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"Courage taught me no matter how bad a crisis gets ... any sound investment will eventually pay off." — Carlos Slim Helú.

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Oil Eyes on the JSE: Jamaica's Fuel Stocks Strategise for Growth but Risks Loom

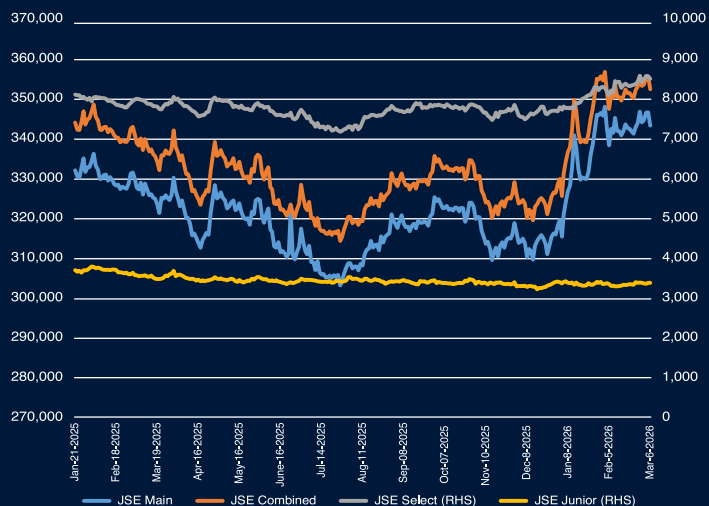
“Trouble nuh set like rain.” Locally listed energy companies have enjoyed a period of favourable global energy prices over the last few years and largely dodged the Melissa bullet, with companies seeing robust demand in the hurricane’s aftermath despite damage to some facilities. Against this background, Jamaica’s listed fuel companies, Future Energy Source Company Limited (FESCO), Regency Petroleum Company Limited (RPL), and West Indies Petroleum Terminal Limited (WIPT), delivered generally resilient performance in 2025. However, investor sentiment on the Jamaica Stock Exchange (JSE) has varied considerably, reflecting differences in each company’s growth strategy, valuation expectations, and stock liquidity. However, with risks of the war involving the United States (U.S.), Israel, and Iran escalating into a broader, protracted conflict, it has once again injected volatility into oil and gas markets. As energy conflicts and geopolitical risks resurface on the global stage, we delve into JSE-listed fuel companies, how they’ve navigated the macroeconomic shock from Melissa, and whether the latest U.S.-Israel-Iran conflict could reshape their outlook.

While Hurricane Melissa caused operational disruptions, particularly in Western Jamaica, local fuel stocks largely dodged a bullet as indicated by their 2025 earnings. RPL, a Petroleum distributor with a strong presence in Western Jamaica, delivered solid earnings despite damage to some of its facilities. Melissa caused significant damage to its Liquefied Petroleum Gas (LPG) distribution storage plant and three gas stations. Nevertheless, its fourth quarter (Q4) earnings remained robust, growing by 552.80% to J\$31.81Mn. This contributed to a 31.80% increase in net profits, to close the financial

year ending December 31, 2025 (FY2025) at J\$114.47Mn. The overall growth was supported by the company’s location in the Western section of the island, which positioned it to capture increased demand for fuel in Q4. In particular, Melissa-induced power outages drove higher demand for petrol as an alternative power source for generators and for heavy equipment, directly benefiting RPL as consumers and businesses turned to fuel to maintain operations and power equipment for cleanup efforts. Beyond the spike in demand post-Melissa, the expansion of its service station network has been the primary growth driver for the company, supported by increasing LPG distribution through strategic partnerships and franchise arrangements. FESCO, which also faced operational disruptions (albeit minimal), had a strong showing. Its Q3 earnings increased by 176.42% to J\$242.70Mn and contributed to its best nine-month earnings to date of J\$587.89Mn (+44.63%). While FESCO benefited from the increased fuel demand post-Hurricane Melissa, its earnings growth is underpinned by the continued expansion of its retail service station network¹. Importantly, for the nine months ended December 31, 2025, its performance was driven by top-line growth of 5.97%, supported by increasing throughput (litres of fuel sold), including LPG with its ‘FESGAS’ brand, diversification of product offerings and services, and lower finance costs (-13.30%). Midstream operator, WIPT, which operates the Port Esquivel storage terminal in St. Catherine, reported that Melissa did not disrupt its core operations, allowing deliveries to resume just two days after the event. The company reported robust earnings performance for

¹ The company currently operates 23 service stations islandwide, comprising 4 company-owned locations and 19 dealer-operated stations.

WEEKLY MOVEMENT IN INDICES



MOVEMENT IN INDICES

JSE Indices	Closing Levels	WoW % Change	YTD % Change
Combined Index	355,721.30	-0.95%	7.27%
Main Market Index	346,698.30	-1.00%	7.94%
Select Index	8,573.14	-0.94%	10.64%
Junior Market Index	3,373.46	-0.27%	-1.09%

WINNERS & LOSERS FOR THE WEEK ENDED MARCH 6, 2026

	\$ Change	% Change
XFUND	+\$1.86	+23.3%
PULS	+\$0.17	+18.3%
ASBH	-\$5.22	-16.1%
CAC	-\$0.25	-12.5%

MARKET OVERVIEW

Last week, trading activity on the Jamaica Stock Exchange (JSE) weakened, with losers outpacing winners and both market volume and market value traded declining when compared to the prior week. Market volume totalled 156.34Mn units, a 40.4% week over week (WoW) decrease, while the value of units traded declined by 22.5% to J\$646.66Mn. Of the 128 stocks that traded, 45 advanced, 63 declined, and 20 held firm. Trading concentration remained relatively unchanged, as the top three volume leaders accounted for 49.14% of total market activity, broadly in line with the previous week. The volume leaders were R.A. Williams Distributors Limited (RAWILL) with 47.17Mn units (29.9%), TransJamaican Highway Ltd. (TJH) with 16.39Mn units (10.34%) and Kintyre Holdings(JA) Limited (KNTRYR) with 14.13Mn units (8.94%).

After two consecutive weeks of gains, the market reversed course with all nine indices closed lower. The JSE Combined Index fell 1.0%, largely influenced by a 16.1% drop in A.S. Bryden & Sons (ASBH). This sell-off also weighed on the Manufacturing & Distribution (M&D) Index, which was the week’s largest laggard, falling 2.4%. Within the sector, Wisynco Group (Wisnco: -4.3%) and Caribbean Cement Company (CCC: -4.0%) also contributed to the downward trend. While there was no news to support Wisynco’s decline, CCC’s falloff likely stemmed from its FY2025 earnings report, which showed a profit dip due to high maintenance costs earlier in the year. Despite a contraction in full-year earnings, fourth-quarter performance demonstrated resilience with a 4.0% uptick, underpinned by robust revenue momentum. We anticipate a fundamental earnings recovery in the upcoming fiscal year, catalysed by large-scale reconstruction efforts following Hurricane Melissa. The JSE Cross Listed Index also slipped 1.3%, with all four constituent stocks declining. The 2.8% decline in Guardian Holdings (GHL) was the primary drag. This price movement contrast the company’s underlying performance, as GHL recently reported a 80.0% jump in annual earnings.

FY2025, as improved revenue mix, higher throughput² and storage fee revenues from external customers and easing cost pressures fuelled profit acceleration. Much of the earnings improvement was propelled by a strong Q4 (US\$358.13K), a reversal of Q4 2024's loss position, driven by a 62.59% increase in revenues. Overall, the terminal operator posted a net profit of US\$2.29Mn in FY2025, up 119.11%, with revenues rising 7.65% to US\$8.83Mn.

While geopolitical tensions may continue to shake the global oil barrel, Jamaica's listed fuel companies have shown resilience and have been aggressively executing on their strategic plans.

While these listed fuel stocks posted solid earnings, investor reactions varied as measured by stock price movement and market multiples³ (see Table 1). RPL's share price has already climbed 23.59% year to date (YTD), adding to a 23.33% increase in 2025. This trend and its price-to-earnings (P/E) multiple of 67.07x, which towers above the Junior Market Distribution Sector average of 23.0x, suggests the market has already priced in expectations for high earnings. Meanwhile, investor sentiment is strengthening for FESCO. Its strong earnings were initially overshadowed by a 24.54% stock price decline in 2025 as investors weighed the 28.09% decline in net profits in FY2024, along with heavy capital expenditure⁴ associated with its LPG rollout. The investment also led to the suspension of dividends in 2024. However, the company's share price is now showing signs of recovery. Year to date, the stock has risen 21.45%; however, its P/E ratio of 13.65x is still below that of its fuel industry peers. If the company continues to grow its earnings, investor demand for the stock could increase. This higher demand would likely push the share price up, which would in turn raise the P/E ratio closer to the industry average. WIPT, meanwhile, has followed a very different trajectory. Its stock price has soared by 2,044% post-listing, primarily driven by extremely limited public float coupled with high demand rather than underlying earnings performance. The company now trades at a P/E multiple of 335.55x, indicating that its valuation is largely detached from company-specific fundamentals. That said, this price strength might not be sustainable, as much of the gain reflects market dynamics rather than earnings, and any shifts in sentiment or demand could weigh on the stock. Still, WIPT is likely to retain some of its YTD appreciation due to a combination of low float and behavioural support levels.

Looking ahead, the successful execution of

expansion plans and revenue diversification strategies augur well for investor sentiment on local fuel stocks. RPL is looking to grow its service station network through a dealer-owned, dealer-operated Truck Stop in St. Elizabeth and a 24-hour gas station at the Norman Manley International Airport. Alongside this, it is strengthening its presence in the LPG market through its acquisition of the operations of Yaadman Petroleum⁵, a move expected to double its share of Jamaica's cooking gas market and support its target of boosting bulk LPG revenues. While the expansion strengthens its long-term positioning, the LPG segment is relatively capital-intensive and requires significant upfront investment in storage, distribution, and logistics infrastructure. As a result, revenues from these investments typically materialise gradually as the network expands and operations scale. Likewise, FESCO is continuing to scale its nationwide retail network, with plans to open four to five new dealer-operated service stations in 2026. Diversifying into LPG distribution and related services also remains a key part of FESCO's long-term strategy, with the company acquiring additional LPG and industrial storage assets in Q3. However, FESCO's LPG segment remains in its early stages and is currently operating at an operating loss, reflecting the capital-intensive nature of the business. That said, management is targeting profitability in the segment by the end of 2027. Earnings may also be impacted beginning April 30, 2026, when FESCO transitions to paying 50% of the standard corporate income tax under the Jamaica Stock Exchange Junior Market incentive, resulting in higher tax obligations. Meanwhile, WIPT continues to pursue a strategy centred on diversifying revenue beyond its parent company. In the near term, the company expects further growth as it increases capacity utilisation, third-

party storage and throughput contracts. WIPT is also exploring regional storage opportunities in markets such as Panama and The Bahamas, which are anticipated to be supported by the robust Caribbean cruise industry and expanding regional trade. However, these initiatives could take time to develop, with execution timelines, potential cost overruns, and competition from established players in larger markets among the risks as it expands. Nonetheless, if executed effectively, they could translate into stronger revenue and earnings growth for these fuel stocks and unlock value for shareholders. However, success will hinge on managing execution risks and costs, which could pressure margins in the near term and weigh on profitability. Furthermore, at its current P/E, much of this growth is likely already priced in.

The war involving the U.S., Israel, and Iran complicates the picture. Energy prices are already spiking, given disruptions to oil and natural gas production and a near halt of oil shipment through the Strait of Hormuz, where roughly a fifth of global petroleum supplies transit daily. The Russia-Ukraine War (February 2022), which also spiked oil prices, offers a recent reference point for the impact of major wars on local fuel stocks. FESCO successfully navigated the volatility with FY2023 (ended March 31, 2023) net profits climbing (+125.23%) on the back of higher prices, expanding sales volumes, and the opening of two (2) dealer-owned and operated service stations. Although such a conflict would typically put pressure on margins due to the higher cost of goods sold, FESCO's gross profit margins improved, rising from 3.09% in FY2022 to 3.31% in FY2023. Further, management emphasised that their strategy focused on increasing the volume of fuel sold, given their limited control over fuel prices. Meanwhile, RPL's FY2022 revenues rose by +12.29%, driven by stronger transportation fuel volumes and expanding LPG demand, suggesting it was able to grow despite the price shocks. Gross profit margins improved steadily, moving from 15.58% in FY2021 to 16.57% in FY2022, reflecting the company's ability to manage costs amid rising prices. Furthermore, RPL appears to be pursuing a similar approach to FESCO, focusing on market share growth, network expansion, and operational efficiencies to manage margins in periods of price volatility. Lastly, WIPT is likely insulated from oil price swings,

² Throughput revenue typically comes from fees charged to third parties for moving petroleum products through its storage and terminal infrastructure.

³ P/E and stock price data as at March 9, 2026.

⁴ The company has made substantial capital investments, which include building out its LPG infrastructure. Namely, cashflows towards PPE amounted to J\$1.64Bn in its 2022/23 financial year and J\$550Mn in the 2023/24 financial year.

⁵ The deal includes Yaadman's Malvern filling plant, two 12,500-gallon storage tanks, delivery trucks, a cylinder-refurbishing facility, and about 40,000 cylinders in circulation.

given that its revenue depends primarily on volumes handled rather than the commodity price itself. Therefore, local fuel stocks positioned to expand volumes and manage costs to widen margins can still grow profits and create value for shareholders, even if the U.S.-Israel-Iran dispute drags out and keeps fuel prices elevated.

Overall, FESCO, RPL, and WIPT provide different exposures across the energy value chain, from retail distribution to storage and logistics, offering opportunities for portfolio diversification. This creates solid opportunities for portfolio diversification within a single sector. FESCO's modest valuation and growing footprint could deliver significant upside. RPL's expansion and LPG ambitions support a high-growth narrative, and WIPT's hopes for expansion operations may strengthen long-term revenue. However, the company already appears significantly overvalued, with its current valuation largely disconnected from underlying earnings. Moreover, investors should remain mindful that the sector's outlook is not without risks. This includes global oil-price volatility from the U.S.-Iran war, capital-intensive expansion, and climate-related risks, which could affect margins and working capital. Nonetheless, while geopolitical tensions may continue to shake the global oil barrel, Jamaica's listed fuel companies have shown resilience and have been aggressively executing on their strategic plans. For investors willing to navigate the volatility, selectively adding exposure to the sector, particularly where valuations are attractive, could help fuel long-term portfolio growth, as in energy markets, the biggest strikes rarely come without drilling through volatility.

Table 1: Performance Summary

Company	YTD Price Change	P/E	ROE
RPL	23.59%	67.07x	18.70%
FESCO	21.45%	13.65x	21.80%
WIPT	694.66%	335.55x	8.00%

Sources: JSE & NCBM Research

Foreign Exchange Market

For the week ending March 6, 2026, the Jamaican dollar (JMD) depreciated by 0.13% against the USD, with the weighted average selling rate for US\$1 increasing from J\$157.26 on February 27, 2026, to J\$157.48 on March 6, 2026. The market was active last week, as participants, particularly dealers, took advantage of wider spreads before the Bank of Jamaica's anticipated B-FXIT operation in the next two weeks.

Selling	Close: 27/2/2026	Close: 06/3/2026	Change
J\$/US\$1	\$157.26	\$157.48	\$0.22
J\$/CDN\$1	\$118.25	\$116.31	-\$1.94
J\$/GBP£1	\$213.34	\$210.75	-\$2.59

Global Bond Prices

Last week, global markets responded to a surge in oil prices, which raised fresh concerns about a spike in inflation, and labour market data, which dampened expectations for interest-rate cuts by the Federal Reserve (Fed) at its next meeting. U.S. Treasury yields moved higher on Thursday after the latest developments in the U.S.-Iran war and newly released economic data put investors back on edge. While the rally in oil prices had eased on Wednesday, it surged on Thursday, reaching \$80 per barrel after Iran said it attacked a tanker. West Texas Intermediate crude futures settled up more than 8% at \$81.01 per barrel. Additionally, Brent crude futures settled with a gain of about 5% at \$85.41 per barrel. Iran's foreign minister said Thursday that the country is not pursuing a ceasefire from the U.S. and Israel, telling NBC News in an interview that "we don't see any reason why we should negotiate." Uncertainty about the conflict's duration and its potential impact on energy markets also drove U.S. Treasury trading, pushing yields higher as investors reassessed inflation risks and the outlook for Federal Reserve policy. While geopolitical conflict traditionally triggers a flight to quality into Treasuries, the potential energy-led inflationary pressure is actively pushing yields higher, supported by resilient labour data and rising unit labour costs. This "cost-push" inflation risk is further compounded by Treasury Secretary Bessent's confirmation of a 15% global tariff, a move that likely offsets the administration's attempt to stabilise oil prices through naval escorts and risk insurance. Investors also digested the latest economic figures released on Thursday. Jobless claims for the week ended Feb. 28 were at 213,000, below the Dow Jones forecast for 215,000. Additionally, productivity and unit labour costs recorded a bigger-than-expected increase for the fourth quarter, adding to the upward pressure in yields. The weaker report could complicate decision-making for the Federal Reserve, as policymakers balance signs of labour market cooling against potential inflation pressures from rising energy prices amid escalating conflict in the Middle East.

Notwithstanding the developments, the market still expects the U.S. 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 96.3% probability of a pause, compared to 93.6% last week. Overall, the tool is pricing in at least one rate cut by the end of 2026.

While traditional market theory suggests investors "flee to safety" in bonds during conflict, the current spike in 10-year Treasury yields from 3.96% to 4.14% WoW signals a pivot toward inflation protection. Rather than seeking a safe haven, investors are selling off Treasuries in anticipation that \$85+ oil and 15% global tariffs will force interest rates to stay higher for longer, effectively eroding the value of fixed-income holdings.

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
Amazon (4.65%) 2035 (NEW) ⁶	AA-/Stable	103.25	4.24%	BUY
Bahamas (6.00%) 2028	BB-/Stable	103.25	4.70%	BUY
Bahamas (6.63%) 2033	BB-/Stable	104.50	5.85%	BUY
Bahamas (6.95%) 2029	BB-/Stable	105.75	5.21%	BUY

⁶ 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
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	5.04%	BUY
Barbados (8.00%) 2035	B+/Stable	110.75	6.44%	BUY
Blackstone (6.00%) 2032	B+/Stable	101.75	5.64%	BUY
Minerva (4.88%) 2031	BBB-/Positive	85.65	5.29%	BUY
DOMREP (5.75%) 2034 (NEW ISSUE) ⁷	BB/STABLE	102.75	5.32%	BUY
DOMREP (5.88%) 2035	BB/STABLE	102.75	5.50%	BUY
DOMREP (6.15%) 2038 (NEW ISSUE) ⁸	BB/STABLE	103.25	5.77%	BUY
DOMREP (6.95%) 2037	BB/STABLE	110.25	5.68%	BUY
DOMREP (8.63%) 2027	BB/STABLE	106.00	3.05%	BUY
Goldman Sachs Private Credit (5.875%) 2031 (NEW)	BBB-/Stable	102.00	5.40%	BUY
JAMAN (6.75%) 2028	BB-/Stable	106.50	3.54%	BUY
Kingston Airport Revenue (6.75%) 2036	BB+/Stable	105.75	6.01%	BUY
Marex (6.404%) 2029	BBB-/Positive	107.50	4.16%	BUY
NCBFG (11.0%) 2030	B+/Negative	106.31	3.59%	
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	5.04%	BUY
NRG (6.25%) 2034	BB+/Stable	106.50	5.30%	BUY

⁷ 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

⁸ 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+/RWN	96.50	5.33%	SELL

Prices and yields are indicative. For further information on the recommendations outlined in this publication, including suitability considerations and detailed investment insights, clients are encouraged to contact their NCB Capital Markets Wealth Advisor. Your Wealth Advisor can provide personalised guidance aligned with your investment objectives, risk tolerance and portfolio strategy. Additionally, see Disclaimer on page 9.

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 March 6, 2026, the total aggregate current balance amounted to J\$97.76Bn, marking a 30.3% increase compared to the previous week.

Demand for money market instruments was strong, 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\$56.78Bn, 13.2% above the \$51.00Bn issue size, implying a bid-to-offer ratio of 1.1x, down from 1.3x previously. The average yield on the 30-day CD Auction was 5.73%, 1 basis point above the 5.72% recorded in the previous week. The next CD auction is scheduled for March 11th, 2026.

The Bank of Jamaica indicated that, based on its assessment of Jamaican dollar liquidity conditions, supported by market survey results, there was no immediate need to inject additional liquidity into the financial system. Consequently, the Bank did not conduct its scheduled 14-Day Repurchase Operation on Monday, 2 March 2026. The next auction for the 14-day repurchase agreement is scheduled for Monday, 9 March 2026.

Dates to watch this week

■ International ■ Local

March 2026				
MON	TUE	WED	THUR	FRI
09	10	11	12	13
			SALF -AGM- Legacy Suite, Pegasus Hotel, 85 Knutsford Boulevard, Kingston 5	
		-U.S. CPI (MoM) (Feb))	-US Initial Jobless Claims	-GBP GDP (QoQ) (Q3)

MARCH 9, 2026

Recommendations

JSE Ticker	Closing Price (March 9, 2026)	P/E	Avg. Sector P/E	Current Recommendation
CCC	\$101.81	14.6x	19.7x	BUY
SVL	\$17.14	24.5x	24.5x	BUY

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Unit Trusts

FUND	Fund Composition	Prices/NAV\$	12 Month Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
NAV † *AS AT March 06 2026					
NCB Capital Markets Limited (NCB CAPFUNDS)					
○ Money Market Fund (M Fund)	F	16.4702	6.03%	1.28%	4.85%
○ Income Optimizer Fund (i O Fund) ◊	F	15.5175	5.97%	0.73%	3.99%
★ Caribbean Equity Fund (E Fund) †	E	26.1583	-8.49%	-1.39%	8.41%
◊ Real Estate Fund (r E Fund) †	R, F	17.5132	21.38%	3.33%	2.66%
○ USD Money Market Fund (x M Fund)	F	1.2416	3.38%	0.56%	2.21%
○ USD Bond Fund (x B Fund)	F	1.3468	2.75%	0.38%	2.96%

KEY

- - 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

Venezuela's Oil Exports Fell in February with Loss of China, Larger Cargoes Ahead

Venezuela's oil exports fell 6.5% in February 2026 from a month earlier to some 737,000 barrels per day (bpd), as more shipments to the United States and Europe could not fully offset the loss of what had been the OPEC country's main market, China. Washington has controlled the South American nation's oil exports since early January 2026, when U.S. forces captured Venezuelan President Nicolas Maduro. Trading houses Trafigura and Vitol and U.S. producer Chevron are now exporting the lion's share of Venezuela's barrels under U.S. authorisations. Even as Chevron and the traders sent more cargoes to the U.S., Europe and the Caribbean last month, the increase was not enough to compensate for a 67% decline in exports to Asia, which averaged some 48,000 bpd, compared with 145,000 bpd in January 2026 and more than 600,000 bpd last year. A lack of very large crude carriers to transport bigger cargoes also limited exports from Venezuela, whose main oil port, Jose, handles about 70% of total shipments, creating a need for larger vessels to reduce loading times. Exports are expected to accelerate in March 2026, particularly to India, with at least half a dozen super tankers navigating to Venezuela to pick up cargoes. Overall, oil exports in February 2026 were 6.5% lower than in January 2026 and stood 19% below the same month of 2025. Meanwhile, Venezuela's direct exports to the U.S. rose 32% to about 375,000 bpd in February 2026, while shipments to Europe increased ninefold to 158,000 bpd, with Spain's Repsol leading purchases in that region. The U.S.-Iran conflict and fresh licenses granted by the U.S. Treasury Department in recent weeks are also expected to expand the pool of companies exporting and refining Venezuelan oil, which could lead to cargoes reaching new destinations. Notably, faster exports could help drain inventories, which remained high at the end of February at 12.7 Mn barrels in Jose, the second-highest monthly level since 2025, and 26 Mn barrels in the country.

Source ~ Reuters

Latin America and Caribbean economies to grow 2.1% in 2026

Latin American and Caribbean economies are projected to grow by an average of 2.1% in 2026, broadly in line with the region's long-run average, according to a new macroeconomic report from the Inter-American Development Bank (IDB). The projection, outlined in Resilience and Growth Prospects in a Shifting Global Economy, reflects a slight slowdown from 2.2% growth in 2025. Still, the report points to steady labour markets, largely contained inflation and improved investor confidence as signs of resilience amid global uncertainty. By the end of 2025, the median sovereign spread had fallen to 209 basis points, down from 268 in 2019, signalling stronger market confidence and historically

lower borrowing costs across much of the region. "Latin America and the Caribbean navigated global uncertainty with resilience," said Laura Alfaro Maykall, the IDB's chief economist and economic counselor. She added that countries must now accelerate productivity-led growth, strengthen public finances and tap into opportunities linked to digitalisation, artificial intelligence and energy to lift living standards. Despite the relatively stable outlook, the report warns that growth remains too weak to close income gaps. Public debt levels remain elevated, averaging 59% of GDP, and rising interest payments are placing added pressure on government budgets. Debt is projected to range between 57% and 66% of GDP by 2028 under baseline and stress scenarios. The region's natural-resource base could offer a significant advantage. With roughly half of global lithium resources, about 35% of copper reserves and more than 20% of rare-earth reserves, Latin America and the Caribbean are positioned to play a strategic role in global energy and technology supply chains. However, the report cautions that capitalising on this potential will require stronger institutions, sound fiscal management and robust environmental governance. Labour markets improved in 2025, with unemployment rates falling in most countries and women's participation rising sharply. Yet productivity gains remain modest, and demographic shifts are slowing the growth of the working-age population. As a result, future expansion will depend heavily on skills development and innovation. Job postings referencing artificial intelligence climbed to 7% of total vacancies by mid-2025, making AI-related skills the fastest-growing category in the region. The IDB concludes that policies promoting competition, better skills formation, deeper regional integration and more advanced value chains will be critical to boosting productivity and building more resilient and inclusive economies.

Source ~ Reuters

International News

Trump Officially Nominates Kevin Warsh as Fed Chair to Replace Jerome Powell

President Donald Trump on Wednesday, March 4, 2026, officially nominated Kevin Warsh to be the next chairman of the Federal Reserve (Fed). Warsh, if confirmed by the Senate, would succeed Fed Chairman Jerome Powell for a four-year term. Trump's nomination was transmitted to the Senate, the White House said in a statement posted online on Wednesday. That transmittal came more than a month after Trump first publicly announced he wanted Warsh as the Fed chairman. Powell's term as chair ends in May, but he has two more years as a Fed governor. Usually, chairs resign their governor terms after their chair term ends. But it's unknown if he will. Additionally, Senator Thom Tillis said he would block Warsh's nomination in the Senate until the investigation of Powell is dropped. His stance could block the nomination from consideration by the Senate. "Protecting the independence of the Federal Reserve from political interference

or legal intimidation is non-negotiable," Tillis said on X right after Trump announced Warsh was his pick. "My position has not changed: I will oppose the confirmation of any Federal Reserve nominee, including for the position of Chairman, until the DOJ's inquiry into Chairman Powell is fully and transparently resolved. "Warsh served on the Fed's board for five years, beginning in 2006, named by President George W. Bush. He serves as the Shepard Family Distinguished Visiting Fellow in Economics at the Hoover Institution and is a lecturer at the Stanford Graduate School of Business. He is also a Partner at Duquesne Family Office, a New York investment firm founded by Stanley Druckenmiller.

Source ~ CNBC & Yahoo Finance

Bank Of Japan Likely to Put Off Rate Hike Until June Or July

The Bank of Japan (BOJ) is likely to hold off on raising interest rates until June or July, as the conflict in the Middle East shows few signs of easing and is seen keeping markets on edge, its former top economist Seisaku Kameda said. Before the U.S.-Israel strikes on Iran, the BOJ probably had its eyes set on a rate hike in April, as reflected in Governor Kazuo Ueda's comments signalling its readiness to raise rates again if past increases did not materially hurt the economy, Kameda noted. If the conflict turns out to be short-lived and de-escalates this month, the BOJ may still opt to raise its policy rate to 1.0% from 0.75% in April, he told Reuters in an interview. But with no near-term end in sight to the war, the BOJ will likely wait until around June or July to avoid shifting policy at a time of heightened market volatility, Kameda said. "The BOJ is already behind the curve in addressing mounting inflationary pressure. The risk of being too late could heighten further with rising oil prices and the weak yen," he said. "But with markets so jittery and the likelihood of an early end to the conflict fading, the BOJ probably has little choice but to stand pat," said Kameda, who is well-tuned to the central bank's economic analyses and policy approach. The BOJ exited a decade-long, massive stimulus in 2024 and raised interest rates several times, including in December, when it pushed up its policy rate to a 30-year high of 0.75%. In a newspaper interview, Ueda said the BOJ will scrutinise data at its March and April meetings in deciding whether to raise rates leaving open the chance of another near-term hike. But the conflict-induced market volatility has heightened the chance that the BOJ will hold off raising rates in March. Although markets still see roughly a 60% chance of a rate hike in April, uncertainty over the conflict's fallout has complicated the BOJ's tightening path. While rising oil prices could add fuel to already mounting inflationary pressure, the BOJ will probably opt to avoid a repeat of July 2024 - when its rate hike came as a surprise for investors and was blamed for causing a market rout, Kameda said. "BOJ executives have been saying Japan is close to meeting their inflation target," Kameda said. "Were it not for the crisis in Iran, the BOJ probably would have hiked in April." Kameda, who was

involved in drafting the BOJ's forecasts from 2020 to 2022, is now executive economist at Japan's Sompō Institute Plus.

Source ~ Reuters

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