

Market Guide

THIS ISSUE

Stock Market World Cup! Team-JSE's
Starting 11

Foreign Exchange Market Summary

Money Market Update

Stock Recommendations

Annya Walker, CFA
VP Strategy Research
Innovation & Projects
(876) 935-2716
Walkerad@jncb.com

Raju Gunnings, FMVA
Senior Research Analyst
Gunningsrr@jncb.com

**Thea Christian, CBCA,
FMVA, CMSA**
Senior Research Analyst
Howardita@jncb.com

**Shereese Bailey, CBCA
CMSA, FMVA**
Senior Research Analyst
Baileysd@jncb.com

Jamie Muir, FMVA
Research Analyst
Muirja@jncb.com

Sean-Isaac Watson, CMSA
Research Analyst
Watsonsn@jncb.com

"Cash combined with courage in a time of crisis
is priceless." – Warren Buffett

June 9, 2026

Stock Market World Cup! Team-JSE's Starting 11

The FIFA World Cup, known as “the greatest show on earth,” is only 2 days away, and the hype is building, with fans already booking their tickets and buying their favourite team’s Jersey. As fans get ready to support their teams and favourite players, coaches are making last-minute tweaks to their teams to field strong attacks, midfields and defences. Just as a World Cup-winning Starting 11 requires a good balance of attack, midfield and defence, investment portfolios need stocks that have traits akin to footballers in defence, midfield and attack! In today’s story, we channel our inner coach to identify the Starting 11 from the companies on the JSE based on the companies that released March earnings reports up to May 30th. However, just as World Cup favourites like Spain, France and England will need to perform under pressure and may change their squads for the final, top performers on team JSE this financial year may evolve based on how well they are able to navigate cost pressures from the external environment and a weaker economic backdrop.

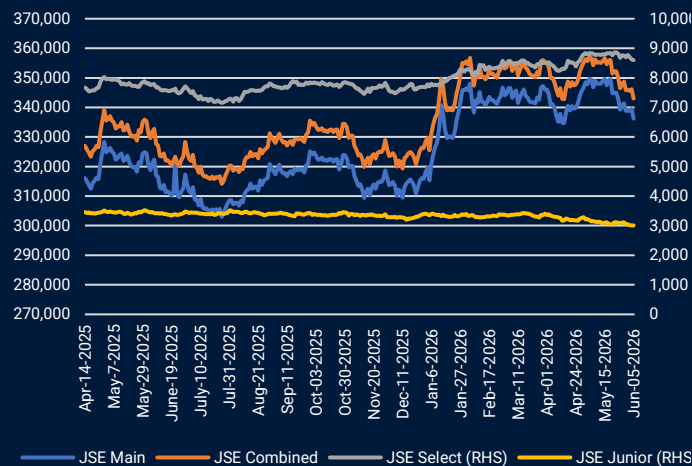
With Aggregate earnings down 48.5%, Team JSE lost some steam for the March 2026 earnings season, but the story varied across key sectors or positions. In the defence, we have Manufacturing & Distribution (M&D) stocks and Conglomerates, given that some of the key players produce and distribute goods that may still be demanded in a downturn. While conglomerate earnings declined by 56.1% to \$3.57Bn, the M&D sector recorded a 37.2% increase in aggregate earnings to \$6.20Bn (see Table 1). However, the midfield, represented by Financial Services (FS) stocks responsible for efficient capital distribution, like a prime Xavi or Modrić controlling the tempo of a World Cup match, had a dip in form. FS aggregate earnings dipped 67.6% to \$14.63Bn, but there were some outperformers. Still, Team JSE’s attack, led by Energy Materials and Infrastructure (EMI) stocks, remains

in top form, generating 39.3% growth in aggregate earnings to \$6.12Bn.

The strong performance of the M&D stocks was led by Seprod Limited (Seprod), Carreras Limited (CAR), Lasco Manufacturing Limited (LASM) and Future Energy Source Company (FESCO). Each saw double-digit earnings increases. Seprod delivered a strong performance, with earnings soaring 204.4%, largely due to the one-off gain from the divestment of its subsidiary International Biscuit Limited (IBL). Carreras was equally dependable, posting a 77.9% increase in profitability. This was driven by stronger product sales, which boosted revenue, and a disciplined cost-management strategy. Carreras’ combination of resilience, consistency, and earnings growth makes it an ideal candidate to form the backbone of our defensive unit. Just as elite defenders bring composure and reliability to a football team, these companies provide a measure of stability to a portfolio. While the Conglomerate Sector was generally down, with most players sustaining earnings “cramp” this quarter, Grace Kennedy (GK) delivered a solid individual performance over the quarter with a 6.1% YoY growth in earnings. This was driven by strong performance across its international markets as well as growth in its Insurance and Banking Segment.

Meanwhile, the dip in form by the FS stocks in midfield was reflective of sharp earnings declines of 86.9% to \$2.34Bn, and 56.4% to Guardian Holding Limited (GHL) and NCB Financial Group (NCBFG), respectively. The fall-off in earnings for GHL was largely due to the absence of a one-off gain from the sale of its Dutch insurance brokerage, Thoma Exploitatie B.V., that happened in January 2025. Consequently, this also had a material impact on NCBFG’s earnings, given its 61.8% stake in GHL. However, stripping out last year’s divestment gain, its core

WEEKLY MOVEMENT IN INDICES



MOVEMENT IN INDICES

| JSE Indices | Closing Levels | WoW % Change | YTD % Change |
|---------------------|----------------|--------------|--------------|
| Combined Index | 343,012.24 | -1.65% | 4.44% |
| Main Market Index | 336,149.93 | -1.52% | 5.71% |
| Select Index | 8,602.02 | -1.78% | 12.07% |
| Junior Market Index | 3,009.87 | -3.45% | -11.51% |

WINNERS & LOSERS FOR THE WEEK ENDED JUNE 5, 2026

| | \$ Change | % Change |
|----------|-----------|----------|
| MTL | \$3.39 | 35.7% |
| ASBH6.00 | \$0.15 | 17.8% |
| PBS | -\$0.18 | -28.0% |
| KNTYR | -\$0.04 | -21.1% |

MARKET OVERVIEW

Broad market sentiment remained soft last week, with most stock prices retreating. 79 of the 127 securities that traded declined, 40 advanced and 8 traded firm. With most prices declining, the market closed lower and all major indices, except the Cross-Listed Index, ended in negative territory. The biggest decliners were the USD Index and the Junior Market Index. The USD Index declined by 3.9%, driven by the sharp drop in the share price of Productive Business Solutions Limited (PBS: -28.0%). Notably, PBS shares have been declining since May 18th (down 66.1%), which coincides with the release of its March 2026 interim financials. Its earnings declined by 17.7% to US\$2.21Mn driven by weaker revenues, which fell 10.0% to US\$84.58Mn. Despite its weak March quarter results, management is aiming to achieve double-digit growth in revenue, cash flow, and profitability in 2026 as it launches an internal and client-facing AI initiative and implements a new Oracle go-to-market strategy. The falloff in the Junior Market Index (-3.5%) was primarily driven by Fosrich Company Ltd. (FOSRICH: -5.9%), off the back of a \$178.81Mn loss for its March 2026 quarter, which is nearly triple the \$68.60Mn losses seen in March 2025. Fosrich’s larger losses reflect a 51.3% revenue drop to \$415.19Mn amid a substantial fall in global solar panel costs. Still, management is looking to orchestrate a rebound by executing real estate sale-and-leaseback transactions to pay down debt and cutting costs through aggressive expense control and inventory optimisation. Fosrich also plans to open a new superstore in Q3, which should boost sales. Stationery and Office Supplies Ltd. (SOS: -10.9%) also contributed to the decline, but there was no major news to explain the dip.

Trading was heavily concentrated last week, with the top three volume leaders accounting for 75.5% of total market volume, up from 61.4% in the prior week. Although there was an 11.8% increase in trading volume week over week (WoW) to 400.70Mn units, the value of those shares shrank by 17.0% to J\$0.75Bn. Kintyre Holdings (JA) Limited (KNTYR), with 130.21Mn units, accounting for 36.9% of total volume, led trading volumes, followed by One on One Educational Services Limited (ONE) with 130.2Mn Units (32.4%) and Transjamaican Highway Limited (TJH) with 25.11Mn units (6.2%).

banking and insurance segments showed notable resilience against the macroeconomic headwinds. When earnings are adjusted for the one-time gain, net income would have been 282.8% higher on a YoY basis, due to a stable, recurring operational core that remains resilient. Although the FS sector endured a difficult spell, there were individual companies that provided options for our Starting 11 selection. Barita Investments Limited's (BIL's) earnings "chipped" up by 86.5% to \$1.17Bn. This was driven by stronger operating revenues, including higher gains from investment activities and growth in net interest income. Meanwhile, General Accident Limited (GENAC) "lobbed" its earnings by 60.7% to \$231.26Mn as higher insurance contract revenue boosted profitability.

Just as World Cup favourites France enjoy the goals from Kylian Mbappé and Ousmane Dembélé that drive team performance, EMI stocks benefited from the standout performances of Carib Cement Company (CCC), TransJamaican Highway Limited (TJH) and Omni Industries (OMNI). CCC's 52.8% increase in earnings was driven by higher sales volumes, on the back of its recent Kiln expansion, which came onstream just in time to capitalise on robust post-Hurricane Melissa reconstruction demand. Additionally, the expansion project improved operating efficiency, which helped to support the growth in its bottom line. TJH's 49.9% increase in earnings was largely due to higher revenue, aided by the integration of the new May Pen to Williamsfield (Phase 1C) leg, which alone contributed US\$3.5Mn alongside broader traffic growth, and the increased adoption of its T-tag to improve efficiency. Furthermore, its consistency in delivering winning results for the team over the last four years, including strong and growing dividends, makes it a suitable candidate for the captaincy. Lastly, like the prodigious Lamine Yamal, Junior Market EMI stock Omni Industries (OMNI) impressed with a 179.7% increase in earnings to \$85.68Mn. Like CCC, Omni benefited from strong demand for building materials linked to post-Hurricane Melissa reconstruction activity. Together, these companies provided the clinical finishing ability of our portfolio's front line, converting strong macro and sectoral conditions into meaningful earnings growth.

Now that we've scouted top performers for team-JSE's defence, midfield and attack, it's time to pick our Starting 11 for the March quarter (See Figure 1). For our goalkeeper, we have GraceKennedy (GK), owing to its positive quarterly earnings and, more importantly, its diversified business model, which has allowed it to deliver steady performances across economic cycles. While not among the quarter's biggest winners, it remains a dependable last

The front three, picked themselves with TJH, OMNI, and CCC rewarded for their stellar performance and strong outlook, supported by post-Melissa demand. TJH spearheads the line and is the team captain, while OMNI and CCC provide the creativity and firepower on either flank.

line of defence. Our centre-back defensive pairing consists of Seprod and Carreras, a formidable duo that combines resilience with strong earnings growth. FESCO and LASM provide energy on the flanks, supported by their double-digit earnings increase for the March quarter. The midfield trio of BIL, GENAC and NCB Financial Group (NCBFG) forms the engine room of the team. BIL and GENAC delivered strong earnings gains, while NCBFG earns its place despite a weaker quarter due to its scale, market leadership, and strong core earnings that make it a long-term asset to the team. Much like an experienced midfielder whose influence extends beyond the stat sheet, NCBFG remains one of the market's most important allocators of capital and is well-positioned to benefit as monetary conditions gradually improve and as it continues to execute on its strategy to deliver sustainable earnings. The front three, picked themselves with TJH, OMNI, and CCC were rewarded for their stellar performance and strong outlook, supported by post-Melissa demand. TJH spearheads the line and is the team captain, while OMNI and CCC provide the creativity and firepower on either flank. Each converted favourable market conditions into impressive earnings growth and was among the quarter's top performers.

Ultimately, this Starting 11 represents strong performers on the JSE based on the latest quarterly form, but no spot on this team is guaranteed. With the rest of 2026 still ahead of us, these companies will need to maintain their impressive financial work rates to secure their place. After all, current form gets you on the pitch, but only sustained performance over the remaining quarters, supported by skilful strategy execution to navigate cost pressures from the external environment and a weaker economic backdrop, will determine who comes out on top in 2026.

Table 1: Aggregate Earnings J\$Bn

| JSE Sector | Football Position | March 2026 Earnings (J\$Bn) | QoQ (J\$Bn) | QoQ (%) |
|------------|-------------------|-----------------------------|-------------|---------|
| Congl | Goal Keeper | 3.57 | (4.55) | -56.1% |
| M&D | Defence | 6.20 | 1.68 | +37.2% |
| FS | Midfield | 14.63 | (30.53) | -67.6% |
| EMI | Attack | 6.12 | 1.73 | +39.3% |

Figure 1: Team JSE's World Cup Starting 11



Foreign Exchange Market

The Jamaican dollar (JMD) appreciated by 0.2% against the USD, with the weighted average selling rate for US\$1 decreasing from J\$158.44 on May 29, 2026, to J\$158.10 on June 5, 2026. The Bank of Jamaica (BOJ) intervened twice in the foreign exchange (FX) market, on June 4 and 5, selling a total of US\$60Mn through its B-FXITT flash sales. The total sale amount, however, was significantly below the US\$314.47Mn received in total bids, indicating a high level of demand for USD.

Looking ahead, the BOJ announced that it will inject additional US dollar liquidity into the foreign exchange market through its B-FXITT Standard Sale Operation scheduled for June 25–26, 2026. The amount to be offered will be disclosed on the day prior to the auction.

| Selling | Close: 29/5/2026 | Close: 5/6/2026 | Change |
|------------|---------------------|-----------------|---------|
| J\$/US\$1 | \$158.44 | \$158.10 | -\$0.34 |
| J\$/CDN\$1 | \$117.19 | \$113.80 | -\$3.40 |
| J\$/GBP£1 | \$214.58 | \$215.04 | \$0.45 |

Global Bond Market

Last week, the bond market digested the latest updates on the US-Iran conflict, fresh U.S. macroeconomic data, and a speech from the former chair of the U.S. Federal Reserve (the Fed). The Middle East conflict intensified as direct U.S.-Iran missile exchanges threatened a fragile 60-day ceasefire arrangement. Brent crude prices climbed from US\$91.12 to nearly US\$98.00 per barrel during the week amid concerns over potential disruptions to oil supplies, including threats to close the strategically important Strait of Hormuz. However, signs of de-escalation emerged after discussions between U.S. President Donald Trump and Israeli Prime Minister Benjamin Netanyahu, with both sides indicating that diplomatic negotiations with Iran remain ongoing. Meanwhile, U.S. economic data painted a mixed but generally resilient picture. The labour market remained strong, with job openings rising by 731,000 to 7.6 million in April, while ADP¹ reported that private payrolls increased by 122,000 in May, exceeding expectations. However, growth in the services sector moderated slightly, with the Institute for Supply Management (ISM) services index slipping 0.4 points to 53.6 from 54.0 in April.

On the policy front, former Fed Chair Jerome Powell warned that political pressure on the Federal Reserve to lower interest rates could undermine confidence in the central bank's independence. His comments came as current Fed Chair Kevin Warsh signalled that interest rate cuts may be appropriate, though such a move could face resistance from other members of the Federal Open Market Committee.

Against this backdrop, the 10-year U.S. Treasury yield increased 4.52% on June 5, 2026, from 4.45% in the prior week. As bond yields move inversely to prices, the increase reflected selling pressure on safer government bonds as investors priced in higher economic growth and inflation expectations. Conversely, emerging market (EM) Sovereign bond yields declined as their prices appreciated. Among the bonds monitored by NCBCM, the biggest appreciation came from the Jamaican 8.50% 2039 (+1.04% WoW).

| | Currency Rating | Indicative Price | Yield | Recommendation |
|---|-------------------|------------------|-------|----------------|
| ABT (4.65%) 2036 (NEW) ² | A+/ Stable | \$100.00 | 4.65% | BUY |
| Airbnb (5.25%) 2036 (NEW) ³ | BBB+/ Stable | \$103.00 | 4.86% | BUY |
| Amazon (4.55%) 2033 (NEW) ⁴ | AA-/ Stable | \$101.75 | 4.25% | BUY |
| Amazon (4.65%) 2035 (NEW) ⁵ | AA-/ Stable | \$100.50 | 4.58% | BUY |
| Amazon (4.875%) 2036 (NEW) ⁶ | AA-/ Stable | \$101.50 | 4.68% | BUY |
| Bahamas (6.63%) 2033 | BB-/ Stable | \$101.50 | 6.35% | BUY |
| Bahamas (8.25%) 2036 | BB-/ Stable | \$115.25 | 6.19% | BUY |
| Bahamas (8.95%) 2032 | BB-/ Stable | \$115.00 | 6.06% | BUY |
| Barbados (8.00%) 2035 | B+/ Positive | \$109.75 | 6.55% | BUY |
| Blackstone (6.00%) 2032 | BBB-/ Positive | \$101.25 | 5.74% | BUY |
| Block Inc (6.00%) 2033 | BB+/ Positive | \$104.00 | 5.32% | BUY |
| DOMREP (5.50%) 2029 | Ba2/ Stable | \$103.50 | 4.11% | BUY |
| DOMREP (5.75%) 2034 | Ba2/ Stable | \$101.50 | 5.51% | BUY |
| DOMREP (5.88%) 2035 | Ba2/ Stable | \$101.50 | 5.67% | BUY |
| DOMREP (6.15%) 2038 | Ba2/ Stable | \$101.75 | 5.94% | BUY |
| DOMREP (6.95%) 2037 | Ba2/ Stable | \$108.25 | 5.90% | BUY |

¹ Automatic Data Processing, Inc. It is a massive, global provider of human resources management software and services (covering payroll, talent management, tax, and benefits administration)

² Issuer- Abbott Laboratories, **Type**- Senior Unsecured, **Callable**-Yes, **Coupon Rate**- 4.65%, **Coupon Payment**- Semi-annually, **Maturity** - September 16, 2036, **Risk Profile** - **Conservative**

³ Issuer- Airbnb Inc Industry-Alternative Accommodation, **Type**- Senior Unsecured, **Callable**-Yes, **Coupon Rate**- 5.25%, **Coupon Payment**- Semi-annually, **Maturity** - March 16, 2036, **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**- 4.65%, **Coupon Payment**- Semi-annually, **Maturity** - November 20, 2035, **Risk Profile** - **Conservative**

⁶ **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**

| | Currency Rating | Indicative Price | Yield | Recommendation |
|--|-----------------|------------------|--------|----------------|
| GEOPARK (8.75%) 2030 | B+/ Stable | \$104.50 | 7.31% | BUY |
| Goldman Sachs Private Credit (5.875%) 2031 | BBB-/ Stable | \$102.00 | 5.38% | BUY |
| Jefferies (6.25%) 2036 (NEW) ⁷ | BBB-/ Stable | \$106.00 | 5.44% | BUY |
| Kingston Airport Revenue (6.75%) 2036 | Ba3/ Negative | \$104.00 | 6.23% | BUY |
| Marex (6.41%) 2029 | BBB-/ Positive | \$105.75 | 4.55% | BUY |
| Minerva (4.38%) 2031 | BB/ Stable | \$85.65 | 6.41% | BUY |
| Minerva (7.50%) 2036 | BB/Stable | \$99.00 | 7.64% | BUY |
| NCBFG (11.0%) 2030 | B+/ Stable | \$107.94 | 8.67% | BUY |
| NRG (3.88%) 2032 | BB+/ Stable | \$95.00 | 4.89% | BUY |
| NRG (6.00%) 2033 | BB+/ Stable | \$103.50 | 5.36% | BUY |
| NRG (6.125%) 2036 | BB+/ Stable | \$102.50 | 5.79% | BUY |
| NRG (6.25%) 2034 | BB+/ Stable | \$103.75 | 5.68% | BUY |
| Petro Rio (6.75%) 2030 | BB-/ Positive | \$103.00 | 5.95% | BUY |
| TRANSJAM (5.75%) 2036 | BB/ Positive | \$99.50 | 5.81% | BUY |
| Trinidad and Tobago (6.50%) 2036 | BBB-/ Negative | \$106.50 | 5.62% | BUY |
| BANORTE (5.75%) 2031 | BB-/ Negative | \$102.75 | 5.15% | SELL |
| FRICON (7.7%) 2028 | CCC/ RWN | \$25.75 | 94.97% | 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 the Disclaimer on page 8.

GOJ Globals

| Ticker | Maturity | Bid | Offer Yield* |
|--------|----------|--------|--------------|
| JAMAN | 2028 | 102.90 | 4.57% |
| | 2036 | 116.00 | 6.28% |
| | 2039 | 119.00 | 5.75% |
| | 2045 | 119.10 | 6.16% |

*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 (NCB CML) 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% | 100.25 | 7.76% |
| SJPC | 2032 | 8.85% | 104.00 | 7.98% |

Money Market

Liquidity in the JMD money market decreased, as measured by the aggregated current balances held by Deposit-Taking Institutions (DTIs). As at June 5, 2026, the total aggregate current balance was J\$4.92Bn, compared to J\$ 72.65Bn the previous week.

Last week, the Bank of Jamaica's (BOJ) 30-day Certificate of Deposit (CD) auction was oversubscribed, with total bids received amounting to J\$36.51Bn for a total offer amount of J\$27.00Bn, implying a 1.35x bid-to-offer ratio. This represents a 23 basis point (bps) increase from the previous week's 1.12x ratio, as the offer size was decreased by 22.9% or J\$8.00Bn. The average yield remained unchanged at 5.68%, and the next CD auction is scheduled for Wednesday, June 10, 2026.

The BOJ also conducted a 14-day repo auction on June 1, 2026, offering J\$2.50Bn in liquidity. The weighted average yield settled at 5.93%, a 2 bps increase compared with the prior auction's average of 5.91%. The next auction for a 14-day repurchase agreement is scheduled for Monday, June 8, 2026.

Lastly, the Government of Jamaica (GOJ) released the results of its 3-month and 6-month Treasury bill (T-Bill) auctions, each with an offer size of J\$700.00Mn. Investor demand remained strong, with the 3-month T-Bill attracting bids of J\$2.09Bn (bid-to-offer ratio: 2.99x), while the 6-month T-Bill received J\$2.35Bn in bids, equivalent to a 3.35x bid-to-offer ratio. Both auctions recorded stronger demand than the previous offering on May 6, 2026. The next T-Bill auction is scheduled for Wednesday, 8 July 2026.

⁷ **Issuer-** Jefferies Financial Group Industry-Broker Asset Managers, Exchanges, **Type-** Senior Unsecured, Callable-No, **Coupon Rate-** 6.25%, **Coupon Payment-** Semi-annually, **Maturity** – January 15, 2036, Risk Profile - [Conservative](#)

Dates to Watch This Week

International
 Local

June 2026

| MON | TUE | WED | THUR | FRI |
|---|-----|---|---|---|
| 8 | 9 | 10 | 11 | 12 |
| SALF X-Dividend Date (J\$0.69/share) | | GHL Dividend Payment Date (TT\$0.29/share) | HONBUN Dividend Payment (J\$0.006/ share) | FTNA Dividend Payment (J\$0.25/share) |
| | | US CPI and Core CPI data Bank of Canada Interest Rate Decision | US PPI and Core PPI data | UK GDP (MoM) (Apr) |

Recommendations

| Ticker | Closing Price (June 9, 2026) | P/E | Avg. Sector P/E | Current Recommendation |
|--------|---------------------------------|--------|-----------------|---------------------------|
| SVL | \$17.08 | 22.11x | 22.11x | BUY |
| GK | \$69.15 | 9.75x | 11.47x | 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 the Disclaimer on page 8.

Unit Trusts

| 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 June 08, 2026 | | |
| O Money Market Fund (M Fund) | F | 16.6712 | 5.89% | 2.52% | 4.49% |
| O Income Optimizer Fund (iO Fund) ◊ | F | 15.6721 | 5.41% | 1.74% | 3.57% |
| ☆ Caribbean Equity Fund (E Fund) † | E | 26.1950 | -7.78% | -1.25% | 8.85% |
| ◊ Real Estate Fund (rE Fund) † | R, F | 17.6130 | 17.82% | 3.92% | 1.96% |
| O USD Money Market Fund (xM Fund) | F | 1.2531 | 3.61% | 1.49% | 1.60% |
| O USD Bond Fund (xB Fund) | F | 1.3596 | 2.06% | 1.33% | 2.94% |

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

Peru Set For Lengthy Count As Presidential Race Too Close To Call

Peru's presidential race is set for another drawn-out count after early results on Sunday showed the race was too close to call. In a campaign focused on crime and the country's socio-economic divide, Peruvians chose between Keiko Fujimori, the daughter of hardline former President Alberto Fujimori, and leftist congressman Roberto Sanchez, who often campaigns wearing a cowboy hat and, like imprisoned former President Pedro Castillo, has strong support in rural areas.

A quick count by pollster Ipsos showed Sanchez with a slight lead of 50.3% of the vote and Fujimori with 49.7%. The Ipsos quick count matched the final count in 2021 and 2011, and while off by 0.4% in 2016 it showed the correct winner.

Peru's ONPE electoral authority said a full count would be completed by mid-July. Fujimori currently has 52.65% of the vote to Sanchez's 47.35%, with about half of the votes counted. Votes from the capital Lima, Fujimori's stronghold, tend to be counted first. Sanchez is expected to gain ground as ballots from rural areas are tallied. Speaking from a Lima hotel after the Ipsos quick count was announced, Fujimori called on supporters to remain calm and said there would be "long days ahead before we know the final result." Markets have been rattled by the prospect of a Sanchez victory, which would buck Latin America's recent rightward shift. Chile, Argentina, Costa Rica and Ecuador have elected right-wing presidents in recent elections, and Bolivia ended two decades of socialist rule in its presidential contest last year.

Peruvian voters have told pollsters they are overwhelmingly concerned with crime. Homicide and extortion rates have soared, leading to

widespread protests and the ouster of former President Dina Boluarte. Fujimori, who previously tried to distance herself from her father's authoritarian, tough-on-crime policies, won the first round of voting in April as she leaned into his legacy.

This election marks Fujimori's fourth presidential runoff. She lost the 2021 race by about 45,000 votes, or just over 0.2%, to Castillo. Sanchez is hoping he can replicate Castillo's victory by focusing on Peru's other major political issue: inequality and the vast socioeconomic divide between those living in Lima and rural areas. He has promised an agenda of ambitious reform, including a new constitution, overhaul of mining concessions and boosting investment in rural regions.

Source ~ Reuters

Airline Chiefs Grapple With Fuel Shock, Fare Test At Rio Summit

Global airline chiefs open their annual summit in Rio de Janeiro on Saturday facing a sharper test of the industry's post-pandemic recovery, as the Iran war drives up fuel costs and disrupts airspace while carriers try to cushion the blow with higher fares and tighter capacity.

The June 6-8 annual meeting of the International Air Transport Association (IATA) comes as that fuel shock collides with another problem airlines cannot quickly fix: a shortage of new aircraft. Boeing and Airbus delivery delays have forced many carriers to keep older, less fuel-efficient jets in service for longer, raising maintenance and fuel bills just as oil prices have climbed. IATA, which represents more than 370 airlines accounting for about 85% of global air traffic, had forecast a record \$41 billion in net profit this year for the industry before the war. Industry executives and analysts expect that outlook to be lowered at the meeting.

A Deloitte survey of 21 global airline CEOs published last week found that fuel price volatility and inflation sit at the top of the industry's risk agenda, pushing carriers to focus more heavily on cost control and financial health. Airlines have two primary costs: fuel and labour. Sudden increases in fuel are hard to absorb because many tickets are sold weeks or months before travel. Longer routes also burn more fuel and make aircraft and crews less efficient. The challenge is how much of the latest fuel hit can be passed on to travellers before higher fares start to weaken demand. So far, travel demand has held up in several large markets, especially among premium and corporate travellers, giving carriers more room to raise fares. Still, there are limits. Higher fares can help airlines recover part of their fuel bill, but they also risk pushing out travellers with tighter budgets. That risk is greater in regions where currencies are weak, consumer spending is under pressure or airlines lack the pricing power of large network carriers.

Source ~ Reuters

International News

Israel strikes Beirut despite truce, Iran threatens to retaliate

Israel struck the outskirts of Beirut on Sunday for the first time since the U.S. announced a truce plan for Lebanon last week, and Iranian officials threatened to retaliate, casting the talks to end the wider war into new jeopardy. Iran has long said any peace deal with the United States would depend on a ceasefire also holding in Lebanon, which Israel invaded in March in pursuit of Iran-backed Hezbollah fighters who fired across the border in solidarity with Tehran.

Iran's chief peace negotiator, parliamentary speaker Mohammed Baqer Qalibaf, said U.S. bases and Israeli assets were legitimate targets because of hostile acts, including the "violation of agreements over Lebanon". Iran has not targeted Israel directly since a ceasefire in the wider war in April, although Hezbollah has done so. An Israeli official, responding to the apparent threat, told Reuters that Israel would retaliate against any attacks on its territory from Iran, and consider it "an opportunity to renew the campaign". Washington and Tehran have shown little progress in reaching a deal to end the war that President Donald Trump launched in February with a campaign of air strikes alongside Israel against Iran. Trump has repeatedly threatened to restart the strikes unless there is an agreement soon.

Trump has leaned on Israel to scale back its campaign in Lebanon to allow room for a peace deal with Iran, including rebuking Prime Minister Benjamin Netanyahu with obscenities in a phone call last week. After the call, Netanyahu called off air strikes on Beirut and agreed to the latest truce plan with the Lebanese government. But Israel has never fully halted its campaign in Lebanon, which has killed thousands of people and driven hundreds of thousands from their homes. Hezbollah, which was not party to the truce and would be dismantled under its terms, has also continued attacks and says it will not give up its weapons unless Israel halts fighting and withdraws.

Netanyahu said Sunday's strike on Beirut's southern outskirts, a district known as Dahiyeh that has long been a Hezbollah stronghold, was ordered in response to Hezbollah firing toward Israel. The Israeli military earlier said it had intercepted two projectiles fired over the border. It issued an evacuation order for the southern Lebanese city of Tyre and surrounding areas ahead of possible strikes there. The wider war has been stalemated since the United States and Israel paused their attacks on Iran in early April, with Tehran blocking most shipping through the

Strait of Hormuz, the main transit route for Middle East oil. Washington has imposed its own blockade of Iranian ports.

Source ~ Reuters

Taiwan Coast Guard 'Expels' Chinese Ships From Restricted Waters

Taiwan's coast guard said on Sunday that its ships had "expelled" four Chinese government ships that entered restricted waters off the island's south after the two sides broadcast testy warnings to each other, in an escalation of tensions. China, which views democratically governed Taiwan as its own territory, has been angered by Japan and the Philippines saying last month they would begin formal talks on delimiting their maritime boundary, viewing that as involving waters off Taiwan.

Late on Saturday, Chinese state media said that ships had been sent to carry out a "special maritime traffic law-enforcement operation" in the waters east of Taiwan in response to the Japanese and Philippine announcement. Taiwan's coast guard said that four Chinese ships, including three coast guard vessels, had sailed on Sunday afternoon into Taiwan's restricted waters 30 nautical miles southwest of the island's southern tip. Taiwan sent seven coast guard vessels to warn away the Chinese ships, and late Sunday afternoon all four Chinese government vessels were "expelled" from the restricted waters, it said in a statement. Taiwan's coast guard published a recording of the Chinese warning to the Taiwanese ships, in which an unidentified officer says: "These are waters under Chinese jurisdiction. Our maritime law-enforcement formation is carrying out a special traffic law-enforcement mission in the waters of the Taiwan Strait. Do not interfere with our official duties." A Taiwanese coast guard officer replies that China does not enjoy any "sovereign rights" in the waters east of Taiwan. "If conflict occurs, your side will face sanctions from the world. Only maritime stability can ensure your country's development," the Taiwanese officer added.

Taiwan has reported a rise in Chinese coast guard activity over the past two weeks, including stand-offs around the Taiwan-controlled Pratas Islands at the top end of the South China Sea. China's military already operates around Taiwan on an almost daily basis and has never renounced the use of force to bring Taiwan under its control. Taiwan's government rejects Beijing's sovereignty claims.

Source ~ Reuters

Disclaimer:

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.

NCB Capital Markets Limited ("NCBCML"), through its representative(s) has provided information to you on various financial products and services and investment opportunities for information and educational purposes only. While NCBCML has made every effort to ensure that the information provided to you is accurate and based on research and analysis that we have carried out or derived from sources that we believe to be accurate and reliable, NCBCML makes no representations or warranties about the accuracy, completeness or suitability for any purpose of the information published and will not be liable for any

loss which you or anyone else may suffer in reliance on the information we have provided to you. This Report does not take into account the specific investment objectives, financial situation or particular needs of any specific recipient and therefore this Report should not be regarded by recipients as a substitute for the exercise of their own judgment or for obtaining advice directly from one of our investment advisors.

Important Disclosures:

The views expressed in this report are the views of NCB Capital Markets Ltd at the date of this report.

In accordance with Section 39 (l) of the Securities Act of 1993, NCB Capital Markets Limited hereby states that it is a subsidiary of NCB Financial Group Limited and, to that extent, may be regarded as interested in the acquisition or disposal of the shares of NCB Financial Group Limited. However, the company acts in a proper and professional manner in making any recommendations regarding shares listed on the Jamaica Stock Exchange. Share prices may fluctuate, and past performance is not necessarily a guarantee of future returns.