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"The essence of investment management is the management of risks, not the management of returns." - Seth Klarman

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Q4 Earnings Show Melissa Rocked the Boat, But Recovery Likely

Remember the 1970s classic “Rock the Boat”? While the song is a groove, Hurricane Melissa was anything but, rocking the foundations of Jamaican homes, infrastructure, and the wider economy. Unsurprisingly, though her impact was concentrated in Western Jamaica, her reach was also expected to weigh on the earnings of stocks on the Jamaica Stock Exchange (JSE). Some investors preemptively jumped ship, bringing the Combined Index down by 4.5% between October 24 and December 11, while others stayed put, awaiting the earnings releases from companies for the October–December (Q4 2025) earnings season to assess the damage. With earnings season in full gear, the wait is over, and we’re beginning to glean just how much Melissa really rocked the earnings of key local sectors and individual stocks. In today’s story, we’ll assess local stocks that have already released earnings for the Q4 2025 earnings season to assess Melissa’s impact on their performance and on key sectors.

Thus far, Earnings releases for the quarter show that the impact of Hurricane Melissa varied across key sectors. In aggregate, Financial Services (FS) stocks have contracted steeply, as weaker capital-market activity and mark-to-market losses on their portfolios weighed on performance. EMI stocks have inched up despite operational disruptions in some companies and have been overshadowed by early reconstruction demand spikes and stronger cost discipline. Meanwhile, M&D stocks are up as product and geographical diversification helped larger players circumvent Melissa’s wrath. Lastly, Tourism stocks are yet to report, but storm clouds are brewing for a weak quarter.

Aggregate earnings for the FS

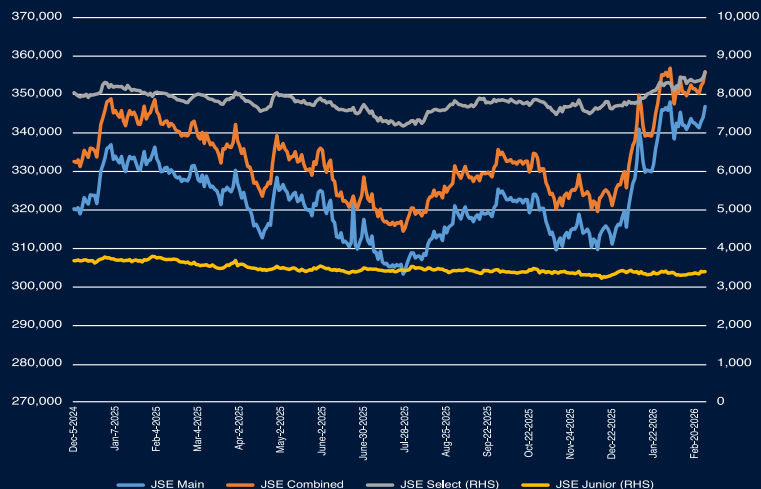
stocks that have released so far totaled \$14.38Bn, down 19.2%, as Melissa contributed to lower capital-market activity, higher insurance expenses, lower revaluations on financial assets and higher credit impairment losses. Melissa-related costs fed through the income statement across the larger financial entities via two main channels: higher insurance claims and market-driven valuation swings. NCBFG saw its net profit fall to J\$5.09Bn (-21.3% year-on-year) as its FX & investment activities swung to a J\$2.46Bn loss (from a J\$4.48Bn gain) and Property & Casualty (P&C) claims rose, including US\$161.00Mn in gross payouts. Reinsurance recoveries of US\$148.00Mn absorbed most of the catastrophe cost, limiting the earnings drag. Sagicor Group Ltd. (SJ) saw its Q4 earnings rise by 28.0% to J\$3.04Bn, but it still experienced pressure from higher claims and restoration costs. This came alongside weaker investment marks and higher credit impairment. Similar to NCBFG¹, reinsurance cushioned the impact on SJ’s earnings. Consequently, only the portion of claims on the company ultimately weighed on profits. For JMMBGL, the drag came more from losses on financial assets and a lower share of profit from associates, rather than a breakdown in core activity. Smaller players like Mayberry Jamaican Equities (MJE) saw its earnings swing to a J\$952.7Mn quarterly loss from a profit a year earlier amid softer equity-market conditions following Melissa². Its \$715Mn in unrealised losses from its concentrated equity portfolio was a major contributor. Notably, Supreme Ventures Limited (SVL) – the group’s largest holding – declined by 14.9%, given the prolonged disruption in its operations³. The share price has remained subdued and is likely to remain under pressure given SVL’s weak Q4 earnings.

¹ NCBFG Financial Statements

² With over half of the portfolio concentrated in SVL, which contracted considerably after Hurricane Melissa, the company saw material unrealized losses to its portfolio.

³Jamaica Gleaner

WEEKLY MOVEMENT IN INDICES



MOVEMENT IN INDICES

JSE Indices	Closing Levels	WoW % Change	YTD % Change
Combined Index	355,721.30	1.25%	8.30%
Main Market Index	346,698.30	1.26%	9.03%
Select Index	8,573.14	3.16%	11.69%
Junior Market Index	3,373.46	1.07%	-0.82%

WINNERS & LOSERS FOR THE WEEK ENDED FEBRUARY 27, 2026

	\$ Change	% Change
MTL	+\$1.63	+13.80%
CABROKERS	+\$0.25	+13.51%
SRFUSD	-\$0.01	-15.32%
MFS	-\$0.06	-13.95%

MARKET OVERVIEW

Last week, trading activity on the Jamaica Stock Exchange (JSE) increased, though the value of shares that exchanged hands fell, suggesting that investor interest shifted to lower-priced stocks. Market volume totalled 263.64Mn units, a 180.4% week over week (WoW) increase, while the value of units traded declined by 32.5% to J\$834.08Mn. Of the 128 stocks that traded, 71 advanced, 43 declined, and 14 held firm. Trading activity was more concentrated, with the top three volume leaders accounting for 49.2% of total market volume, up from 34.4% in the previous week. The volume leaders were Radio Jamaica Ltd. (RJR) with 61.71Mn units (23.06%), R.A. Williams Distributors Limited (RAWILL) with 45.75Mn units (17.09%) and TransJamaican Highway Ltd. (TJH) with 24.75Mn units (9.07%).

The increased trading activity lifted stock prices for the second consecutive week, as eight (8) of nine (9) indices appreciated and the JSE Combined Index, which measures the performance of all the main and Junior market companies, increased by 1.25%. Cigarette distributor Carreras Limited (CAR: +8.7%) was the main contributor, as the market responded positively to its \$0.40 per share dividend declaration payable to shareholders on record on March 13, 2026. Despite being lower than the \$0.54 per share declared the same time last year, it was a timely declaration as a planned increase in “sin taxes” on cigarettes by the Government of Jamaica caused angst among some investors. Among the remaining indices, the JSE Select Index (+3.2%) was the top advancer, followed by the JSE Financial Index (+2.2%). The JSE Select was also driven by CAR’s appreciation, while the Financial Index was primarily moved by Pan Jamaica Group Ltd. (PJAM +6.2%) and Sagicor Group Jamaica Ltd. (SJ +4.2%). PJAM declared its 4th interim dividend of \$0.275 per share payable to shareholders on record on March 12, 2026, and this likely increased demand for its shares. Meanwhile, in the absence of any major news, SJ’s movement was likely a result of general market volatility. The lone decliner was the US Index (-0.1%), fuelled by TJHUSD (-0.4%). Similarly, there was no company-specific news to support the downward trend.

With FY2025 net profit of J\$1.80Bn and 9M unaudited net profit of J\$1.84Bn, SVL likely recorded a loss in Q4. This was well below management's guidance that Q4 2025 profit could have been around J\$200.0Mn, and far short of the J\$700Mn–J\$1.00Bn range it estimated it would have recorded in the absence of the hurricane. Like MJE, Barita's earnings fell sharply (J\$211.47Mn; -69.4%), with management pointing to reduced client transaction volumes, more cautious portfolio repositioning, and a general pullback in risk appetite as Melissa dampened investor confidence and slowed capital market momentum. SCI also moved into loss territory (-\$527.79Mn from +\$203.79Mn) as higher impairment allowances and mark-to-market movements reflected a more cautious credit environment after Melissa.

Meanwhile, with more than half of the EMI names already reporting, aggregate earnings have inched up by 5.6% to J\$2.41Bn. Hurricane Melissa temporarily disrupted revenues and stoked higher operating and logistics expenses. TransJamaican Highways' (TJH's) earnings are down 7.7% as it missed out on approximately US\$3.50Mn in revenues following the Government of Jamaica's 15-day toll suspension implemented to ease commuters' costs and support recovery efforts after Hurricane Melissa. Its administrative expenses are also up 42.3%, largely tied to hurricane relief/recovery initiatives and operational enhancements. Excluding hurricane relief-related operating expenses⁴, the company's earnings would have grown by 48.9%. Meanwhile, Atlantic Hardware & Plumbing Company Ltd. (AHPC) and OMNI Industries Ltd. (OMNI), which supply building materials, posted strong earnings, as they benefited from improved demand to support post-Melissa rebuilding activity. AHPC's earnings jumped 33.3% to J\$38.60Mn, as strong product availability and supplier support contributed to stronger revenues from rebuilding demand. Similarly, OMNI's Q4 earnings grew 214.0% to \$28.19Mn, lifted by a post-Melissa jump in domestic orders as customers accelerated purchases of essential construction and storage products.

Conversely, with more than a third of local M&D stocks reporting thus far in Q4 2025, aggregate earnings are up 136.3% to \$6.17Bn as the geographic and product

While the earnings releases so far for the December quarter show that Melissa rocked the boat, investors need not abandon ship on local stocks.

diversification of larger players helped them weather the storm. Seprod's earnings grew by 657.8% to \$2.4Bn, making it the main contributor to the sector's performance so far. By increasing its ownership stakes in ASBH (from 50.0% to 80.0%) and CPJ (from 75.0% to 80.0%), Seprod earned more from ASBH and CPJ's added range of products. Moreover, given that the group's presence in 26 countries offers a broad geographic footprint. This likely cushioned its consolidated performance from Melissa's impact. Notably, while its subsidiary Caribbean Producers Jamaica Ltd. (CPJ) saw higher earnings, Melissa dealt a heavy blow to revenues. CPJ's revenue generation is heavily dependent on its domestic operations (78.5%), which are heavily dependent on the tourism industry. Consequently, Melissa's direct hit to tourism cut revenues by 51.0% to US\$22.44Mn. However, its earnings were salvaged by insurance proceeds. For WISYNCO, whose quarterly earnings leaped 49.1% to \$1.48Bn, driven by stronger performance in its export markets, the introduction of new product lines, and overall higher production capacity to meet demand. Additionally, management noted that brewed products were formally launched at the start of the Oct-Dec quarter and have received encouraging market uptake, which has likely helped to offset the falloff in hospitality distribution channels. While product and geographical diversification offered shelter for the larger M&Ds, smaller, less diversified players were struck by the winds. Fontana Pharmacy Ltd. (FTNA) saw its earnings contract by 38.5% to J\$201.0Mn. Despite revenue growth from its Monarch Pharmacy acquisition, earnings were depressed by operational disruptions following Hurricane Melissa. The company's second-largest sales location, its Fairview Montego Bay store, was closed for 16 days. Additionally, the Savanna la Mar location

operated with reduced trading hours, further weighing on overall performance. These factors, alongside Monarch's integration costs, dampened the group's earnings⁵. Salada Foods saw a 36.2% decline to J\$32.15Mn due to lower revenue generation, due to the natural disaster, mixed with a largely fixed administrative cost base, putting pressure on the company's profitability.

Addressing the elephant in the room, Tourism stocks have yet to release December earnings. However, their delayed releases, alongside Melissa's impact on CPJ and Wisynco's tourism revenues, may be a canary in the coal mine for the sector's earnings. Margaritaville (Turks) Ltd.'s (MTL) financial statement release has been delayed twice due to the passage of Hurricane Melissa, as it has impacted its systems and personnel. The same can be said for Express Catering Ltd.'s (ECL) and Dolphin Cove Ltd.'s (DCOVE) delayed financials. If these indicators are anything to go by, tourism stocks may post softer near-term results, with recovery hinging on hotel reopenings and a rebound in tourism arrivals.

While the earnings releases so far for the December quarter show that Melissa rocked the boat, investors need not abandon ship on local stocks. Investment firms dragged FS earnings, but most of the losses are unrealised, meaning their fate could reverse in the medium-term as markets recover. Moreover, solid performances across diversified financial groups like NCBFG, JMMBGL and SJ might be bellwethers for other large players like SGJ, which is yet to report earnings. They have also shown that insurers have absorbed Hurricane Melissa-related losses so far. However, as claims continue to be processed, additional claims could still affect insurance service expenses in the coming quarters for these companies. Similarly, several EMI and M&D stocks are expected to perform well in the ensuing quarters as post-Melissa operational disruptions fade and demand persists for building materials, consumer staples and logistics (BMCL) stocks. Tourism stocks are likely to see the most lagged recovery, but earnings should start rebounding by Q4 2026 as the sector recovers. The Government of Jamaica expects tourism activities to normalise by May 2026⁶, and officials are targeting arrivals at about 95%–98% of pre-storm levels by end-2026⁷. More

⁴ Relief-related expenses amounted to J\$100.0Mn for the quarter which is US\$626.02K using an exchange rate of US\$159.74.

⁵ Following Fontana's acquisition of Monarch Pharmacy, its integration costs also inflated expenses, dampening earnings.

⁶ JIS

⁷ Travel Age West

flights coming into 2026 support that path⁸, but MTL, ECL, and DCOVE will still be most affected by how fast hotels/rooms reopen, tourist arrival numbers rebound, and operations normalise⁹.

Q4 2025 results showed Melissa’s impact varied across sectors and individual companies. While FS earnings are soft thus far, bellwethers like NCB and JMMBGL point to better aggregate performance when other large diversified players finally report. EMI and M&D performed better as product and geographical diversification, coupled with increased demand for BMCL products, acted as a windbreak to Melissa’s impact. While Tourism stocks are likely to report a weak Q4, an eventual recovery in visitor arrivals should lead to earnings acceleration by Q4 2026. Ultimately, as operations stabilise, reconstruction activity supports demand, and market conditions improve, earnings should improve for the laggards and grow from strength to strength for the leaders. This scenario could offer opportunities for investors to acquire shares at deep discounts if prices decline for stocks with weaker earnings but still retain the right fundamentals to rebound once earnings normalise. This rebound could also be supported by easing rates. The BOJ’s most recent decision in February delivered another 25-basis-point cut, taking the policy rate to 5.50%, after inflation cooled faster than expected. Lower rates can provide an unexpected tailwind for companies, through cheaper funding and supportive valuation conditions, ultimately lifting earnings as conditions normalise. While risks remain, the underlying resilience of Jamaica’s listed businesses suggests recovery will build through 2026, even if it unfolds unevenly.

Foreign Exchange Market

The Jamaican dollar depreciated modestly against the U.S. dollar in trading last week, with the USD selling rate rising 0.33% to J\$157.26 on February 27, 2026, from J\$156.75 on February 20, 2026. Increased residual demand following the oversubscription observed in the Bank of Jamaica’s (BOJ) most recent B-FXIT intervention likely contributed to the depreciation. However, further JMD strengthening is anticipated in March as market participants position for seasonal tax obligations. Additionally, the BOJ has indicated that it will provide U.S. dollar liquidity to eligible B-FXITT participants via an intervention scheduled for March 23, 2026. The auction amount is to be announced a day in advance.

Selling	Close: 20/2/2026	Close: 27/2/2026	Change
J\$/US\$1	\$156.74	\$157.26	\$0.52
J\$/CDN\$1	\$116.65	\$118.25	\$1.61
J\$/GBP£1	\$210.98	\$213.34	\$2.36

Global Bond Prices

Last week, global markets navigated a renewed risk-off environment as investors processed tariff uncertainty, stagflation fears and escalating geopolitical tension in the Middle East. Trade uncertainty intensified after U.S. President Donald Trump announced an increase in global tariffs to 15% from 10%, following the Supreme Court’s decision to strike down several duties imposed under the International Emergency Economic Powers Act (IEEPA). The U.S. president further noted that countries that plan to “play

games” after the Supreme Court’s rebuke “will be met with a much higher Tariff, and worse, than that which they just recently agreed to,”. This exacerbated the risk-off stance among investors. Macroeconomic data added to the cautious tone. A stronger-than-expected January wholesale inflation report intensified fears that inflationary pressures may persist even as growth momentum softens. Data from the Bureau of Labour Statistics (BLS) showed core Producer Prices, stripping out food and energy, rose 0.8% in January, far above the 0.3% Dow Jones consensus estimate. The inflation surprise, alongside growing concerns that rapid advances in artificial intelligence could disrupt labour markets and dampen future demand, weighed on economic sentiment and triggered a flight to safety, driving increased demand for U.S. Treasuries and lower yields. Adding to that, rising geopolitical tensions, as the U.S., Israel and Iran, unsettled the markets and brought fresh worries to investors about inflation and the economy. The U.S. conducted its largest military build-up since the 2003 Iraq invasion amid negotiations focused on Iran’s nuclear program and easing of U.S. sanctions. After markets closed on Friday, the situation escalated into active conflict with the U.S., in coordination with Israel, launching a series of military strikes against Iranian targets. The immediate focus for investors now shifts to the Strait of Hormuz, a critical global chokepoint where approximately 20% to 25% of the world’s oil consumption passes through daily.

Notwithstanding the developments, the market still expects the U.S. Federal Reserve (the Fed) to hold its policy rates at the current range of 3.50% to 3.75% when they meet on March 18th. The CME Fed watch tool currently has a 93.6% probability of a pause, compared to 96.5% last week. Overall, the tool is pricing in at least one rate cut by the end of 2026.

Amid the tariff uncertainty, stagflation fears and rising geopolitical risks, U.S. Treasury yields declined from 4.0850% to 3.9490% WoW. The lower yields correspond to higher prices as investors flocked to safety amid higher perceived risk.

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
Amazon (4.65%) 2035 (NEW) ¹⁰	AA-/Stable	103.25	4.24%	BUY
Bahamas (6.00%) 2028	BB-/Stable	103.25	4.70%	BUY
Bahamas (6.63%) 2033	BB-/Stable	104.00	5.93%	BUY
Bahamas (6.95%) 2029	BB-/Stable	105.75	5.22%	BUY
Bahamas (8.25%) 2036	BB-/Stable	115.50	6.19%	BUY
Bahamas (8.95%) 2032	BB-/Stable	116.75	5.85%	BUY
Bahamas (9.00%) 2029	BB-/Stable	111.75	5.05%	BUY
Barbados (8.00%) 2035	B+/Stable	110.75	6.44%	BUY

⁸ Jamaica Gleaner

⁹ Travel Weekly

¹⁰ 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

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
Blackstone (6.00%) 2032	B+/Stable	110.75	6.44%	BUY
Minerva (4.88%) 2031	BBB-/Positive	101.75	5.65%	BUY
Bermuda (4.75%) 2029	BB/Stable	85.65	5.29%	BUY
Bermuda (3.72%) 2027	A2/Stable	102.75	0.57%	BUY
DOMREP (5.75%) 2034 (NEW ISSUE) ¹¹	BB/STABLE	102.75	5.32%	BUY
DOMREP (5.88%) 2035	BB/STABLE	102.75	5.50%	BUY
DOMREP (6.15%) 2038 (NEW ISSUE) ¹²	BB/STABLE	103.25	5.77%	BUY
DOMREP (6.95%) 2037	BB/STABLE	110.25	5.69%	BUY
DOMREP (8.63%) 2027	BB/STABLE	106.00	3.10%	BUY
General Motors (5.4%) 2029	Baa2/Stable	106.75	3.39%	BUY
Goldman Sachs Private Credit (5.875%) 2031 (NEW)	BBB-/Stable	102.00	5.40%	BUY
JAMAN (6.75%) 2028	BB-/Stable	106.50	3.56%	BUY
Kingston Airport Revenue (6.75%) 2036	BB+/Stable	105.75	6.02%	BUY
Marex (6.404%) 2029	BBB-/Positive	107.50	4.17%	BUY
NCBFG (11.0%) 2030	B+/Negative	104.81	9.66%	
NFLX (4.875%) 2030	A/Stable	105.75	3.41%	BUY
NRG (3.88%) 2032	BB+/Stable	97.00	4.46%	BUY
NRG (6%) 2033	BB+/Stable	105.50	5.05%	BUY
NRG (6.25%) 2034	BB+/Stable	106.50	5.30%	BUY
Petro Rio (6.75%) 2030	BB-/Positive	102.25	6.18%	BUY

¹¹ 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

¹² 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
Trinidad and Tobago (6.50%) 2036 (NEW ISSUE) ¹³	BBB-/Negative	104.25	5.93%	BUY
BANORTE (5.75%) 2031	Baa2/Negative	103.00	5.12%	SELL
FRICON (7.7%) 2028	B/Stable	58.25	35.04%	SELL
NFE (6.5%) 2026	CCC-/RWN	12.75	1078.94%	SELL
Warner Bros. (4.125%) 2029	BB+/Negative	96.50	5.33%	SELL

GOJ Globals

Ticker	Maturity	Bid	Offer Yield*
JAMAN	2028	102.85	4.16%
	2036	116.00	6.32%
	2039	120.70	5.61%
	2045	120.55	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
BDHR	2027	8.15%	100.35	8.02%
SJPC	2032	8.85%	103.75	8.18%

Money Market

Liquidity in the JMD money market increased, as measured by the aggregated current balances held by Deposit-Taking Institutions (DTIs). As at February 27, 2026, the total aggregate current balance amounted to J\$75.05Bn, marking a 36.9% increase compared to the previous week. Demand for money market instruments grew, as shown by the oversubscription of the Bank of Jamaica's (BOJ) weekly 30-day Certificate of Deposit (CD) auctions. Total bids amounted to J\$50.17Bn (+115.6%), overshooting the \$40.00Bn issue size, implying a bid-to-offer ratio of 1.25x, down from 1.45x previously. The average yield on the 30-day CD Auction was 5.72%, 7 basis points below the 5.79% recorded in the previous week. The next CD auction with an offer size of J\$20.00Bn is scheduled for March 5th, 2026.

On February 23, 2026, the Bank of Jamaica's (BOJ's) Monetary Policy Committee (MPC) announced it cut the policy rate by 25 basis points to 5.5%. The cut was influenced by the MPC's assessment that Hurricane Melissa's direct impact on inflation was less severe than initially anticipated, as agricultural supplies improved faster than expected and mild exchange-rate appreciation helped to ease price pressures. This easing is likely to translate into lower money market rates. Consequently, all else equal, we expect downward pressure on Treasury bill yields and CD rates, which would encourage a shift toward more fixed-income and equity investments. However, the armed conflict between the United States (U.S.) and Israel against Iran could reignite inflation fears and keep interest rates higher for longer and with it money market yields.

Dates to watch this week

■ International ■ Local

March 2026

MON	TUE	WED	THUR	FRI
02	03	04	05	06
NCBFG X-Dividend Date (\$0.50 per share) KEX Dividend Payment Date (\$0.07 per share)	SIL X-Dividend Date (US\$0.000329 per share)	AFS Dividend Payment Date (\$0.10 per share) Wisynco Dividend Payment Date (\$0.23 per share) CPFV X-Dividend Date (BDS\$0.005 per share)		
		U.S. Nonfarm Employment Change (Feb) CAD Labour Productivity (QoQ) (Q4)		U.S. Retail Sales (MoM) (Jan)

Unit Trust

FUND	Fund Composition	Prices/NAV\$	12 Month Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
NAV †					
*AS AT March 02 2026					
NCB Capital Markets Limited (NCB CAPFUNDS)					
O Money Market Fund (M Fund)	F	16.4496	6.15%	1.16%	4.60%
O Income Optimizer Fund (i O Fund) ◊	F	15.4521	5.17%	0.31%	3.78%
☆Caribbean Equity Fund (E Fund) †	E	26.8021	-6.37%	1.04%	8.16%
◊ Real Estate Fund (r E Fund) †	R, F	17.3281	20.12%	2.23%	2.76%
O USD Money Market Fund (x M Fund)	F	1.2359	3.15%	0.09%	2.48%
O USD Bond Fund (x B Fund)	F	1.3457	3.16%	0.29%	3.00%

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

US turns up Heat on Venezuela with Threat to Indict New Leader Delcy Rodriguez

The Trump administration is quietly building a legal case against Venezuelan interim president Delcy Rodriguez, including readying a draft criminal indictment, one of several tools it is using to strengthen its leverage with Caracas, according to four people familiar with the matter.

Federal prosecutors have put together possible corruption and money laundering charges, and have communicated to Rodriguez that she is at risk of prosecution unless she continues to comply with Trump's demands following the U.S. ouster of former Venezuelan leader Nicolas Maduro in January, the sources said.

Reuters has not seen the charges in written form being prepared against Rodriguez but spoke with four people briefed on the matter. The news agency is the first to report the effort to craft the draft indictment of Rodriguez for alleged money laundering and corruption, which the sources said Rodriguez had been made aware of verbally.

The U.S. Attorney's Office in Miami is preparing the draft charges, the people said, adding that the document has been evolving over the past two months. The probe focuses on Rodriguez's alleged involvement in the laundering of funds from Venezuela's state oil company PDVSA, three of the sources said, and covers activities between 2021 and 2025, two of the sources said.

The Department of Justice declined to comment on the story. After a summary of the report was published on the Reuters World News morning podcast, Deputy Attorney General Todd Blanche wrote on X, "completely FALSE from @reuters. Not sure how such fake news makes its way to publication." In a statement, Reuters said: "We stand by our reporting that the Department of Justice is preparing an indictment against Delcy Rodriguez, the new president of Venezuela."

Separate from the draft indictment, U.S. officials have presented Rodriguez with a list of at least seven former high-level party officials, associates and their family members that it wants her to arrest or to keep in Venezuela's custody for potential extradition, four sources said. This was first reported by Spain's ABC newspaper. Rodriguez is facing this threat just two months after taking power following a lightning raid by U.S. special forces who captured Maduro and whisked the longtime authoritarian leader away to New York for trial on charges of narcoterrorism and cocaine trafficking. Maduro pleaded not guilty and is being held in New York pending trial.

In public, Trump has heaped praise on Rodriguez for cooperating with the U.S. and hailed Venezuela as "our new friend and partner" in his annual State of the Union address. But the draft indictment is yet another bargaining chip the United States has

added as it attempts to compel members of the Venezuelan government, once loyal to Maduro, to carry out its wishes. The Venezuelan communications ministry, which handles all press queries for the government, did not respond to a detailed list of questions about the potential charges being crafted against Rodriguez.

Source ~ Reuters

Dominican Republic Has Over 150 Million Tons Of Rare Earth Deposits

The Dominican Republic has identified rare earth deposits that could position the Caribbean nation as a significant future supplier of minerals critical to high-tech industries, President Luis Abinader said on Friday. Preliminary studies indicate gross deposits exceeding 150 million tons of rare earth elements, comprising 17 metals that can be used in semiconductors, aerospace applications, and military equipment, according to a government statement.

During his annual State of the Nation address to Congress, Abinader set a goal to finish assessing mineral deposits this year and certify reserves by early next year, a necessary step for large-scale extraction and refining. It is unclear how much of the 150 million tons could be viable for commercialisation. The president linked development of the deposits to a broader strategy of energy transformation and "responsible use of natural resources," which he said would strengthen Dominican sovereignty, reduce external dependence, cut emissions and boost competitiveness.

The United States has signaled strong interest in the Dominican deposits, located in the border province of Pedernales. U.S. Secretary of State Marco Rubio said in February last year that the world will need access to such resources to develop key technologies in this century, and stressed that the rare earths "belong to the Dominican Republic and its people," while offering U.S. support as a partner in their development.

Source ~ Reuters

International News

Oil Prices Leap Higher as Iraq Shuts Down Production At Giant Oil Fields

Iraq has begun curtailing oil production at key southern fields, including Rumaila, while West Qurna 2 is also shutting in roughly 460,000 barrels per day, according to Iraqi oil officials. The cuts follow escalating regional tensions that have effectively stalled tanker traffic through the Strait of Hormuz.

Iraqi authorities said disrupted navigation and a shortage of available tankers have pushed storage tanks in southern export terminals toward critical levels, forcing production reductions.

Separately, a drone attack targeted the UAE port of Fujairah, the country's largest oil export hub outside the Strait of Hormuz. The incident adds to mounting security risks for Gulf energy infrastructure, though there have been no confirmed reports of catastrophic structural damage at the port.

The Strait of Hormuz handles roughly one-fifth of global oil flows. Any sustained disruption materially tightens the seaborne crude market, particularly for Middle Eastern barrels bound for Asia.

Oil prices have risen sharply as traders price in the growing geopolitical risk premium and the potential for broader supply interruptions across the Gulf. At 09:30 EST on Tuesday morning, Brent crude futures jumped to 7.99% to \$83.95, while WTI futures jumped 8.75% to \$77.46 per barrel.

Source ~ Oilprice.com

Euro zone inflation jumps, faces quick hit from surging oil price

Euro zone inflation surged unexpectedly last month and may rise further in the coming months if war in the Middle East keeps energy prices high, possibly putting pressure on the European Central Bank to revisit its policy stance. Inflation in the 21 countries that share the euro jumped to 1.9% from 1.7% a month earlier, outpacing expectations for 1.7%, as rising unprocessed food and services costs offset low energy prices, data from Eurostat showed on Tuesday. Underlying inflation, a closely watched measure which excludes volatile fuel and food prices, increased to 2.4% from 2.2% as services inflation, a top concern for policymakers, once again accelerated more than predicted.

"February's higher than expected inflation figure are certainly not good news and add to concerns resulting from the start of the conflict in the Middle East," Diego Iscaro at S&P Global Market Intelligence, said. "Higher oil and gas prices, supply chain disruptions and a softer euro are all inflationary," Iscaro added. Fuel retailers pass surging costs onto drivers in a matter of days, so the price impact could be immediate if the conflict continues to limit energy production or shipments beyond a few days.

JP Morgan estimates that a 10% increase in Brent crude oil prices calculated in euros would lift headline inflation by 0.11 percentage points within three months. On that basis, the energy price move seen in the past week would lift inflation by about 0.2 percentage points, if prices stabilised at their current level, it argued. Inflation was projected to run below the ECB's 2% target in both 2026 and 2027, so an increase, if indeed contained, may not put immediate pressure on the ECB to raise interest rates, especially since policy acts with long lags and does little to dampen price pressures in the near term.

But economists see clear upside risks now, especially if the conflict drags on. "If the conflict continues for a few weeks, expect inflation to rebound to the mid-2% range," ING economist Bert Colijn said. "But if a significant disturbance to energy supply lasts

longer, the impact is bound to become larger, which means that uncertainty around the inflation outlook is returning." Financial markets see no change in the ECB's 2% deposit rate for now but see a one in two chance of a rate hike toward the end of the year. The ECB normally looks through energy-induced inflation volatility but may not be as patient as it was in 2022, when it was late in recognising the inflation surge and had to lift rates at a record pace to contain prices.

The ECB is also likely to be more alert as domestic inflation has been holding above target for years and only an earlier fall in oil prices pulled the measure below target. Such a setting would suggest that the ECB stays put as long as the price surge looks like a one-off but may act quickly if longer-term expectations or wage-setting behaviour started to change. The bank will next meet on March 19 and a policy change is unlikely as the bank only acts on persistent changes in financial conditions and would need more evidence that the war had caused permanent changes in how the economy works.

Source ~ Reuters

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