NCB CAPITAL MARKETS LIMITED

Market Guide

July 14, 2026

THIS ISSUE

"Know what you own, and know why you own it.– *Peter Lynch*

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Final Whistle or Penalties? What the US-Iran Endgame Means for Us

The 2026 World Cup has delivered everything a football fan could want and then some - upsets, comebacks, last-minute goals, and moments that will be debated for years. But as the tournament heads into the semifinals, the most consequential match being played is not on any pitch in North America. The United States (US)-Iran conflict has entered its own version of extra time, with the memorandum of understanding (MOU) signed on June 17 violated within weeks and hostilities have resumed. However, according to both sides, negotiations are ongoing. For local investors, how this conflict ends matters more than any result at the World Cup. This week, we examine what the end game could look like and what it means for your portfolio.

The State of Play - Where the Conflict Stands

Like a semifinal that goes to extra time after a late equaliser, the match is still being played, and nothing is settled. On June 17th, the US and Iran signed an MOU establishing a 60-day negotiation window covering the reopening of the Strait of Hormuz, Iran's nuclear programme, frozen Iranian assets, and sanctions relief. However, hostilities resumed within weeks. Fresh military exchanges have erupted, with the US President declaring that the deal is "over" while simultaneously allowing negotiators to continue working. Notwithstanding, even without the final whistle, the prospect of a deal had already moved markets. Following the partial reopening of the Strait of Hormuz, increased Gulf oil flows of 6.5 million barrels per day in June to 16.1 million barrels per day contributed to a decline in crude oil prices, while Hormuz-linked tanker rates[1] and war-risk insurance premiums[2] also eased from their wartime peaks. The Bank of Jamaica's (BOJ) Summary of Monetary Policy Discussion and Decisions in June 2026 noted that West Texas Intermediate (WTI) crude oil prices had fallen 9.9% in June month-to-date, amid optimism over a potential US-Iran resolution, compared to the Bank's previous projection for an increase of 7.8% for June 2026. Renewed hostilities as at July 14, 2026, have partially reversed the recent decline in oil prices, leaving energy markets elevated and highly volatile. Still, the partial relief from ceasefire optimism provided a preview of what a final resolution could deliver for local consumers, businesses, and the broader economy.

What a Final Whistle Could Unlock for Jamaica

An end to the conflict could be a benefit to Jamaica's fiscal and monetary policy if it results in sustainably lower oil prices. As at July 10, 2026, oil prices had fallen sharply from their wartime peaks but remained modestly above pre-war levels[3] (see Figure 1). Since then, renewed hostilities and heightened risks to shipping through the Strait of Hormuz have triggered a rebound in oil prices, erasing much of the relief recorded in early July. Nevertheless, the situation remains fluid, and a de-escalation that restores secure shipping through the Strait and places oil prices on a sustained downward path would offer meaningful fiscal and monetary relief for Jamaica. On the fiscal side, the Government of Jamaica (GOJ) has absorbed over J$1.3Bn in costs through its J$4.50 per litre fuel price cap at the Petrojam refinery, which has since been removed.

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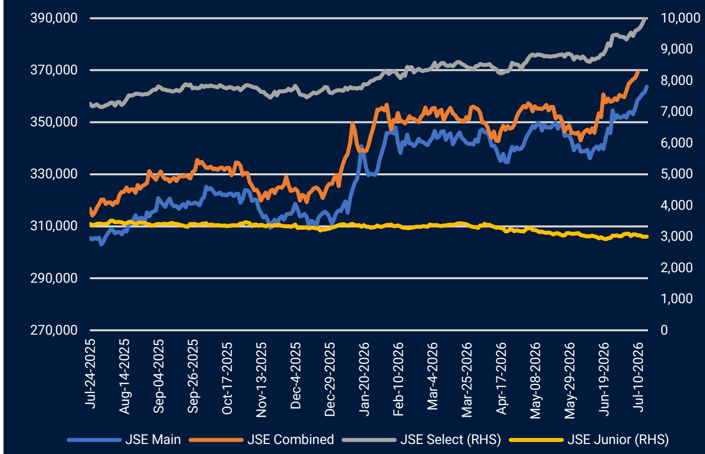
[1] The TD3C index, which charts the spot market freight rate for shipping crude oil from the Middle East to China, assesses the supply and demand of available shipping, as well as transit security risks. The rate declined by almost 40% following the ceasefire, to approx. US$313,000 per day. However, this was still more than three times the long-term average of below US$100,000 per day.

[2] Insurance premiums for vessels transiting Hormuz reportedly declined from approximately 5% to 2% of a vessel's value after the June agreement.

[3] On July 10, 2026, Brent settled at US$76.01 and WTI at US$71.41 - approximately 5% and 7% above their respective pre-war levels.

WEEKLY MOVEMENT IN INDICES



MOVEMENT IN INDICES

JSE Indices	Closing Levels	WoW % Change	YTD % Change
Combined Index	369,257.92	1.99%	12.43%
Main Market Index	363,657.49	2.27%	14.36%
Select Index	10,132.12	5.58%	32.00%
Junior Market Index	3,002.43	-2.40%	-11.73%

WINNERS & LOSERS FOR THE WEEK ENDED JULY 10, 2026

	$ Change	% Change
PBSUSD	$0.19	32.25%
JETCON	$0.68	25.76%
PAL	-$0.14	-25.45%
AHPC	-$0.19	-12.03%

MARKET OVERVIEW

For the trading week ending July 10, 2026, the market extended gains from the prior week. The JSE Combined Index climbed 2.0%, with NCB Financial Group Limited (NCBFG) and Carerras Limited (CAR) largely contributing to its upswing. Despite this, overall market activity saw decliners outpacing advancers (62 versus 52), suggesting that growth in the index was concentrated among a handful of heavily weighted names rather than reflecting a rally across the entire market. Furthermore, market activity pulled back on both measures: value traded fell 23.4% to J$1.02Bn, and volume dropped 33.4% to 133.28Mn units. Elite Diagnostic (23.7%), TransJamaican Highway (TJH: 13.6%) and 138 Student Living Jamaica (6.2%) were the top 3 traded stocks.

Renewed large-cap strength drove index performance, with the two biggest advancers each carried by a handful of stocks. The JSE USD Equities Index led, rising 6.4% in a near one-stock story: TJH USD, at 65.0% of index weight, rose 5.8% to account for most of the gain. The JSE Select Index followed closely behind, rising 5.6%, led by NCBFG (+15.6%), Carreras (+7.2%) and TJH (+5.8%). Absent any company-specific news, the stocks' moves appear to reflect improved sentiment. The lone decliner was the JSE Junior Market (-2.4%), dragged by Cargo Handlers (CHL: -10.4%), Future Energy Source Company (FESCO: -8.3%) and Mailpac (-7.9%). The price decline came despite Mailpac's July 3rd Q1 results showing revenue rising by 10.3% year-over-year and earnings growing 6.0% to J$64.6Mn despite its tax charge nearly doubling.

For the period ending June 30, 2026, the market rallied reflecting strong investor sentiment toward key stocks. The Combined Index advanced 9.8% for the first half of the year (H1 2026), driven by earnings growth at select companies—notably West Indies Petroleum, NCBFG, Carreras, and TJH, whose share prices rose 690.8%, 71.2%, 55.5%, and 73.3%, respectively. Overall, seven of the major indices rose during the period, led by the JSE Select Index (+22.7%) and JSE USD Index (+16.1%). Only the JSE Junior Market (-9.2%) and JSE Cross-Listed (-2.4%) indices retreated for H1 2026.

However, the GOJ has implemented a new tiered pricing mechanism to align local prices more closely with global movements. Still, sustainably lower global prices would ease the adjustment pain for consumers and businesses alike. Ultimately, this would reduce the fiscal burden and potentially create more room for the government to redirect resources toward reconstruction and longer-term development spending.

In terms of monetary policy, the case for a BOJ rate cut strengthens considerably if energy and commodity price-driven inflation pressures abate sustainably. The BOJ has held its policy rate at 5.50% unanimously across three consecutive MPC meetings in March, May, and June 2026, citing elevated global commodity prices, rising core inflation, and the risk of second-round price effects as the primary reasons for caution. Headline inflation reached 5.5% in May 2026, above the BOJ's most recent projection and the fourth consecutive month of upward movement since the start of the year. Core inflation rose to 4.7% in May from 3.9% in January, reflecting the impact of the conflict on energy prices and second round effects across the economy. The BOJ has explicitly flagged that inflation is projected to temporarily breach the upper limit of its 4–6% target range in the near term. A de-escalation scenario that brings global oil prices materially lower could meaningfully change that projection. While it may not bring a rate cut decision back into play for August 19, it could allow the Bank to continue its easing cycle later in the year.

What It Could Mean for Local Stocks - Reading the Formation

An end to the U.S.-Iran conflict should benefit stocks on the JSE if it results in sustainably low inflation and BOJ rate cuts, which should improve consumer purchasing power and reduce input cost pressures across sectors. These factors could ease margin pressures, preserve earnings, and ultimately shareholder value. For Building Materials, Consumer Staples, and Logistics Infrastructure (BMCL) stocks, lower global freight costs and reduced petrochemical input prices, both of which spiked sharply as a result of the conflict, could support margin improvement. This would occur at a time when reconstruction demand is already providing a revenue tailwind. Energy distribution stocks present a more nuanced picture. Fuel distributors generally earn on volumes and per-

> Building a diversified portfolio of high-quality stocks that can perform regardless of the scenario and staying disciplined gives investors the best chance to outperform, regardless of how the match ends.

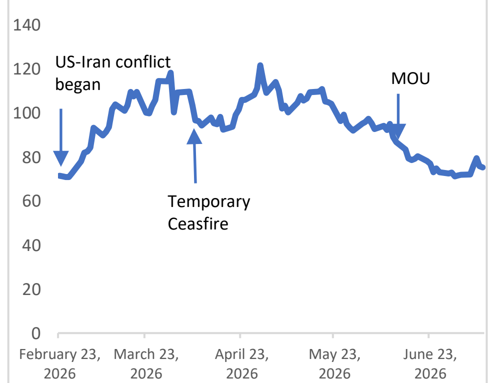
litre margins, so the relationship between oil prices and their earnings is less direct than it may appear. FESCO's 176.4% earnings surge and RPL's 552.8% quarterly earnings growth for December 2025 period were driven mainly by higher fuel volumes, rather than higher oil prices. Importantly, while post-Hurricane Melissa demand provided a near-term boost, underlying growth was supported by a growing retail footprint and rising market share. A peace deal that eases fuel procurement costs could provide a further margin tailwind, and increased consumer purchasing power under lower inflation likely translates to greater fuel demand as they buy more vehicles and travel more frequently. Notably, these companies demonstrated their ability to grow volumes and maintain healthy margins even during the 2022 energy price shocks caused by the onset of the Russia-Ukraine war. Financial services companies are also set to benefit if rate cuts resume. Lower borrowing costs tend to support loan growth, reduce non-performing loan risk and improve the earnings outlook for financial sector stocks. Additionally, higher-for-longer interest rates could slow bond trading gains and stock price appreciation, which could now rebound if BOJ and Federal Reserve rate cuts resume.

The Risk of a Penalty Shootout – Why This Isn't Over

The US-Iran conflict has already demonstrated its capacity for sudden reversals. The latest escalation has reinforced that risk, with the United States resuming its naval blockade against Iran and launching fresh strikes following attacks on commercial vessels transiting the Strait of Hormuz. Oil prices have already partially retraced their recent decline, while freight and insurance costs could also rise if the heightened risks to shipping persist. If the escalation continues, it would keep pressure on Jamaica's inflation, import bill and fiscal position and weaken the case for BOJ rate cuts. Even with an agreement, the benefits may take longer than expected to materialise. Insurers and shipping companies may retain risk premiums until any agreed end to the conflict proves durable. Similarly, when global prices fall, the pass-through to local fuel costs could take time as existing higher-cost inventory gets drawn down. Moreover, local pricing adjustments under Petrojam's tiered mechanism may introduce further delay before businesses and consumers feel the benefit. Lower oil prices would also not guarantee monetary easing. Elevated core inflation and reconstruction-related demand could keep the BOJ cautious. Listed companies may also face uneven outcomes and pressure to pass cost savings to consumers, compressing margins even as input costs fall.

Ultimately, with the US-Iran negotiation window running until mid-August, there is still time for the situation to evolve in either direction, making disciplined positioning now even more important. Building a diversified portfolio of high-quality stocks that can perform regardless of the scenario and staying disciplined gives investors the best chance to outperform, regardless of how the match ends. High-quality bonds can provide income and serve as anchors to mitigate overall portfolio volatility. As in extra time at the World Cup, discipline matters: position for the fundamentals in anticipation of the final whistle.

Figure 1: Brent Crude Oil Prices



Foreign Exchange Market

For the week ending July 10, 2026, the Jamaican dollar depreciated by 0.18%, with the USD selling rate moving from J$159.37 on July 3, 2026, to J$159.65 on July 10, 2026. The depreciation was likely driven by continued strong demand from end users and heightened uncertainty in the foreign exchange (FX) market. Buyers appear to be concerned about potential liquidity constraints that could put upward pressure on the exchange rate in the short term, particularly following the BOJ's recent indication that it would intervene in the market only once in July (the 28th).

Selling	Close: 3/7/2026	Close: 10/7/2026	Change
J$/US$1	$159.37	$159.65	$0.28
J$/CDN$1	$112.50	$114.23	$1.73
J$/GBP£1	$211.34	$213.71	$2.37

Global Bond Market

Last week renewed geopolitical tensions, coupled with mixed U.S. labour market data, which kept investors focused on the outlook for Federal Reserve (Fed) policy, shaped the global bond market. Tensions returned to the forefront last week after President Trump declared the ceasefire between the U.S. and Iran over, raising concerns that peace negotiations could break down completely as renewed conflict emerged. Following this collapse, the U.S. launched retaliatory airstrikes across Iran targeting approximately 90 military and coastal sites. Iran quickly retaliated by firing missiles and drones at American military bases across the Gulf, triggering alerts in Qatar, Bahrain, Kuwait, and Jordan[4]. As a result, oil prices rose 4.8% to approximately US$74 per barrel on Thursday, though they remain well below the US$120 per barrel peak reached at the onset of the conflict.

On the labour market front, the latest data presented a mixed picture. The ADP Employment Survey showed private sector employment increased by 98,000 in June, down from 122,000 in May and below the Dow Jones consensus forecast of 110,000[5], while nonfarm payrolls rose by just 57,000, well below expectations for a gain of more than 100,000. That said, wage growth remains a key area of focus given its implications for both inflation and household purchasing power, with annual pay growth holding steady at 4.4% and continuing to outpace inflation. While higher energy prices had weighed on real incomes in recent months, the earlier decline in oil prices was expected to provide some relief and support further improvement in real wage growth. More broadly, wage growth of around 3.5% remains consistent with the Fed's 2% price inflation target, particularly as strong productivity gains continue to keep unit labour costs in check. Overall, the U.S. economy continues to demonstrate resilience, supported by a stable labour market, healthy consumer spending, and a recovery in manufacturing activity. However, investors will be closely watching this week's upcoming CPI data for fresh signs on the inflation outlook, as it could influence expectations for the Federal Reserve's next policy decisions.

Treasury yields initially declined following the weaker-than-expected employment data, reflecting increased expectations that the Fed could begin easing monetary policy later this year. However, longer-term yields moved higher as inflation concerns took hold post the announcement of the dissolution of the ceasefire, with the U.S. 10-year Treasury yield ending the week at approximately 4.561%, up from 4.485% the previous week. With the treasury yield rising, in reaction to increased geopolitical tension, emerging market (EM) bond prices retreated. Sovereign bonds issued by Trinidad & Tobago, Barbados, Bermuda, Panama, Costa Rica, the Bahamas, and Jamaica were among those affected, with their longer-dated notes experiencing the most pronounced price declines.

	Currency Rating	Indicative Price	Yield	Recommendation
Abbot Lab (4.65%) 2036	A+/ Stable	99.50	4.71%	BUY
Airbnb (5.25%) 2036	A-/ Stable	102.00	4.99%	BUY
Amazon (4.55%) 2033	AA-/ Stable	100.50	4.46%	BUY
Amazon (4.65%) 2035	AA-/ Stable	99.25	4.75%	BUY
Amazon (4.875%) 2036	AA-/ Stable	100.25	4.84%	BUY
Bahamas (6.63%) 2033	BB-/ Stable	105.50	5.64%	BUY
Bahamas (8.25%) 2036	BB-/ Stable	115.50	6.14%	BUY
Bahamas (8.95%) 2032	BB-/ Stable	116.00	5.85%	BUY
Barbados (8.00%) 2035	B+/ Positive	110.50	6.44%	BUY
Blackstone (6.00%) 2032	BBB-/ Positive	101.25	5.73%	BUY
Block Inc (6.00%) 2033	BB+/ Positive	104.25	5.27%	BUY
DOMREP (5.50%) 2029	Ba2/ Stable	103.00	4.26%	BUY
DOMREP (5.75%) 2034	Ba2/ Stable	101.25	5.55%	BUY
DOMREP (5.88%) 2035	Ba2/ Stable	101.50	5.66%	BUY
DOMREP (6.15%) 2038	Ba2/ Stable	102.00	5.91%	BUY
DOMREP (6.95%) 2037	Ba2/ Stable	108.25	5.89%	BUY
GEOPARK (8.75%) 2030	B+/ Stable	104.25	7.36%	BUY
Goldman Sachs Private Credit (5.875%) 2031	BBB-/ Stable	102.50	5.25%	BUY

[4] CNBC
[5] Wall Street Journal

	Currency Rating	Indicative Price	Yield	Recommendation
Jefferies (6.25%) 2036	BBB/ Stable	104.25	5.67%	BUY
Kingston Airport Revenue (6.75%) 2036	Ba3/ Negative	104.00	6.22%	BUY
Minerva (4.38%) 2031	BB/ Stable	85.65	6.72%	BUY
Minerva (7.50%) 2036 **(NEW)**[6]	BB/ Stable	$98.25	7.76%	BUY
NCBFG (11.0%) 2030	B+/ Stable	$107.98	8.25%	-
Netflix (4.875%) 2030	A2/ Positive	103.25	3.97%	BUY
NRG (3.88%) 2032	BB+/ Stable	94.75	4.96%	BUY
NRG (6.00%) 2033	BB+/ Stable	103.25	5.40%	BUY
NRG (6.125%) 2036	BB+/ Stable	102.75	5.75%	BUY
NRG (6.25%) 2034	BB+/ Stable	104.00	5.64%	BUY
Petro Rio (6.75%) 2030	BB+/ Stable	101.75	6.27%	BUY
TRANSJAM (5.75%) 2036	BB/ Stable	99.50	5.82%	BUY
Trinidad and Tobago (6.50%) 2036	BBB-/ Negative	105.75	5.71%	BUY
Trinidad Generation Unlimited (7.75%) 2033	BB/ Stable	108.50	6.22%	BUY
BANORTE (5.75%) 2031	BB-/ Negative	103.00	5.08%	SELL
FRICON (7.7%) 2028	CC	14.92	150.29%	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 8.

GOJ Globals

Ticker	Maturity	Bid	Offer Yield*
JAMAN	2028	102.85	4.44%
	2036	116.00	6.26%
	2039	119.70	5.67%
	2045	119.60	6.12%

*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 (NCBCML) 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, as measured by the aggregated current balances held by Deposit-Taking Institutions (DTIs) strengthened last week. As at July 10, 2026, the total aggregate current balance was J$68.86Bn, compared to the previous week J$57.73Bn.

Demand for Bank of Jamaica (BOJ) liquidity management instruments remained healthy even as the supply was significantly lower, underscoring continued appetite for short-term Jamaican-dollar investments. The BOJ's 30-day Certificate of Deposit (CD) auction attracted J$26.76Bn in bids against an offer of J$10.0Bn, resulting in a 2.68x bid-to-cover ratio (2.10x in the previous auction). The stronger subscription came despite the BOJ reducing the amount offered by J$10.00Bn (-50.0%). The average yield on the 30-day CD Auction amounted to 5.55%, 9 basis points below the 5.64% recorded in the previous week. The next 30-day CD auction is scheduled for Wednesday, July 15, 2026.

The BOJ also conducted a 14-day repurchase agreement (repo) auction, which received J$2.00Bn in eligible bids against an offer of J$2.00Bn. The auction's weighted average yield decreased by 9 basis points to 5.54%, suggesting participants demanded slightly lower returns for short-term liquidity.

The Government of Jamaica's July 8 Treasury Bill auction reinforced the ample-liquidity backdrop. Investors placed roughly $6.28Bn in bids against the $2.20Bn on offer, an oversubscription of nearly 2.9x. All three tenors were fully allotted. Average yields settled at 5.37% on the 91-day, 5.47% on the 182-day, and 5.81% on the 273-day tenors.

[6] **Issuer-** Minerva Luxembourg S.A. Industry-Agriculture **Type-** Senior Unsecured, Callable-No, **Coupon Rate**- 7.50%, **Coupon Payment**- Semi-annually, **Maturity** – April 22, 2036, Risk Profile – **Aggressive**

Dates to Watch This Week

International | Local

July 2026

MON 13	TUE 14	WED 15	THUR 16	FRI 17
DOLLA Dividend Payment Date (J$0.037/share)	Sagicor Real Estate X Fund (J$0.10/share)			
	U.S. Headline & Core CPI (Jun)	U.S. Headline & Core PPI (Jun)	UK GDP (MoM) (YoY) (May) U.S. Retail Sales (Jun)	EU Headline & Core CPI (Jun)

Recommendations

Ticker	Closing Price (July 14, 2026)	P/E	Avg. Sector P/E	Current Recommendation
KW	$35.24	15.0x	13.8x	**BUY**
SVL	$18.24	23.6x	23.6x	**BUY**
FESCO	$3.25	12.0x	17.5x	**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 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 July 13, 2026		
O Money Market Fund (M Fund)	F	16.7585	5.63%	3.06%	4.24%
O Income Optimizer Fund (iO Fund) ◊	F	15.6756	4.77%	1.76%	3.84%
Caribbean Equity Fund (E Fund) †	E	27.7243	-1.44%	4.52%	8.30%
◊ Real Estate Fund (rE Fund) †	R, F	17.6584	17.73%	4.18%	1.80%
O USD Money Market Fund (xM Fund)	F	1.2555	3.43%	1.68%	2.09%
O USD Bond Fund (xB Fund)	F	1.3647	2.51%	1.71%	2.90%

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

Trinidad and Tobago: Central Bank Maintains Repo Rate at 3.50%, Rates to Remain Unchnaged in 2026

The Central Bank of Trinidad and Tobago (CBTT) held its repo rate at 3.50% at its second quarterly meeting of 2026, the level maintained since March 2020, citing low inflation, slowing credit growth, and weak domestic activity amid natural gas supply constraints, soft business confidence, and decelerating lending. Accordingly, Business Monitor International (BMI) has revised its 2026 policy-rate forecast down from 4.0% to 3.50%, as previously expected hikes now look unlikely. Although central bank leadership had signalled in September 2025 a need to raise rates to narrow the Trinidad and Tobago–US (TT-US) differential and stabilise the foreign exchange (FX) market (a move the International Monetary Fund (IMF) encouraged in May), elevated oil prices stemming from US-Iran tensions have eased that pressure by boosting energy exports and foreign reserves, supporting the de facto peg to the US dollar.

Inflation has stayed remarkably low, with headline inflation slowing to 0.3% y-o-y in May 2026 (down from 0.4% in April and 1.4% a year earlier), food price growth easing to 0.8% following the October 2025 removal of Value Added Tax (VAT) on certain items, and core inflation up just 0.2%. This has been helped by fuel price caps, falling housing and transportation costs (together 42.2% of Consumer Price Index (CPI) weight), and a strengthening Trinidad and Tobago dollar (TTD) that has appreciated toward TTD6.73/USD from 6.77. BMI expects inflation to remain contained, averaging 1.0% for the year and ending at 1.5%, and forecasts the CBTT to hold the rate through year-end while continuing FX intervention to support the currency, before moving higher in 2027 as the oil-driven boost fades and reserves resume their decade-long decline. Risks are skewed to the upside, as any reignition of US-Iran tensions and higher-for-longer oil prices could pass through into domestic prices.

Source ~ BMI, A Fitch Solutions Company

More Capital, Fewer Projects: Latin America's Investment Paradox

Latin America and the Caribbean attracted more foreign investment in 2025 than the year before, despite an uncertain global economy. According to the World Investment Report 2026 by UN Trade and Development (UNCTAD), foreign direct investment (FDI) inflows to the region — excluding Caribbean offshore financial centres — rose 14% to US$188Bn, roughly one fifth of all FDI flowing to developing economies. The gains were driven largely by South America, particularly Brazil, alongside commodities and sectors tied to the energy transition. Yet the rebound was highly concentrated: the top 10 recipient economies accounted for 95% of regional inflows, with Brazil and Mexico alone making up about two thirds. Brazil's inflows climbed from US$63Bn to US$77.0Bn — placing it among the world's five largest recipients — while Mexico rose from roughly US$38Bn to US$41Bn on the strength of its role in regional production networks.

Beneath the stronger headline lies a weaker pipeline of future productive investment. The value of announced greenfield projects — often the best gauge of new productive capacity — fell by about a third to under US$120 billion, with manufacturing and logistics among the hardest hit. The decline was sharpest in Mexico, where announced greenfield values dropped from US$44Bn to US$24Bn amid trade and industrial-policy uncertainty, while Argentina fell from about US$37Bn to US$1.4Bn. In short, more capital entered the region in 2025, but less was committed to building new factories, infrastructure and supply chains. UNCTAD argues the priority is converting investor interest into bankable projects — through stronger investment facilitation and aftercare, better logistics and energy infrastructure, supplier development, regional integration, and strategies that encourage local value addition rather than reliance on commodity-linked inflows.

Source ~ UN Trade & Development

International News

Iran and U.S. Step Up Attacks, Battle Over Control of Strait of Hormuz

Iran fired missiles at Jordan and Bahrain on Tuesday, July 14, 2026, after the United States (U.S.) launched a five-hour attack on Iranian targets, escalating a battle for control of the Strait of Hormuz that has pushed oil prices to four-week highs. U.S. forces carried out waves of strikes for a third consecutive night after Tehran said it had closed the strait, prompting President Donald Trump to reinstate a blockade of Iranian shipping and propose a 20% fee to guard the waterway. Iran hit back by striking a U.S. Army base in Jordan with ballistic missiles, while Bahrain, which hosts a U.S. naval base, said it had fended off an aerial attack; Jordan reported shooting down four ballistic missiles and explosions were heard in Manama.

The worsening exchanges have deepened doubts that a memorandum of understanding (MoU) signed last month will lead to a permanent halt in the war, which has disrupted global energy supplies and stoked fears of higher global inflation. Oil prices rose again on Tuesday, with Brent crude futures gaining 5% to hit US$87.49 per barrel — the highest since June 12 — before easing to US$86.19. Before the war, about a fifth of global oil and gas traffic passed through Hormuz daily, and Washington estimates a 20% fee could generate around US$240Mn a day. Iranian Foreign Minister Abbas Araqchi said Tehran would remain the “guardian” of the strait “forever,” adding that “20% is of course too much. We will be fair.” The United Arab Emirates said Iranian missiles struck two Emirati oil tankers transiting the strait, killing an Indian crew member and wounding eight others. Analysts said the hostilities remained within controlled boundaries for now, with both sides seeking leverage for an eventual peace deal, though the risk of the fighting spinning out of control persists.

Source ~ Reuters

Consumer Prices Rose 3.5% Annually in June, Less than Expected as Energy Prices Eased

U.S. consumer prices posted their biggest monthly decline in more than six years in June, as a sharp drop in energy costs offered temporary relief from this year's inflation surge, the Bureau of Labor Statistics reported Tuesday, July 14, 2026. The consumer price index (CPI) fell a seasonally adjusted 0.4% for the month — the largest headline decline since April 2020 — bringing the annual inflation rate down to 3.5%, below the 3.8% economists surveyed by Dow Jones had expected and down from 4.2% in May. Core inflation, which excludes food and energy, was flat on the month, putting the 12-month rate at 2.6%, also below the 2.9% consensus.

The energy index slumped 5.7%, its steepest monthly fall since April 2020, with gasoline and fuel oil each down more than 9%, though energy remained up 15.7% on an annual basis. Services costs, closely watched by Federal Reserve policymakers, also moderated: services excluding energy were flat, shelter rose just 0.1%, and transportation services fell 0.3%. Following the report, stock futures were mostly positive and Treasury yields moved sharply lower, though traders still expect the Fed to raise rates in September, trimming the odds to 63% from above 75% a day earlier. The Fed currently targets its key overnight borrowing rate in a range of 3.5%–3.75%, and officials including new Chair Kevin Warsh have kept controlling inflation at the centre of their message. The relief could prove short-lived, however, as renewed conflict in the Middle East pushed oil prices higher again this week, clouding the outlook for how the inflation story ends.

Source ~ CNBC

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