

# ▶ Market Guide

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“Successful investing is about having other people agree with you ... later.”— James Grant.

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## Dividends or Growth: Navigating Dividend and Growth Stocks

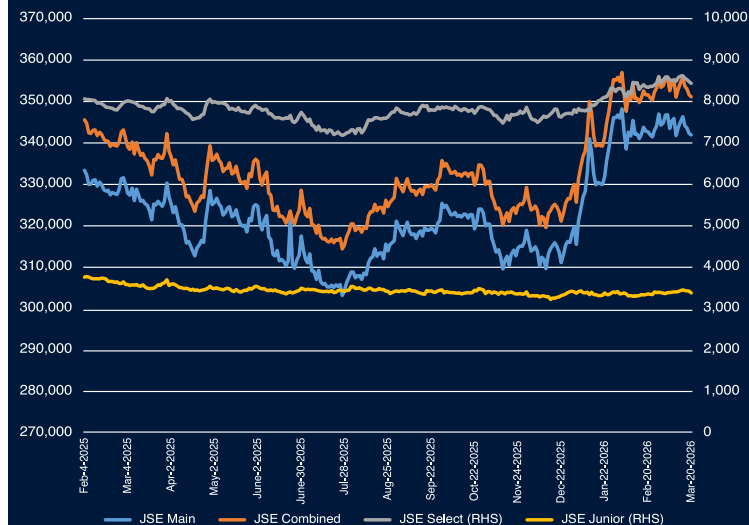
In an environment increasingly shaped by macroeconomic uncertainty, the principle “a bird in the hand is worth two in the bush” has gained renewed relevance for investors, as they hunt for returns in these unpredictable times. The ongoing US-Israeli war on Iran continues to pose inflationary risks through rising fuel prices, higher fertiliser costs, and supply chain disruptions. These risks threaten to compound local stock market underperformance, where the Jamaica Stock Exchange (JSE) Combined Index has already shed 12.5% over the past four years. Against this backdrop, investors are confronted with a strategic portfolio allocation decision. On one hand, high-quality dividend stocks offer the appeal of predictable real income and relative stability. On the other hand, growth stocks present the potential for superior capital appreciation, albeit with greater risks and sensitivity to market sentiment. Stemming from a request from one of our valued clients, this week, we will examine the core distinctions between dividend and growth stocks, while also identifying companies that exemplify each category. The objective is to assess their relative resilience and suitability for portfolio positioning in the current economic climate.

For investors who prefer a bird in the hand, or in this case, reliable cash flows, it makes sense to allocate a meaningful portion of their holdings to companies that pay high and consistent dividends. Dividend stocks typically display earnings and cash flow stability for more than 5 years, as well as high dividend yields<sup>1</sup> and payout ratios. On the JSE, Carreras Limited, with a dividend yield of (CAR: 6.8%), Massy Holdings Limited (Masy: 5.8%), TransJamaica Highway Limited (TJH: 3.7%) and GraceKennedy (GK: 3.4%) come to mind as reliable dividend payers (see Figure 1). Coupled

with relatively stable cash flows over the past years, these stocks reward shareholders with healthy average dividend payout ratios of 97%, 44%, 84% and 27%, respectively, supporting stable or increased dividend payouts to investors over time. Relative to growth stocks, the companies are mature in their respective industries and have little to no need to reinvest aggressively for growth. Though some still reinvest for growth, dividend stocks are primarily focused on ways to optimise operations or find synergies.

For investors who don't mind foraging in the proverbial bush for higher returns, whilst accepting higher risk and uncertainty, growth stocks may be more appetising. Younger or smaller companies that aggressively reinvest to drive earnings, often at the expense of dividend distributions, come to mind. Notable growth stocks on the JSE include, but are not limited to, Future Energy Source Company Limited (FESCO), Regency Petroleum Limited (RPL), and Indies Pharma Jamaica Limited (INDIES). FESCO has quadrupled earnings between FY2020 and FY2024, and nine-month FY2026 figures are up 44.6% to a record \$587.9 Mn, yet only paid dividends in two of the last five years with an average payout ratio of 13.0%. Instead, the company is pursuing an aggressive expansion strategy, growing its network of service stations from just one in 2014 to over 22 by the end of 2026. In addition, the company has entered the LPG market, committing billions in capital investment to support this diversification. Overall, this has totalled around \$4 billion in capital expenditure (CAPEX) against a mere \$125 million in distribution over the period, making it amongst the lowest in terms of dividend yield at 0.7%. Similarly, RPL prioritises reinvestment over immediate shareholder payouts.

### WEEKLY MOVEMENT IN INDICES



### MOVEMENT IN INDICES

JSE Indices	Closing Levels	WoW % Change	YTD % Change
Combined Index	350,825.64	-0.98%	6.81%
Main Market Index	341,705.72	-0.93%	7.46%
Select Index	8,412.98	-2.08%	9.61%
Junior Market Index	3,357.29	-1.74%	-1.30%

### WINNERS & LOSERS FOR THE WEEK ENDED MARCH 20, 2026

	\$ Change	% Change
FIRSTROCKJMD	+\$2.88	+40.45%
MTL	+\$1.94	+17.35%
ISP	-\$2.04	-16.49%
LAB	-\$0.11	-11.70%

### MARKET OVERVIEW

Trading activity on the Jamaica Stock Exchange (JSE) rebounded last week, with both market volumes and value posting strong week-over-week (WoW) gains. Total volume traded more than doubled to 224.67Mn units, up 107.2% WoW, while the value of shares traded rose 53.1% to J\$1.51Bn. Still, underlying market sentiment remained weak, as the number of declining stocks continued to outpace advancers. Of the 129 securities that traded, 74 declined, 40 advanced and 15 held firm. Trading was heavily concentrated in a few names, led by Woodcats International Limited (WOODCATS) with 97.64Mn units, accounting for 43.1% of total volume, followed by NCB Financial Group Limited (NCBFG) with 23.32Mn units (10.3%) and Kintyre Holdings (JA) Limited (KNTYR) with 16.38Mn units (7.2%). Collectively, these three stocks accounted for approximately 60.6% of total market volume, up from the 38.7% that the top 3 stocks accounted for in the prior week, pointing to a more concentrated trading environment. Notably, Woodcats' elevated activity likely reflected increased investor interest during its first week of official trading following its listing ceremony on March 17, 2026. The price rose to J\$0.98 on Friday, up 8.89% from its IPO price of J\$0.90.

Despite the surge in activity, the market ended broadly lower, with all major indices closing in negative territory, effectively reversing the gains recorded in the previous week. The JSE Combined Index, which measures the performance of all Main and Junior market companies, slipped 0.98%, primarily weighed down by Cigarette distributor, Carreras Limited (CAR), whose stock fell 6.8% during the week, and to a lesser extent, West Indies Petroleum Terminal (WIPT: -2.9%). Among the other indices, the JSE USD Equities Index recorded the steepest decline, falling 4.89%, followed by the JSE Select Index, which declined 2.08%. The decline in the USD Equities Index was primarily driven by a 10.0% share price decline in A.S. Bryden & Sons Holdings Limited (ASBH), alongside a 7.2% drop in PBS Solutions Company Ltd.'s (PBS) shares. Similarly, weakness in the Select Index was influenced by CAR's retreat, with no company-specific development emerging this week to justify the bearish price action.

<sup>1</sup> The dividend yield indicates the percentage return relative to the stock's market price, while the payout ratio measures the proportion of net income distributed to shareholders.

RPL has paid zero dividends despite earnings doubling over the period 2021–2025, while spending around 623 million on CAPEX. The company has directed significant cash flows toward aggressive CAPEX, including the development of its Spanish Town Road flagship location and the acquisition of Yaadman LPG, which has effectively doubled its share of the LPG market. Indies Pharma has also been scaling aggressively into the US market while advancing 53 new drug dossiers locally, leveraging existing infrastructure to grow its pharmaceutical and orthopaedic line. This would position the company as a growth stock, as it is entering a significantly larger market with substantial upside potential. However, Indies' expansion also introduces greater risk, given the presence of larger, more established pharmaceutical players in the U.S. market.

With the war in Iran threatening to add fresh pressure to the local inflation and interest rate outlooks, which often correlate with tighter liquidity and weaker stock market performance, dividend and growth stocks can add value to investment portfolios. Dividend Stocks can add real value through a steady stream of cash flows at yields that exceed headline inflation. With yields above inflation, they generate positive real returns<sup>2</sup>, helping investors retain their purchasing power. Meanwhile, growth stocks offset their negligible dividend yields with outsized price appreciation potential, which often exceeds the dividend yields being offered on the JSE if it materialises. This suggests that, in certain cases, the trade-off may be justified. However, some stocks kill two birds with one stone. TJH for example, has already appreciated by 51.5% YTD to complement its 3.4% dividend yield and an announcement of a 27.7% increase in dividend payments. TJH also has further legroom for growth, given the government of Jamaica has plans to expand the toll road network across the island, where TJH has the first right of refusal.

Although dividend and growth stocks can generate returns, investors must weigh these opportunities against external threats and risks. While dividend-yielding stocks often have stable cash flow, they aren't immune to macroeconomic shocks such as the US-Israeli war on Iran or fallout from Hurricane Melissa. Such macroeconomic shocks can cause higher inflation and interest rates as well as economic contractions, which can reduce consumer demand

While the adage “a bird in the hand is worth two in the bush” holds merit, the most resilient portfolios often combine both stability and growth to achieve long-term objectives.

and put pressure on their earnings or dampen investor sentiment towards stocks. Moreover, overallocation to dividend stocks introduces the opportunity cost of not investing in growth stocks, which, though it provides cash flow, could lead to slower portfolio growth for investors. Meanwhile, growth stocks have higher price-to-earnings (P/E) valuation multiples, suggesting that successful execution that materially increases earnings is necessary to justify their prices. However, higher earnings will depend on the success of their expansion plans, which often carry significant execution risks. Given that both types of companies have distinct advantages and drawbacks, including a mix of each can enhance portfolio diversification. As such, while the adage “a bird in the hand is worth two in the bush” holds merit, the most resilient portfolios often combine both stability and growth to achieve long-term objectives.

Figure 1. Dividend Stocks: Payout Trend

Annual Div per Share	2021	2022	2023	2024	2025	CAGR
CAR	0.62	0.78	0.86	1.02	1.49	24.5%
MASSY	-	3.58	3.61	3.83	3.23	-3.3%
TJH	0.09	0.09	0.19	0.19	0.26	31.0%
GK	1.93	2.02	2.17	2.37	2.37	5.3%

<sup>2</sup> Real returns refer to investment gains adjusted for inflation.

## Foreign Exchange Market

The Jamaican dollar (JMD) depreciated by 0.35% against the USD, with the weighted average selling rate for US\$1 increasing from J\$158.16 on March 13, 2026, to J\$158.71 on March 20, 2026.

This marginal softening reflects increased end-user demand for foreign currency from major sectors, including manufacturing and distribution, retail, and energy.

Selling	Close: 13/3/2026	Close: 20/3/2026	Change
J\$/US\$1	\$158.16	\$158.71	\$0.55
J\$/CDN\$1	\$116.99	\$115.97	(\$1.02)
J\$/GBP£1	\$211.95	\$211.49	(\$0.46)

## Global Bond Prices

Against the backdrop of a seemingly escalating conflict in the Middle East that is adding fresh risks to inflation, investors digested fresh United States (U.S.) economic data that offered little support for near-term monetary easing. U.S. wholesale prices rose sharply in February, with the Producer Price Index (PPI) increasing 0.7% month over month, above expectations of a 0.3% increase, while core PPI, which excludes food and energy, rose 0.5%, also exceeding forecasts. On a year-over-year basis, headline PPI reached 3.4%, its highest level since February 2025, while core PPI stood at 3.9%, underscoring that price pressures were already proving persistent even before the latest jump in oil prices. Against this backdrop, inflation concerns intensified further as the escalating conflict involving the U.S., Israel, and Iran pushed oil prices sharply higher, arousing fears of a renewed energy-driven inflation shock. That backdrop helped cement the Federal Reserve's (Fed's) decision to leave interest rates unchanged at 3.5%–3.75% at the conclusion of its policy meeting on March 18th, while also diminishing hopes for any near-term rate cuts. In fact, stronger-than-expected inflation data, combined with rising energy prices and worsening geopolitical uncertainty, led investors to increasingly question whether the Fed will cut rates at all this year. Although Fed Chair Jerome Powell struck a relatively constructive tone in his post-meeting remarks, describing economic growth as “solid” and downplaying stagflation concerns, investors interpreted the overall message as more hawkish than reassuring. Markets have taken the view that the conflict will preclude the resumption of a cutting cycle this year, with futures contracts implying they believe there is only a 50% probability of one 25bps cut by year-end. The modest shift in the Fed's dot plot of officials' individual inflation expectations, alongside Powell's confidence in underlying economic conditions despite soft net job growth and inflation still above target, further reinforced the higher-for-longer narrative.

With expectations for rate cuts diminishing compared with 2025, Treasury demand softened, sending prices lower and yields higher. The 10-year U.S. Treasury yield ended the week at 4.39%, up from the 4.28% the previous week. Emerging market (EM) bond prices

also weakened broadly over the week, as escalating geopolitical tensions fuelled risk-averse sentiment and capital outflows from higher-risk assets.

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
Amazon (4.65%) 2035 (NEW) <sup>3</sup>	AA-/Stable	\$101.50	4.46%	BUY
Amazon (4.55%) 2035 (NEW) <sup>4</sup>	AA-/Stable	\$102.25	4.17%	BUY
Amazon (4.875%) 2036 (NEW) <sup>5</sup>	AA-/Stable	\$102.00	4.62%	BUY
Bahamas (6.00%) 2028	BB-/Stable	\$103.00	4.78%	BUY
Bahamas (6.63%) 2033	BB-/Stable	\$104.50	5.84%	BUY
Bahamas (6.95%) 2029	BB-/Stable	\$103.25	4.68%	BUY
Bahamas (8.25%) 2036	BB-/Stable	\$104.00	5.93%	BUY
Bahamas (8.95%) 2032	BB-/Stable	\$104.25	5.64%	BUY
Bahamas (9.00%) 2029	BB-/Stable	\$110.50	6.81%	BUY
Barbados (8.00%) 2035	B+/Stable	\$114.25	6.26%	BUY
Blackstone (6.00%) 2032	BBB-/Positive	\$110.50	5.39%	BUY
Block Inc (6.00%) 2033	BB+/Positive	\$100.25	5.79%	BUY
Minerva (4.88%) 2031	BB/Stable	\$85.65	5.48%	BUY
DOMREP (5.75%) 2034 (NEW ISSUE) <sup>6</sup>	BB/Stable	\$99.25	5.87%	BUY
DOMREP (5.88%) 2035	BB/Stable	\$99.00	6.01%	BUY
DOMREP (6.15%) 2038 (NEW ISSUE) <sup>7</sup>	BB/Stable	\$99.00	6.27%	BUY
DOMREP (6.95%) 2037	BB/Stable	\$106.25	6.16%	BUY
DOMREP (5.50%) 2029	BB/Stable	\$103.25	4.29%	BUY
Goldman Sachs Private Credit (5.875%) 2031	BBB-/Stable	\$100.75	5.69%	BUY

3 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](#)

4 Issuer- Amazon Inc Industry-Retailers, Type- Senior Unsecured, Callable-Yes, Coupon Rate- 4.55%, Coupon Payment- Semi-annually, Maturity - March 13, 2033, Risk Profile - [Conservative](#)

5 Issuer- Amazon Inc Industry-Retailers, Type- Senior Unsecured, Callable-Yes, Coupon Rate- 4.875%, Coupon Payment- Semi-annually, Maturity -March 13, 2036, Risk Profile - [Conservative](#)

6 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](#)

7 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
Kingston Airport Revenue (6.75%) 2036	BB+/Stable	\$103.00	6.36%	BUY
Marex (6.404%) 2029	BBB-/Positive	\$105.50	4.72%	BUY
NCBFG (11.0%) 2030	B+/Stable	\$105.24	9.15%	
NRG (3.88%) 2032	BB+/Stable	\$95.50	4.76%	BUY
NRG (6%) 2033	BB+/Stable	\$103.75	5.34%	BUY
NRG (6.25%) 2034	BB+/Stable	\$104.00	5.65%	BUY
Petro Rio (6.75%) 2030	BB-/Positive	\$102.00	6.24%	BUY
TRANSJAM (5.75%) 2036	BB/Positive	\$99.50	5.81%	BUY
Trinidad and Tobago (6.50%) 2036 (NEW ISSUE) <sup>8</sup>	BBB-/Negative	\$103.75	5.99%	BUY
BANORTE (5.75%) 2031	Baa2/Negative	\$102.75	5.17%	SELL
FRICON (7.7%) 2028	B/Stable	\$45.50	49.80%	SELL
NFE (6.5%) 2026	D	\$18.25	931.51%	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	102.45	4.40%
	2036	116.00	6.31%
	2039	117.90	5.89%
	2045	117.50	6.30%

\*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 20, 2026, the total aggregate current balance amounted to J\$43.51Bn, marking a 43.5% reduction compared to the previous week.

The Bank of Jamaica's (BOJ) weekly 30-day Certificate of Deposit (CD) auction was marginally oversubscribed. Total bids amounted to J\$20.40Bn, marginally above the \$20.0Bn issue size, implying a bid-to-offer ratio of 1.02x. This 1.02x ratio marks a decline from the previous week's 1.15x ratio, reflecting both the lower offer size (-31.03%) and bid amount (-39.03%). The average yield on the 30-day CD Auction was 5.72%, 2 basis points below the 5.74% recorded in the previous week. The next CD auction is scheduled for March 25, 2026.

The BOJ also conducted a 14-day repo auction last week, offering J\$1.0Bn in liquidity. Total bids received amounted to J\$1.0Bn, resulting in a bid-to-offer ratio of 1.0x. The offer volume was half the size of the previous repo auction on March 9th. The average yield settled at 5.70%, representing a 14-basis point increase compared with the prior auction. The next auction for 14-day repurchases is scheduled for Monday, March 23, 2026.

# Dates to watch this week

■ International ■ Local

March 2026				
MON	TUE	WED	THUR	FRI
23	24	25	26	27
			Producer Price Index (Feb) (STATIN)	CPFV Dividend Payment Date (BDS\$0.00445/share)  MASSY Dividend Payment Date (TT\$0.0354/share)
	U.S. Nonfarm Productivity (Q4)	U.K. CPI Data (Feb)  U.K. PPI Data (Feb)		

MARCH 24, 2026

## Recommendations

JSE Ticker	Closing Price (March 24, 2026)	P/E	Avg. Sector P/E	Current Recommendation
WOODCATS	\$0.89	12.7x	22.44	BUY
CCC	\$102.00	14.7x	19.6x	BUY
SVL	\$17.19	24.5x	24.5x	BUY

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.

Fund	Fund Composition	Price/NAV\$	12 Month Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
NCB Capital Markets Limited (NCB CAPFUNDS)			NAV *AS AT MARCH 23, 2026		
O Money Market Fund (M Fund)	F	16.4474	5.40%	1.14%	4.99%
O Income Optimizer Fund (iO Fund) ◊	F	15.5880	6.68%	1.19%	3.98%
Caribbean Equity Fund (E Fund) †	E	26.0877	-8.66%	-1.65%	8.51%
◊ Real Estate Fund (rE Fund) †	R, F	17.5300	21.41%	3.43%	2.58%
O USD Money Market Fund (xM Fund)	F	1.2420	3.42%	0.59%	2.45%
O USD Bond Fund (xB Fund)	F	1.3480	2.82%	0.47%	2.87%

Key: O = Tax Free (special conditions apply) · = Tax Free · † = Sales commission/front end fee up to 2% · ◊ = Non-Diversified Unit Trust · F/E/R = Fixed Income, Equity, Real Estate

## Regional News

### Increased Oil Price, Production Accelerating ExxonMobil's Cost Recovery in the Caribbean

Rising world oil prices and increased production are allowing Exxon Mobil Guyana to fast-track the recovery of all of the remaining exploration, production and other costs in the Stabroek Block this year rather than next year, company President Alistair Routledge said. Currently, historic costs remain about US\$5Bn out of an estimated US\$40Bn cost bank. He said the current oil price of about US\$100 per barrel would allow Exxon Mobil to "accelerate" cost bank recovery this year. "What we're now seeing in this price environment is that it will accelerate. Now, we don't forecast oil prices, but if you stay at the current oil price, then it will happen this year, based on the level of expenditure and the production that we anticipate. So that's a significant acceleration," he told a news conference.

According to the top company official, Guyana is currently producing more than 900,000 barrels per day. Mr Routledge said the company began wiping out the accumulated cost bank over the past two years due mainly to higher production. Originally, the company had anticipated recovering historic costs in 2027, largely because of increasing volumes of production that is bringing in higher revenues to offset the ongoing expenditures, plus recover historic costs. The top Exxon Mobil official explained that the historic costs date back to 1999 when the contract with Guyana was signed and incurred. After the company began operations in 2019, he said revenue started coming in from 2020, "but at that point, we were still spending faster, and we were generating revenue." Exxon Mobil says it is committed to spending up to US\$60Bn in capital expenditure during the life of its operations in Guyana, apart from annual operating expenses amounting to billions of dollars. The Exxon Mobil-Guyana government Production Sharing Agreement allows for up to 75 % of gross revenues to be used to recover costs.

Source ~ Caribbean National Weekly

### Oil's Surge Forces Latin American to Overhaul its Energy Policies

The Latin American governments are launching a sweeping realignment of energy and fiscal policies, warning that the surge in oil prices from the Iran war threatens regional stability. Dominican Republic President Luis Abinader announced a "responsible" adjustment to domestic fuel prices to protect public finances. He called on businesses to adopt remote work and urged a new level of citizen consciousness to optimise fuel consumption. Warning that the surge creates an escalating fiscal burden that could "jeopardise the sustainability" of the state, Abinader's administration is preparing to subsidise fertilisers to the tune of 1 billion pesos (\$17 million) and redirect 10 billion pesos to bolster social programs. Abinader's remarks mirror a

broader regional pivot as leaders across the political spectrum grapple with the fallout of global energy volatility. "This is not due to domestic economic weakness, but rather because we are facing an external shock of great magnitude," he said. While the government will bear the brunt of the effort, citizens must prepare for "inevitable sacrifices," including upward pressure on electricity and food costs, Abinader said.

In Chile, President José Antonio Kast said in an interview with La Tercera that "things cannot remain as they are if the price of oil doubles." Shunning what he termed "populist exits," Kast signalled he will use executive authority to adjust the MEPCO fuel-price stabilisation mechanism. He framed the measures as part of a culture of responsibility required to confront an existing fiscal crisis now exacerbated by global conflict.

Colombian President Gustavo Petro took the lead in the region on Saturday, saying on X that subsidised gasoline prices "can no longer be sustained" and will start tracking international levels. In a strategic pivot, Petro said state oil company Ecopetrol's profits would be directed to fund subsidised, Colombian-made fertilisers, effectively moving the state's financial support from the pump to the farm. Diesel subsidies will be restricted exclusively to cargo transport, he said. Across Latin America, the shifts signal that the era of state-funded fuel is ending to make room for fiscal survival as the Iran war has nearly closed off the Strait of Hormuz, a chokepoint through which 20% of the world's oil typically flows. Oil prices have surged, with Brent crude rising 55% since hostilities began on February 28, 2026.

Source ~ Bloomberg News

## International News

### European Central Bank Holds Rates Steady, Warns Outlook Is 'Significantly More Uncertain'

The European Central Bank (ECB) opted to keep interest rates on hold at 3.75% during its latest monetary policy meeting, noting the war in Iran has made the outlook "significantly more uncertain". Policymakers said the conflict had created "upside risks for inflation and downside risks for economic growth," prompting traders to up bets on potential ECB rate hikes later this year. The ECB said the ongoing conflict "will have a material impact on near-term inflation through higher energy prices", while its medium-term implications would depend both on the intensity and duration of the conflict and on how energy prices affect consumer prices and the economy. Regional central banks, the Bank of England, Sweden's Riksbank and the Swiss National Bank also opted to keep rates on hold last Thursday, as the war continues to cloud the outlook for inflation and growth. Before the war on Iran began in late February, Europe's central banks enjoyed a more benign inflation outlook as interest rates looked set to remain stable or keep falling across the region. But

the conflict has upset the economic equilibrium, threatening Europe's energy supplies, growth and the outlook for consumer prices. Expectations for interest rates across the continent have been upended.

The ECB was not expected to change its stance on its benchmark interest rate even before the war began, with euro zone inflation data remaining near the central bank's 2% target. The latest flash data from Eurostat showed inflation in the euro zone rose to 1.9% in February, up from 1.7% in January. The central bank on Thursday revised medium-term inflation expectations upwards. Headline inflation is now expected to average 2.6% in 2026, 2% in 2027 and 2.1% in 2028. It blamed a rise in energy prices for the revisions. In December, the ECB had said it expected headline inflation to be just shy of 2% in 2026 and 2027, before increasing to its target of 2% in 2028. At the central bank's last meeting in February, ECB President Christine Lagarde had repeated a mantra that the euro zone's economic outlook was "in a good place" but warned against complacency. Her caution now appears to be well-founded. However, at the post-announcement press conference, Lagarde rowed back on her previous "good place" comments.

Source ~ CNBC

### Fed Governor Waller Urges Caution for Now, Says Rate Cuts Possible Later in The Year

Federal Reserve Governor Christopher Waller on Friday expressed caution about current economic conditions but still sees the opportunity for interest rate cuts later this year. Previously an advocate for rate cuts, Waller said in a CNBC interview that recent developments in the labour market, as well as the uncertainty of the war with Iran, require a more conservative approach. Markets have almost completely doused the chance of rate reductions through the balance of 2026 and well into 2027. That's a switch from expectations prior to the war, when traders had been looking for two or three cuts this year. But soaring oil prices and an indeterminate time frame over how long the war will last have changed market expectations and caused a rethinking from Waller and other policymakers.

Waller had dissented in January from a Federal Open Market Committee (FOMC) decision not to cut but went along with the majority earlier this week for another pause. His earlier dovish position was motivated by a clearly weakening labour market, which produced nearly no net job growth in 2025. However, he noted Friday that the labour force also is not expanding, so "net zero" growth is still leaving the unemployment rate unchanged, even with a 92,000 drop in nonfarm payrolls in February. Waller is generally sanguine now about inflation, which he sees being boosted by one-off effects from tariffs but otherwise moving structurally towards the Fed's 2% goal. Earlier Friday, Fed Governor Michelle Bowman said she believes the Fed can cut

three times this year. That would take the benchmark federal funds rate below the neutral level that FOMC officials see as neither supporting nor restricting growth. Bowman is one of just three Fed officials who see aggressive rate cuts this year, according to an update of the Fed's "dot plot" grid released Wednesday. A total of 19 policymakers participate in the grid.

Source ~ CNBC

NCB Capital Markets Ltd (formerly Edward Gayle and Co.) established in 1968 is Jamaica's oldest stockbrokerage. The company became a part of the National Commercial Bank (NCB) Group in 1994 and a fully owned subsidiary in October 2002. In December 2002, the then Edward Gayle and Co. was merged with another NCB subsidiary, NCB Investments. The products distributed by this combined subsidiary cover the traditional money market product offerings (J\$ and US\$ Repos), primary dealer services, stock brokerage and investment advisory services. Edward Gayle was renamed NCB Capital Markets Ltd. in October 2003.

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