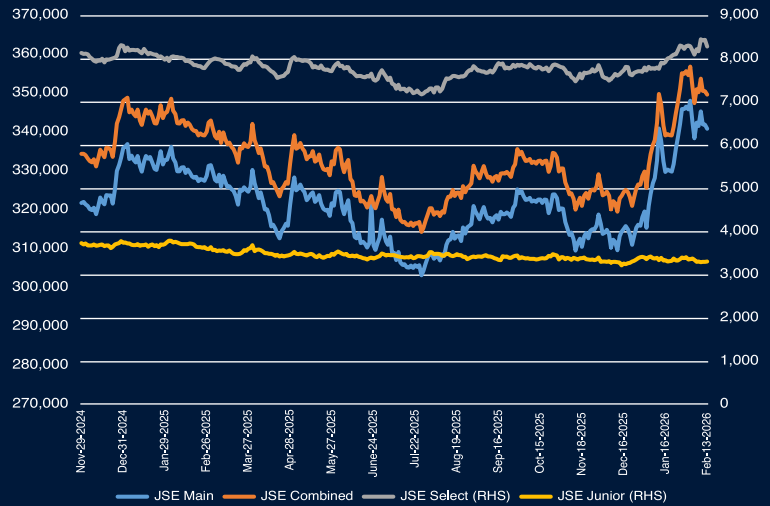
The GOJ's new taxes are set to significantly impact roughly half of the companies on the Jamaica Stock Exchange (JSE), according to our preliminary estimates. The Environmental Protection Levy (EPL), special consumption tax (SCT) on non-alcoholic Sweetened Beverages, new sin taxes¹ on alcoholic beverages and cigarettes, higher GCT on tourism activities, and modified motor vehicle duty concessions could materially impact at least 47% of the companies on the JSE with an aggregate market value of \$919.61Bn (see table 1).

The most far-reaching of the new taxes on the JSE is the adjustment to the EPL. The GOJ plans to increase the EPL

rate from 0.5% to 0.8% for both imports and locally manufactured goods. Simultaneously, the tax base for local manufacturers will be expanded from 75% to 100% of the sales value. All else equal, this implies that EPL taxes could effectively double for local producers – helping the GOJ raise over \$3.64Bn from this measure alone. Given that the tax targets both the importation of raw materials and the final sale of manufactured goods, it will likely directly impact most importers, particularly those operating in the food and non-food M&D space, as well as EMI stocks like Caribbean Cement (CCC) and Berger Paints (BRG), and Conglomerates like Grace Kennedy (GK) adding to the cost structure of at least 45% of the companies on the JSE.

At the same time, M&D stocks that produce or distribute Non-Alcoholic Sweetened Beverages should also gear up for sugar taxes. There will be an SCT of \$0.02 per millilitre effective April 1, 2026. At these rates, a standard 600ml bottle of soda will now attract \$12 in tax at the point of manufacture or import, while a 2-litre bottle will see a \$40 increase. This "sugar tax" is projected to raise \$10.10Bn for the GOJ, making it the largest single expected revenue earner in the package. Companies set to foot this bill face a choice of absorbing the additional costs and risking margin erosion or passing on these costs to customers. Food M&Ds like Wisynco Group (WISYNCO), makers of BIGGA, Boom, and cranWATA, Lasco Manufacturing (LASM) and its sister company Lasco Distributors (LASD), the makers and distributors of iCool, as well as Seprod (SEP), whose portfolio includes Busta, Chubby, Delite, and Swizzle, are set to face this dilemma. Diversified conglomerates like GraceKennedy (GK), with its Tropical Rhythms line, could also feel the pinch.

WEEKLY MOVEMENT IN INDICES



MOVEMENT IN INDICES

JSE Indices	Closing Levels	WoW % Change	YTD % Change
Combined Index	349,492.46	-0.41%	6.41%
Main Market Index	340,787.31	-0.46%	7.17%
Select Index	8,266.21	0.76%	7.69%
Junior Market Index	3,292.84	0.31%	-3.19%

WINNERS & LOSERS FOR THE WEEK ENDED FEBRUARY 13, 2025

	\$ Change	% Change
MTL	+3.59	+34.85%
MJE	+\$1.78	+29.42%
ISP	-\$2.88	-19.59%
MEEG	-\$1.19	-16.46%

MARKET OVERVIEW

Last week, the broader market performance as measured by the Combined Index slipped marginally by 0.41%. Although 63 of the 127 traded stocks advanced, 53 declined and 11 remained unchanged, the performance was evenly split across the indices, with four declining and four advancing.

The JSE Manufacturing and Distribution (M&D) Index (-1.6%) and the Cross Listed Index (-1.2%) led the decliners. Within the M&D Index, the decline was largely driven by A.S. Bryden & Sons Holdings Ltd. (ASBH; -11.9%), SEPROD Ltd. (SEPROD; -4.1%) and Caribbean Cement Company Ltd. (CCC; -3.6%). The pullback in ASBH and SEPROD occurred despite strong underlying financial performance. ASBH reported a 22.37% increase in net profit to US\$9.7Bn for the full year (FY) ended December 31, 2025. A 23.07% expansion in revenue, driven by its consumer goods segment and improved export sales, buoyed earnings. Similarly, SEPROD posted a 91.06% surge in full-year earnings, reflecting stronger core operations and the consolidation impact of increased ownership stakes in key subsidiaries. Overall, year-to-date price performance remains subdued, with ASBH and SEPROD down 1.34% and 5.67%, respectively. For the Cross Listed Index, Massy Holdings (Massy; -1.5%) was the main contributor to its decline. The Group delivered a strong start to FY2026, with Q1 revenue (+5.5%) and earnings (+6.2%) all improving year-on-year, reflecting disciplined execution across the portfolio.

Meanwhile, the JSE USD Equities Index (+1.24%) and the Select Index (+0.76%) led the advancers. TransJamaican Highway Ltd. (TJH) was the standout performer for both indices, rising 6.3% for the USD stock and 12.5% for the JMD stock week over week. The rally likely reflects continued positive investor sentiment following a 17.09% increase in full-year net profit to US\$36.68Mn. The bottom line was buttressed by revenue, which grew 10.07%, underpinned by sustained traffic expansion across the network and higher t-Tag penetration. Importantly, this growth was achieved despite temporary revenue disruptions from the hurricane-related toll suspension, highlighting the resilience of the company's operating model.

¹ Sin Taxes are excise taxes levied on goods deemed harmful to society, such as tobacco and alcohol, to discourage consumption and offset health costs.

Alcohol and cigarette manufacturers, the historical favourites for new revenue measures, were again called on to share the burden through increased sin taxes. The SCT on alcoholic beverages will rise from \$1,230 to \$1,400 per Litre of Pure Alcohol (LPA), effective May 1, 2026 and generate \$1.60Bn for the GOJ. Wisynco, which just spent US\$35.00Mn to commission its Brewery on January 13, 2026, and Caribbean Producers Jamaica (CPJ), a leading distributor of wines, spirits, and beers, come to mind. Even Junior Market player Kintyre Holdings (KNTYR) will likely feel the impact following its recent move to 100% ownership of Kulcha Rum in February 2026. Not to be outdone, the cigarette sin tax is also seeing a sharp increase. The SCT on cigarettes is set to move from \$17 to \$20 per stick (an increase of \$3 per stick), effective May 1, 2026. This is expected to yield \$1.1Bn for the GOJ and will primarily affect Carreras Limited (CAR), which must now protect its margins in a market where the cost of a standard 20-pack will rise by at least \$60 plus GCT.

Tourism stocks will also need to contend with higher tax rates. Despite a grace period to recover from Hurricane Melissa, the GCT for tourism activities is set to increase from 10% to the standard 15% on April 1, 2027. Dolphin Cove (DCOVE), which operates major marine attractions in Ocho Rios, Montego Bay, and Lucea, is in the direct line of fire.

Finally, the modification of Motor Vehicle Duty Concessions reimposes GCT on imported motor vehicles for public officials, effective May 1, 2026, potentially generating \$1.3Bn for the government. Auto dealers like Jetcon Corporation (JETCON) and Tropical Battery (TROPICAL), which secured a Tesla EV distribution deal via its Tropical Mobility subsidiary, could also be caught in this shift. Since public officials represent a consistent segment of vehicle buyers, the reimposition of GCT creates a higher barrier for purchasing new or upgrading vehicles, which could cool demand for the mid-to-high-end units that Jetcon and Tropical are looking to move.

With higher taxes threatening to compress profit margins, especially on the backdrop of lower consumer demand in some sectors post-Melissa, companies will need to optimise costs and carefully manage pricing to protect their earnings, cash flows, and ultimately shareholder value. That said, the higher taxes are not a death sentence, as even in the face of higher taxation, companies can still generate significant shareholder value. To do this, companies

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will have a choice: absorb the cost of the new taxes and offset the higher costs with efficiency gains, or leverage brand equity and product innovation to raise revenue by passing costs to consumers without sacrificing sales volumes. CAR is a textbook example of a company that has been skilful at navigating new taxes. Despite the significant 21.4% increase in the cigarette sin tax in 2017, its annual earnings stabilised at \$3.4Bn in 2020, before growing to \$4.1Bn in 2022 and then leaping by 53.3% to a record profit of \$6.23Bn in FY 2024 (See Figure 1). Dividends, though more volatile, had a similar trend, growing by 19.7% between 2017 and 2022 before leaping by another 20.0% to \$4.95Bn by 2024. This performance was supported primarily by high demand, including for recently launched products like Vuse Go & Vuse Go Max disposable vapes and price increases, which complemented its efficiently run distribution business and low need for capital expenditure. Moreover, while most of the taxes are set to be imposed this year, giving companies a limited time to pivot, the expected 11.3% increase in the Personal Income Tax Threshold to \$2.00Mn over the next two years could help to increase consumers' nominal disposable income. This change may make it easier for companies to pass on higher costs to customers without compromising revenue and earnings growth.

While the GOJ's new tax package could rattle stock portfolios, an astute investor can take measures to insulate their wealth by picking stocks that, similar to CAR, can retain and grow profitability in the face of new taxes. CCC, for example, enjoys a quasi-monopoly in the cement market that gives it pricing power. Moreover, its recent Kiln expansion supports revenue and efficiency gains that position it to grow earnings notwithstanding new taxes. Likewise, a firm like Wisynco, with brand strength in its beverage lines and recent investments to expand production capacity, allows it to drive higher volumes and operational efficiencies that could help it offset sugar, EPL and Alcohol sin-taxes. Furthermore, for a diversified group like GK, in addition

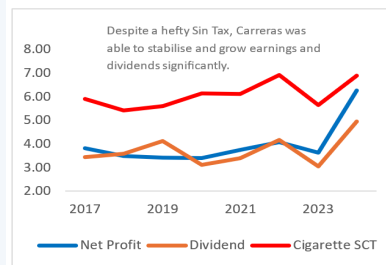
to strong brand strength and a massive distribution moat, its product portfolio is highly diversified across food and financial services segments as well as geographies. This diversification will likely help to offset the impact of EPT and sugar taxes on its group earnings. Increasing exposure to such companies as well as stocks with strong fundamentals and that largely evade the new taxes helps to diversify investment portfolios and optimise investment returns on a risk-adjusted basis.

The GOJ 2026/27 new tax package may have caused some tax heartbreak, putting several sectors and stocks in the crosshairs. However, it isn't a death sentence for stocks with strong brand loyalty, a knack for product innovation and effective efficiency plans. Historically, companies like CAR have shown that local stocks can still perform, even under new taxes. Several other local stocks like CCC, Wisynco and GK – among others – are in a good place to continue creating long-term value for shareholders despite being caught in the crosshairs of the newest slate of revenue measures. By selecting stocks with these qualities alongside stocks outside the direct line of fire with strong fundamentals, investors will be best positioned to maximise portfolio returns.

Table 1: % of companies to be Significantly Impacted by GOJ New Taxes (Preliminary Estimates)

New GOJ Taxes	% of JSE Companies Impacted	Market Cap
Sugar Tax	7.9%	313.55
Alcohol	3.0%	95.76
Cigarettes	1.0%	93.45
Tourism	1.0%	4.31
MV GCT	2.0%	3.56
EPL	44.6%	914.49
Atleast One of the Above	46.5%	919.61

Figure 1: Carreras's Sin Tax, Earnings and Dividends (US\$Bn)



Foreign Exchange Market

For the week ending February 13, 2026, the Jamaican dollar appreciated by 0.08%, with the USD selling rate moving from J\$157.14 on February 6, 2026, to J\$157.02 on February 13, 2026. The BOJ is scheduled to intervene in the market on February 20, 2026, through its B-FXIT Standard Sale Operation. The announced intervention likely anchored short-term exchange rate expectations, supporting the modest appreciation.

Selling	Close: 02/06/2026	Close: 02/13/2026	Change
J\$/US\$1	\$157.14	\$157.02	(\$0.12)
J\$/CDN\$1	\$115.31	\$117.15	\$1.84
J\$/GBP£1	\$212.91	\$215.89	\$2.98

Global Bond Prices

The global bond market is currently digesting a flurry of data, headlined by softer-than-expected inflation and surprisingly resilient U.S. job growth. In January, the cost of goods and services rose at a slower annual rate than anticipated, offering fresh hope that U.S. inflationary pressures are finally receding. According to the Bureau of Labour Statistics, the Consumer Price Index (CPI) rose just 0.2% in January, bringing the annual rate down to 2.4%. This marks a return to levels not seen since the immediate aftermath of the April 2025 tariff announcements. Meanwhile, Core CPI (excluding volatile food and energy) landed at 2.5%, the lowest since April 2021. This cooling inflation trend supports the Trump administration's narrative that recent policy shifts are successfully reining in the 3% peak seen last September. While job growth appeared to accelerate to start 2026, the underlying data tells a more nuanced story. On the surface, the labour market showed stability as the unemployment rate fell to 4.3%, the lowest since August, and employers added 130,000 jobs in January. However, this "resilience" may be overstated. Massive downward revisions revealed that the economy added only 181,000 jobs in all of 2025, a stark drop from the 1.459Mn added in 2024. Furthermore, January saw 108,435 layoff announcements, a 205% surge from December and the highest January total since 2009.

Overall, the recent economic data solidifies that the Federal Reserve (Fed) will likely hold interest rates until its June meeting. At as February 15, 2026, futures traders raised bets to a 90.2% probability that the Fed would hold the policy rate at its March meeting, up from 80.8% a month ago, according to the CME Group's FedWatch tool. However, with a rotating cast of regional presidents that seems tilted toward a more aggressive posture on fighting inflation and a chair-designate, Kevin Warsh, who is likely to push for lower rates, the expectation is still tilted toward a cut in June. This is reflected in the FedWatch tool's 83% odds for a reduction in June.

Accordingly, the 10-year Treasury yield dipped to 4.05%, down from 4.271% the prior week. The performance of EM sovereign bonds in the Caribbean was mixed, with some issuers posting notable week-over-week gains. Jamaican and Dominican Republic bonds led the region with strong price performance along the curve for all bonds. Other issuers, including Costa Rica, the Bahamas, Panama, and Trinidad & Tobago, recorded minor increases across their bond curves.

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
Amazon (4.65%) 2035 (NEW) ²	AA-/Stable	103.00	4.27%	BUY
Bahamas (6.00%) 2028	BB-/Stable	103.25	4.72%	BUY
Bahamas (6.63%) 2033	BB-/Stable	104.00	5.93%	BUY
Bahamas (6.95%) 2029	BB-/Stable	106.00	5.17%	BUY
Bahamas (8.25%) 2036	BB-/Stable	115.25	6.23%	BUY
Bahamas (8.95%) 2032	BB-/Stable	116.50	5.91%	BUY
Bahamas (9.00%) 2029	BB-/Stable	112.00	5.03%	BUY
Barbados (8.00%) 2035	B+/Stable	110.75	6.45%	BUY
Blackstone (6.00%) 2032	BBB-/Positive	103.75	5.26%	BUY
Minerva (4.38%) 2031	BB/Stable	85.65	7.22%	BUY
Bermuda (4.75%) 2029	A2/Stable	104.75	3.07%	BUY
BLOCK (6.00%) 2033	BBB-/Positive	105.00	5.19%	BUY
DOMREP (5.50%) 2029	BB/Stable	104.75	3.81%	BUY
DOMREP (5.88%) 2035	BB/Stable	103.25	5.44%	BUY
DOMREP (6.95%) 2037	BB/Stable	110.50	5.66%	BUY
DOMREP (8.63%) 2027	BB/Stable	106.25	3.12%	BUY
DOMREP (5.75%) 2034 (NEW ISSUE) ³	BB/Stable	102.75	6.18%	BUY
DOMREP (6.15%) 2038 (NEW ISSUE) ⁴	BB/Stable	103.25	6.18%	BUY

² Issuer- Amazon Inc Industry- Retailers, Type- Senior Unsecured, Callable-Yes, Coupon Rate- 4.65%, Coupon Payment- Semi-annually, Maturity - November 20, 2035, Risk Profile - Conservative

³ Issuer- Government of the Dominican Republic, Type- Senior Unsecured, Callable-Yes, Coupon Rate- 5.75%, Coupon Payment- Semi-annually, Maturity - March 17, 2034, Risk Profile - Moderate

⁴ Issuer- Government of the Dominican Republic, Type- Senior Unsecured, Callable-Yes, Coupon Rate- 6.15%, Coupon Payment- Semi-annually, Maturity - May 17, 2038, Risk Profile - Moderate

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
General Motors (5.4%) 2029	Baa2/ Stable	107.00	3.35%	BUY
Goldman Sachs Private Credit (5.875%) 2031 (NEW)⁵	BBB-/ Stable	102.75	5.24%	BUY
KINGAIR (6.75%) 2036	Ba3/ Negative	105.50	6.05%	BUY
Marex (6.404%) 2029	BBB-/ Positive	105.50	6.05%	BUY
NCBFG (11.00%) 2030	B+/- Negative	104.30	9.66%	-
NRG (3.88%) 2032	BB+/- Stable	97.25	4.40%	BUY
NRG (6.00%) 2033	BB+/- Stable	105.50	5.05%	BUY
NRG (6.25%) 2034	BB+/- Stable	106.50	5.31%	BUY
Petro Rio (6.75%) 2030	BB-/ Positive	102.00	6.25%	BUY
TRANSJAM (5.75%) 2036	BB/ Positive	97.00	6.14%	BUY
BANORT (5.75%) 2031	Baa2/ Negative	103.25	5.08%	SELL
FRICON (7.7%) 2028	B/Stable	60.75	32.26%	SELL
NFE (6.5%) 2026	CCC-/ RWN	12.50	1018.77%	SELL
Warner Bros. (4.125%) 2029	BB+/- Negative	97.00	5.14%	SELL

GOJ Globals

Ticker	Maturity	Bid	Offer Yield*
JAMAN	2028	103.15	3.99%
	2036	116.00	6.32%
	2039	120.20	5.67%
	2045	120.20	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	Coupon	Price	Yield
BDHR	2027	8.15%	100.35	8.02%
SJPC	2032	8.85%	103.75	8.18%

Money Market

The yield on the Bank of Jamaica's most recent 30-day Certificate of Deposit (CD) auction declined modestly. The average yield for successfully allocated bids was at 5.80% on February 13, 2026, down from 5.88% the prior week. The highest bid rate for full allocation was 7.499%. Total bids reached J\$40.19Bn against a J\$24.00Bn offer size, amounting to a bid-to-offer ratio of 1.67x, which is higher than the 1.37x from the previous week. The next auction is scheduled for February 17, 2026. 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 \$1.00Bn, implying a 1.0x bid-offer ratio. The weighted average yield was 5.79% 6bps lower than the 5.85% in the previous auction. The next auction for 14-day repurchases is scheduled for February 16, 2026.

The next BOJ policy decision is February 23, 2026, and it is expected that the BOJ will continue to maintain the current policy rate of 5.75% prevent second-round effects on selected goods and services, including household maintenance, transport, energy, and personal care items, while supporting the broader economic recovery. However, the central bank noted that relying exclusively on interest rate adjustments to address inflationary pressures could entail costly trade-offs. As such, we foresee the BOJ utilising more foreign exchange market interventions to mitigate hurricane-related inflationary effects without excessive changes to its policy rates in the near term.

The Government of Jamaica (GOJ) has announced the re-opening of the GOJ's Benchmark Investment Notes due 2030, 2035, 2040 and 2046 with an aggregate offer volume of J\$40Bn. The subscription date for the auction is February 17th, with settlement on the 20th.

⁵ Issuer- Goldman Sachs Private Credit Corp., Type- Senior Unsecured, Callable-Yes, Coupon Rate- 5.88%, Coupon Payment- Semi-annually, Maturity - January 31, 2031, Risk Profile - Moderate

Dates to watch this week

■ International ■ Local

February 2026				
MON	TUE	WED	THUR	FRI
16	17	18	19	20
Consumer Price Index (STATIN)	GBP Unemployment (Dec) CAD Core CPI (YoY, MoM, Jan) FOMC Meeting Minutes	GBP CPI (YoY MoM, Jan)		ASF X-dividend date
CAD CPI (YoY, MoM, Jan)				US Core PCE Price Index (YoY, MoM, Dec) US PCE Price Index (YoY, MoM, Dec) CAD GDP (YoY) (Q4)

Recommendations

JSE Ticker	Closing Price (February 16, 2026)	P/E	Avg. Sector P/E	Current Recommendation
GK	\$71.5	9.1x	9.3x	BUY
SVL	\$17.61	23.83x	23.83x	BUY

Unit Trusts

FUND	Fund Composition	Prices/NAV\$	12 Month Growth Rate	YTD Growth Rate	(Estimated Yearly Income)
NCB Capital Markets Limited (NCB CAPFUNDS)					
NAV † *AS AT February 13 2026					
O Money Market Fund (M Fund)	F	16.3903	6.18%	0.79%	4.94%
O Income Optimizer Fund (IO Fund) †	F	15.3702	5.65%	-0.22%	4.07%
☆Caribbean Equity Fund (E Fund) †	E	26.2853	-8.11%	-0.91%	8.38%
◊ Real Estate Fund (rE Fund) †	R, F	17.3107	20.07%	2.13%	3.10%
O USD Money Market Fund (xM Fund)	F	1.2362	3.43%	0.12%	2.60%
O USD Bond Fund (xB Fund)	F	1.3452	2.86%	0.26%	2.98%

KEY

- O - Tax Free (special conditions apply)
- ☆ - Tax Free
- † - Sales commission/front end fee of up to 2% will apply.
- ◊ - Non-Diversified Unit Trust Scheme
- F, E, R - Fixed Income, Equity, Real Estate

Regional News

Bahamas: Afreximbank Releases \$100Mn To Upgrade Over 320 Km of Roads

On 11 February 2026, the African Export Import Bank (Afreximbank) announced a \$100 million receivables discounting facility to Bahamas Striping Group of Companies Ltd (BSGC) to support the rehabilitation and construction of over 200 miles (≈ 320 km) of critical road infrastructure across the Bahamas. The funding part of a framework agreement signed with the Government of The Bahamas in 2025 at the 48th CARICOM Heads of Government Conference will accelerate paving, striping, safety enhancements and maintenance works that boost trade, tourism and logistics across the archipelago.

Source ~ African News Agency

Trinidad Gets Licences from United States for Oil And Gas Activities In Venezuela

The Trinidad and Tobago government Friday said that it has been issued with two United States General Licences, which provides “a clear and structured legal framework” under US law for certain oil and gas activities in Venezuela and along “our shared maritime border”.

Prime Minister Kamla Persad Bissessar in a statement said that “as a longstanding close partner of the United States, Trinidad and Tobago views this development as an important opportunity to deepen hemispheric energy cooperation, strengthen regional stability, and reinforce trusted commercial ties. Persad-Bissessar said that Trinidad and Tobago will proceed in full compliance with applicable legal and regulatory requirements “and in keeping with our commitment to transparency and sound governance”. According to the licence “any payment of oil or gas taxes or royalties to the government of Venezuela, PdVSA or any PdVSA entity must be paid to the Foreign Government Deposit Funds or any other account as instructed by the US Department of Treasury”. It states further that the general licence does not authorise “payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are dominated in digital currency, digital coin or digital tokens issued by, for, or on behalf of the Government of Venezuela”. Following the United States military incursion into Venezuela last month and the detention of President Nicolas Maduro and his wife on drugs and illegal weapons charges, Washington announced that it would be running the South American country for the foreseeable future.

In April 2025, the United States revoked the Office of Foreign Assets Control (OFAC) licenses that had permitted Trinidad and Tobago to develop the Dragon and Manakin-Cocuina natural gas fields in partnership with Venezuela. The licences had allowed multinational energy giants Shell and BP, along with Trinidad’s

state-owned National Gas Company (NGC), to develop offshore gas fields near the Venezuelan maritime border. The Dragon field alone holds an estimated four trillion cubic feet of gas, with first exports initially slated for 2026. Trinidad and Tobago had already begun paying over one million US dollars per year in taxes to Venezuela for the expected 20-year Dragon project. But the move by Washington, citing concerns over Venezuela’s failure to restore democratic norms and manage illegal migration, had effectively frozen the deal. However, by October 2025, a new, revised six-month OFAC license was granted to Trinidad and Tobago, valid until April 2026, allowing for renewed negotiations on the Dragon gas project under new, strict, tiered conditions.

(Source: Kaieteur News)

International News

Tariff Revenue Soars More Than 300% As U.S. Awaits Supreme Court Decision

The U.S. government in January ran up a smaller deficit than a year ago, while tariff collections surged and provided a reminder of how pivotal a long-awaited Supreme Court decision could be to federal fiscal health. Customs duties collected through tariffs totaled \$30Bn for the month, putting the fiscal year-to-date tally at \$124Bn, or 304% more than the same period in 2025. President Donald Trump first levied the duties in April 2025 with an across-the-board rate on all goods and services entering the U.S. along with a menu of so-called reciprocal tariffs on individual countries. Since then, the White House has been negotiating with its trading partners, backing off on some of the more aggressive charges while maintaining tough talk on issues. Last November, the Supreme Court heard oral arguments challenging the auspices under which Trump justified the tariffs. The decision was expected in January. The high court hasn’t ruled yet, and there’s concern in the White House that a negative ruling could force the U.S. into reimbursing the duties collected so far. The tariffs helped put a dent in the pace of the budget deficit. In the fourth month of the fiscal year, the shortfall totaled roughly \$95 billion, down about 26% from the same period a year ago, the Treasury Department reported. Year to date, that put federal red ink at \$697 billion, or down 17% from the same period of fiscal 2025, according to numbers not adjusted for calendar. Calendar adjustments put the deficit reduction at 21%. Interest on the \$38.6 trillion U.S. debt continues to be a burden on the national finances. Net interest paid totaled \$76 billion for the month, more than all other expenditures except Medicare, Social Security and health care. Year to date, gross interest has totaled \$426.5 billion, up from \$392.2 billion the year before.

Source ~ CNBC

Senate Should Proceed with Warsh Hearings for Fed Chair Despite Powell Probe

The Senate should move to advance Kevin Warsh, President Donald Trump's nominee for Federal Reserve (Fed) chairman, even as a federal criminal investigation into current Chair Jerome Powell continues, Treasury Secretary Scott Bessent said Friday. Bessent, in an interview said he believes after speaking this week to Republicans on the Senate Banking Committee that they "are going to proceed" with a nomination hearing. Meanwhile, Sen. Thom Tillis, R-N.C., has vowed to block Warsh's nomination from moving through the Banking Committee unless the Department of Justice drops its probe into Powell. Trump, however, has said the criminal probe, led by U.S. Attorney for the District of Columbia Jeanine Pirro, should continue to the end, setting up a potential impasse. Powell, whom Trump appointed during his first term, has declined to lower interest rates as much or as quickly as the administration has pushed him to. Tillis has also rejected an idea, which Bessent floated to Republican senators this week, to move the Powell investigation from the Department of Justice (DOJ) to the banking panel. Tillis, speaking on Bloomberg TV later Friday morning, said he does not intend to back down from holding up Warsh's confirmation until the Powell investigation is ended. Tillis is retiring from the Senate when his term ends. "We could have a hearing all we want, but until the investigation is done, I still believe that the initial inquiry and the investigation was a flex to try and get the current chair to step aside... I have no intention of allowing any Fed board nominee to move forward out of committee and to be confirmed, until this matter is settled," he said. "This is foundational to Fed independence, and I, for one, am going to stand on the side of certainty, and Fed independence is what delivers certainty in our markets."

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