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"The key to making money in stocks is not to get scared out of them." – Peter Lynch

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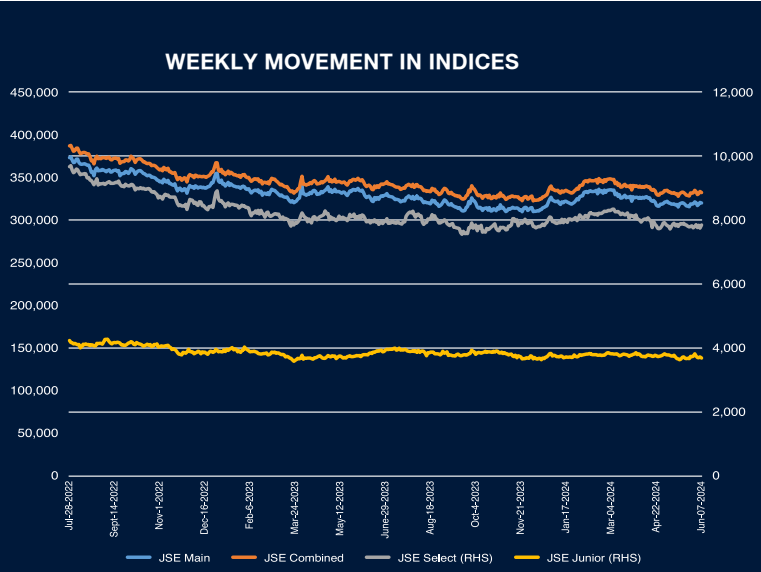
Strong Consumer Demand Buoy Tourism & Entertainment Companies, Costs Stifle Earnings

The entertainment and tourism industries continue to be fueled by company expansions, shifting social trends, and, most importantly, strong consumer demand since the start of the year. Consumer demand remained resilient throughout 2023, despite elevated inflation and geopolitical instability. While resilient consumer demand drove improved topline performances for entertainment and tourism (E&T) sector companies listed on the Jamaica Stock Exchange (JSE) in their latest financial releases; rising costs limited overall earnings performance for some. Consumer demand is likely to remain steady throughout 2024, supported by high levels of employment and solid private consumption. Against this background, Jamaica's E&T industries are expected to remain thriving segments of the economy. As such, listed E&T companies should continue to see high demand in the coming quarters. This coupled with cost containment strategies, if successfully executed, should allow companies to bolster earnings. However, the Bank of Jamaica's (BOJ) efforts to sustainably contain inflation by using moral suasion to impact the pass-through of higher interest rates to consumers, while a positive for inflation and the companies' overall costs could cause some sectors of the economy to slow and consumer demand to cool. Furthermore, a faster-than-expected slowdown in the US economy, could moderate demand in the tourism sector.

Strong consumer spending has continued to spur growth in the domestic economy, bolstered by higher employment levels¹, along with solid consumer sentiment about

current economic conditions. Further, the strength of the economies of Jamaica's major trading partners and the local tourism sector continues to buttress demand for companies in the E&T sector. The Jamaican economy grew by an estimated 1.9% from January to March 2024 (Q1 2024) according to the Planning Institute of Jamaica (PIOJ), with the Services segment growing by 1.6%, from industries associated with travel and tourism, namely hotels and restaurants. Overall, the growth outturn reflected increased external demand and higher business and consumer confidence levels. Consumer confidence remained solid in Q1 2024, with the consumer confidence index at 174.4 points, up 8.4% relative to Q1 2023². This suggests that consumers' perceptions of the current economic environment have remained strong relative to the first quarter of last year, resulting in slightly higher levels of spending. Resilience in key source markets also added tailwinds to demand for Jamaica's E&T offerings, which continues to benefit JSE-listed companies. Of note, the United States (US), Canada and the United Kingdom (UK) grew in Q1 2024³, due to aggregate demand supported by stronger-than-expected private consumption amid tight labour markets despite some signs of weakness. Overall, the strong consumer demand, both locally and externally, has helped to drive revenue outturns for companies in the E&T industry.

Amid the resilient demand, most of the listed E&T companies continued to exhibit healthy revenue growth. On the Main Market, Cinema Operator, Palace Amusement



MOVEMENT IN INDICES

JSE Indices	Closing Levels	WoW % Change	YTD % Change
Combined Index	333,333.62	-0.73%	-1.72%
Main Market Index	320,829.62	-0.49%	-1.50%
Select Index	7,867.05	0.50%	-3.12%
Junior Market Index	3,699.06	-3.58%	-3.88%

WINNERS & LOSERS FOR THE WEEK ENDED JUNE 7, 2024

	\$ Change	% Change
LAB	+\$0.32	+23.02%
PBS 9.75	+\$11.10	+10.84%
PBS	-\$0.43	-25.00%
EFRESH	-\$0.29	-16.11%

MARKET OVERVIEW

In contrast to last week when 8 of 9 indices advanced, trading activity during the first week of June resulted in the majority of the indices (8/9) declining, except for the JSE Select Index. The JSE USD Equities and Cross-listed Indices showed the greatest week-over-week (WoW) declines, falling by 6.39% and 3.76%, respectively. Productive Business Solution Ltd USD (PBS: -25.0%) was the primary driver of the weak performance in the USD Equities Index. While there was no direct news to support the fall in the stock price, PSB advised of a further delay for its audited financial statements for the year ending December 31, 2023. The audited financial statements are now expected to be submitted by June 28, 2024. The index was also partially affected by WoW price depreciation in smaller weighted stocks in terms of market capitalisation namely - Sygnus Credit Investments Ltd. (SCIUSD: 13.51%), Sterling Investments Ltd. USD (SIL: 3.75%) and Margaritaville (Turks) Ltd. (MTL: -3.27%), which dragged on the USD Equities Index. The Cross-listed Index was largely influenced by the share price decline in Massy Holdings Ltd (-5.52%) the largest market capitalisation stock. The lone advancing index, the JSE Select Index (up 0.50%) was influenced by a 1.40% appreciation in NCB Financial Group Ltd. (NCBFG). NCBFG announced that it has closed its Additional Public Offering (APO) on Monday, June 3, 2024.

Overall, market activity resulted from trading in 124 stocks of which 46 advanced, 70 declined, and 8 traded firm. Market volume amounted to 100.87Mn units valued at over \$393.71Mn. This reflects a 14.0% and 31.3% decrease in volume and value, respectively, relative to the previous week ending May 31, 2024. Transjamaican Highway Ltd., Wigton Windfarm Ltd., Ordinary Shares, and The Limners and Bards Ltd. were the week's volume leaders with 28.79Mn units (27.96%), 20.76Mn units (20.17%), and 7.62Mn units (7.54%), respectively.

1 With the exception of July 2022, the unemployment rate in Jamaica has exhibited a downtrend from 9.0% in April 2021 to 4.2% in October 2022.

2 This figure is only slightly down from the fourth quarter of 2023 (174.7 points) when it marked an impressive 8.5% growth. The Q1 figure was weighed down sight due to crime concerns.

3 1.3% for the US, 1.7% for Canada and 0.6% for the UK.

Company Limited (PAL), reported Q3 revenues for the period ended March 31, 2024, of \$410.85Mn, 35.6% above the previous year. This assisted it in generating 9-month revenue of \$1.10Bn, approximately 98.9% of the company's full-year pre-pandemic (2019) revenues. The robust growth can be attributed to strong demand by consumers for more 'outside-the-home' screen-time experiences, despite the delayed releases of some blockbusters given the 5-month-long Hollywood Writers & Actors strike throughout 2023. Similarly, Supreme Ventures Limited (SVL) started 2024 with a 2.6% increase in total revenues amid strong gaming demand, particularly from its Sports Betting and Pin Codes operating segments. There was also evidence of strong demand among Junior Market⁴ E&T companies, which drove improved topline growth. Of note, Express Catering Limited's (ECL) revenues improved by 17.4% as Jamaica's tourism sector continued to surge on the back of a robust economic outturn in local and key source markets. Dolphin Cove's (DCOVE) revenues also increased but at a more moderate level (+1.1%), as unusual weather conditions in January and February resulted in cancelled cruise ship calls and an estimated revenue loss of US\$250,000⁵. However, Main Event Entertainment Group (MEEG)⁶ and Kingston Live Entertainment Group Limited (KLE) recorded declines in their top and bottom-line performances in their first-quarter financial releases.

Despite positive revenue growth, higher operating costs associated with operations stifled earnings, particularly for the Jr Market E&T companies⁷. Higher costs of production, administrative, promotional and finance expenses resulted in lower net profit amounts for ECL (-7.9%). Similarly, higher costs (except for higher finance costs), resulted in lower profits for DCOVE (-12.2%). However, a large portion of DCOVE's cost increase was attributable to the expansion of its operations to accommodate more visitors along with promotional

E&T sector companies are poised to benefit from continued solid demand supported by increased private consumption from both locals and visitors. Company-specific plans and proposed cost containment measures should also help to sustain positive earnings and improve investor sentiments going forward.

campaigns abroad, and will likely not recur. For MEEG, in tandem with lower topline growth, direct costs associated with production fell but operating expenses rose resulting in an overall 15.0% decline in net profits⁸. In light of these higher costs, Jr Market E&T companies are implementing strategies that should amplify the impact of demand-driven revenue growth on earnings over the near term. ECL's planned food and beverage concepts and re-evaluation of the company's existing administrative structure are expected to have a positive impact on revenues and bolster profitability over time. Similarly, MEEG continues to employ cost management strategies such as streamlining key procurement processes to mitigate rising costs and increase efficiency. These strategies should allow companies to achieve robust earnings on the back of still-strong forecasted demand.

Consumer spending should remain solid this year, as the local economy grows modestly on the back of still strong underlying economic momentum. Additionally, strong travel demand from overseas should continue to benefit the E&T sector in Jamaica due to the likely increase in

purchasing power given the interest rate cuts by the Bank of Canada and the European Central Bank (ECB). Given these factors, the outlook for the E&T industry remains broadly favourable. Notably, E&T sector companies are poised to benefit from continued solid demand supported by increased private consumption from both locals and visitors. Company-specific plans and the proposed cost containment measures should also help to sustain positive earnings and improve investor sentiments going forward. Notwithstanding, the BOJ's push toward commercial banks increasing interest rates on loans and deposits could result in a higher cost of credit and a softening in demand and the local economy. Other risks to the consumer demand outlook include higher-than-anticipated inflation, weaker-than-expected US growth in the second half of the year, extreme weather shocks and heightened geopolitical risks. This could result in lower tourism demand as well as lower demand for entertainment offerings.

4 Financials refer to ECL's third quarter ended February 28, 2024, MEEG's first quarter ended January 31, 2024, DCOVE's and KLE's first quarter ended March 31, 2023.

5 This is approximately 5.1% of the company's Q1 2024 revenues.

6 MEEG noted that the depressed results were mainly due to a one-off event for one of its major clients, which is not anticipated to recur in subsequent periods.

7 PAL and SVL were the only E&T companies across the sectors whose topline growth translated to overall earnings due to strategic cost management by both companies. PAL's net profit increased by 179.7% while SVL's net profit increased by 21.9%.

8 KLE has been operating at a net loss for the last three quarters and has been noting volatility in their quarterly earnings over the last few years.

Foreign Exchange Market

At the close of the week ending June 6, 2024, it took 0.37% more Jamaican dollars to purchase one USD, as the local currency gave up marginal ground in trading activity. The weighted average selling rate for US\$1 was J\$156.40 at the close of trading last Friday.

Selling	Close: 31/05/24	Close: 06/07/24	Change
J\$/US\$1	\$155.82	\$156.40	\$0.58
J\$/CDN\$1	\$112.82	\$115.05	\$2.23
J\$/GBP£1	\$199.38	\$199.35	(\$0.03)

Global Bond Prices

The bond market had some conflicting labour market data to digest last week and, at the end of the week, emerging market bonds rallied taking cues from the higher unemployment data. Data released early in the week showed that the U.S. economy saw a significantly higher-than-anticipated increase in job creation in May, alleviating concerns about a potential labour market slowdown and likely reducing the Federal Reserve's impetus to lower interest rates. The U.S. economy added 272,000 jobs in May, up from 165,000 in April and far more than expected compared to the Dow Jones consensus estimate for 190,000, the Labour Department's Bureau of Labour Statistics reported Friday. At the same time, the unemployment rate ticked up to 4.0%, the first time it has breached that level since January 2022. Economists had expected the rate to remain unchanged at 3.9%. The increase occurred although the labour force participation rate decreased to 62.5%, down 0.2 percentage points. Following the jobs report, the probability of a rate cut in September decreased to about 56%, according to the CME Group's FedWatch measure, which reflects traders' expectations in the fed funds futures market. However, at the end of the week, data on jobless claims showed that the number of Americans filing new claims for unemployment benefits rose last week. Jobless claims rose to 229,000 for the week ending June 1, 2024. Economists polled by Reuters had forecast 220,000 claims in the latest week. The four-week moving average of 222,250 decreased by 750 from the prior week. Notably, the labour market may not be as strong as what is being suggested by the job creation and the higher-than-expected unemployment data. Consequently, the jobs report offered evidence of an economic slowdown that could help ease inflation and trigger interest rate cuts. That said, US policymakers will meet for a two-day policy meeting this week and release an update to their rates forecasts. Investors are highly anticipating this release even as Canada and Europe have taken the stance to ease policy rates. Nonetheless, the Fed continues to encourage investors to remain patient.

As the markets processed the employment data alongside updated rate cut expectations, the J.P. Morgan Emerging Market Bond Index (EMBI) advanced slightly by 0.17% to 859.59. Similarly, the 10-year treasury yield declined last week

to close at 4.434%, a decrease from 4.572%.

Bonds	Current Rating	Indicative Price	Yield	Recommendation
ALSEA (7.75%) 2026	Ba3/Stable	104.20	5.91%	BUY
BACR (5.75%) 2026	BBB+/Stable	102.75	4.42%	BUY
BERMUD (3.72%) 2027	A2/Stable	98.25	4.43%	BUY
CHTR (4.20%) 2028	Ba1/Stable	97.50	4.94%	BUY
DOMREP (5.50%) 2025	BB/Stable	102.75	0.97%	BUY
DOMREP (5.50%) 2029	BB/Stable	101.00	5.25%	BUY
DOMREP (5.95%) 2027	BB/Stable	102.50	4.91%	BUY
DOMREP (6.00%) 2033	BB/Stable	100.50	5.92%	BUY
DOMREP (6.00%) 2028	BB/Stable	102.5	5.31%	BUY
DOMREP (6.88%) 2026	BB/Stable	104.25	4.14%	BUY
DOMREP (8.63%) 2027	BB/Stable	106.50	6.10%	BUY
GM (5.40%) 2029	Baa2/Stable	102.20	4.92%	BUY
GS (5.798%) 2026	A/Stable	103.40	4.13%	BUY
GS (3.85%) 2027	A/Stable	99.50	4.05%	BUY
JAMAN (7.63%) 2025N	BB-/Stable	104.25	3.55%	BUY
NFLX (5.88%) 2028	BBB/Stable	106.00	4.36%	BUY
NRG (3.86%) 2032	BB/Positive	88.75	5.71%	BUY
OPY (5.50%) 2025	Ba3/Stable	101.50	4.29%	BUY
PRIOBZ (6.13%) 2026	BB-/Stable	101.00	5.59%	BUY
PRMRPA (10.75%) 2028	B+/Positive	110.25	7.82%	BUY
PYPL (2.85%) 2029	A-/Stable	92.75	4.40%	BUY
SFC (5.30%) 2028	BB-/Positive	99.00	5.59%	BUY
TPHLTT (9.00%) 2029	BB/Stable	107.50	7.23%	BUY
TRAJAM (5.75%) 2036	BB-/Stable	92.75	6.62%	BUY
WBD(4.13%) 2029	BBB-/Stable	95.50	5.17%	BUY

Bonds	Current Rating	Indicative Price	Yield	Recommendation
FRICON (7.70%) 2028	B/Rwn ⁹	71.50	17.76%	HOLD
BANORT (5.75%) 2031	BB-/Stable	97.75	6.14%	SELL
CSOLNO (6.00%) 2027	B+/Stable	87.25	11.77%	SELL
PEMEX (5.35%) 2028	B+/Stable	92.00	7.91%	SELL

In a bid to contract the excess JMD liquidity from the maturity of the 13th-month CD that is scheduled to mature on the 10th of June, the BOJ also reopened the twenty-five (25)-month 8.5% CD maturing June 2026 this week. The average yield for this auction was 9.21% relative to the 9.08% twenty-five (25)-month auction, which occurred on the 13th of May. The auction was oversubscribed, with bids totaling J\$28.4Bn relative to the offer size of J\$18Bn, with the highest bid for full allocation being 9.69%.

Additionally, the GOJ 91-day and 182-day T-Bill auctions were oversubscribed; with both having an offer size of J\$700Mn, bids received amounted to J\$2.5Bn and J\$2.01Bn, respectively. The 91-day and 182-day auctions had an average yield of 8.23% and 8.43%, respectively.

GOJ Globals

Ticker	Maturity	Bid	Offer Yield*
JAMAN	2028	101.85	6.03%
	2039	115.75	6.27%
	2045	114.65	6.58%

*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
PBS	2025	6.50%	100.85	6.03%
BDHR	2027	8.15%	100.35	8.02%
SJPC	2032	8.85%	103.90	8.19%

Money Market

Last week, JMD money market liquidity decreased, while USD money market liquidity continued to fluctuate. As of June 7th, a total of J\$23.52Bn was in the market, as represented by the BOJ's aggregated current balances. The aggregated closing current account balance decreased by J\$16.67Bn from J\$40.19Bn week-over-week (WoW). The decline is due to salaries being paid out. On the other hand, USD money market liquidity continued to fluctuate week over week. On the demand side, broker demand for JMD remained relatively moderate, particularly for short-term funds, while broker market demand for USD continued to increase for longer-tenured funds.

Demand for money market instruments remains high with investors oversubscribing the recent BOJ and GOJ issues. The average yield from the BOJ's 30-day competitive price auction inched up 4 basis points to 10.02% versus 9.98% in the prior week. Bids received totaled J\$44.2Bn relative to the offer size of J\$38Bn resulting in a bid-to-cover ratio of 1.19.

The highest bid rate for full allocation was 10.30%, which dipped slightly from 10.349% in the prior week. The next auction date for the Bank of Jamaica 30-day CD will be held on the 12th of June.

⁹ Rating Watch Negative

Dates to watch this week

■ International ■ Local

June 2024				
MON	TUE	WED	THUR	FRI
10	11	12	13	14
	GBP Unemployment Rate (Apr)	HONBUN Dividend Distribution (\$0.03)	TTECH Annual / Extra-Ordinary General Meeting	EPLY Dividend Distribution (\$0.052) GK Dividend Distribution (\$0.55)
		US Fed Interest Rate Decision GBP GDP (MoM, YoY) (Apr) U.S. Core CPI (MoM, YoY) (May)	US Core PPI (MoM, YoY) (May) US PPI (MoM, YoY) (May)	

Recommendations

Ticker	Closing Price (June 11, 2024)	P/E	Avg. Sector P/E	Current Recommendation
CAR JA	\$9.03	12.43x	13.38x	BUY
CPJ JA	\$8.87	9.04x	13.38x	BUY
FESCO JA	\$2.94	14.27x	15.70x	BUY
GK JA	\$75.97	9.75x	15.05x	BUY
INDIES JA	\$2.42	15.14x	12.63x	BUY
JBG JA	\$32.90	6.87x	13.38x	BUY
KEX JA	\$10.65	14.59x	16.67x	BUY
LASM JA	\$5.98	10.38x	13.38x	BUY
SOS JA	\$1.65	13.82x	15.70x	BUY
SVL JA	\$22.90	23.47x	13.10x	BUY
SEP JA	\$79.63	20.47x	13.38x	BUY
HONBUN JA	\$8.24	15.85x	21.15x	BUY
SALF JA	\$3.70	19.17x	13.38x	SELL

Regional News

Guyana to Amend Laws To Facilitate Easy Extradition To US

Attorney General Anil Nandlall told the Caribbean Financial Action Task Force (CFATF) that Guyana would amend its extradition laws to allow for “easy” extradition of persons to and from the US. To bolster international cooperation in legal matters, Guyana is poised to enact comprehensive amendments to its extradition laws, making extradition easier to and from the country, particularly with the United States, Nandlall expressed at the CFATF 58th Plenary and Working Group Meetings in Trinidad on June 4, 2024. In Guyana, economic hardship for segments of the population, institutional weaknesses, criminal justice inefficiencies, as well as racial fractures in society provide fertile grounds for corruption. Furthermore, the scale of the informal and illegal economy is particularly notable, as it breeds criminal activities such as drug and human trafficking or illegal logging that are strongly associated with corruption and coercion. The amendments, particularly clause two of the Bill, aim to expand the admissibility of evidence in extradition cases. This includes documents, statements, or other evidence that identify and locate the person sought, a statement of facts of the case, and the legal provisions related to the offence and its punishment.

In recent years, the US has commended Guyana for facilitating the capture and extradition of a number of persons from Guyana to the US. At least one person had been extradited from the US to face a murder charge in Guyana, but the charge was eventually dismissed. The amendments to the current extradition laws create a model for future bilateral cooperation that should reduce Guyana’s attractiveness as a haven for criminals in the sovereign. That said, the sovereign still has a long way to go to counter international crime with the need to strengthen the integrity and capacity of Guyana’s criminal justice system. Guyana ranks 87 of 180 countries on Transparency International’s Corruption Perception Index for 2023. Its score improved marginally from 39 in 2021 to 40 in 2022 and 2023. That said, at a rank of 87, Guyana has moderately higher levels of perceived corruption when compared to peers like Trinidad (76), Jamaica (69), and Barbados (24) but fairs better than the Dominican Republic (123) and Mexico (126).

Source ~ Guyana Chronicle & NCBCM Research

IMF Board Concludes 2024 Article IV Consultation with Trinidad and Tobago

On May 8, 2024, the Executive Board of the International Monetary Fund (IMF) concluded the Article IV consultation with Trinidad and Tobago. The group noted that for the first time in a decade, Trinidad and Tobago is undergoing a gradual and sustained economic recovery. Real Gross Domestic Product (GDP) is estimated to have further expanded by 2.1% in 2023, reflecting a strong performance of the non-energy sector. Further to this, economic growth is projected to gain momentum in 2024, supported by the non-energy and energy sectors. Inflation has declined sharply, mainly due to decelerating global food and imported goods prices. Banks’ credit to the private sector continues to expand, and the financial sector appears sound and stable. Inflation is projected to remain low throughout 2024. The current account is estimated to have remained in a surplus in 2023, and international reserve coverage is adequate at 8.3 months of prospective total imports. However, the current account surplus will narrow mainly due to a decline in energy prices and energy exports, which is estimated at 5.7% of GDP in 2024. Overall, international reserve coverage is expected to remain adequate at 7.5 months of prospective total imports.

On the fiscal front, the fiscal deficit in FY 2023 continued supporting the recovery and was better than budgeted, while public sector debt remained below the authorities’ soft debt target. The fiscal position is projected to remain adequate, reaching a deficit of 2.7% of GDP in FY2024. This reflects lower energy revenues, increased capital spending, and a higher wage bill due to the long-standing public wage settlement with some unions. The balance of risks is tilted to the downside in the near term, but there are upside risks in the medium term. In the near term, downside risks stem from external factors affecting energy markets (e.g., an abrupt global slowdown) and domestic sources, such as disappointments in energy production (e.g., delays to new projects or unexpected disruptions to current production). In the medium term, upside risks stem from new natural gas projects and the implementation of planned structural reforms, which could boost growth.

Source ~ IMF

International News

Lagarde Faces Tough Time 'in charge' of ECB's Message

European Central Bank chief Christine Lagarde wore a necklace with the words "in charge" at Thursday's press conference but her guardedness underlined the difficulty of marshalling consensus when the outlook is murky and policymakers divided. The ECB had just gone ahead with its first interest rate cut since 2019 despite higher inflation expectations, partly to keep a pledge that many policymakers had made in public after agreeing it behind closed doors. However, the message came with caveats about domestic inflation and wages staying strong, and when Lagarde was asked whether more cuts would follow, she gave an answer that confused some market participants. Her caution illustrates the challenge facing Lagarde as she tries to maintain unity among the ECB's 26 rate-setters - some of whom regretted committing to Thursday's rate cuts several weeks in advance - and communicate their view. "Governing Council members are all over the place, they can't agree on the details so she probably had no alternative," said Erik F. Nielsen, UniCredit's chief economics advisor.

The immediate upshot is that the ECB has doubled down on its "data-dependency" mantra: the notion that it will not provide guidance about future policy moves but decide at each meeting based on incoming information. That is easier said than done with around a dozen national central bank governors and board members airing their opinions and preferences on a near-daily basis, as Lagarde acknowledged on Thursday. "I'm sure that you will hear some of my excellent colleagues take their view," Lagarde said. "It (the rate-cutting cycle) will 'take such time', or it will 'move at such speed'. I would caution against any such conclusion." Only hours after the meeting, some policymakers speaking on condition of anonymity said rates would most likely be held steady at the ECB's next meeting in July, with the focus now shifting to September.

Source ~ Reuters

Canada's Jobless Rate Ticks Up In May, Wage Growth Accelerates Too

Canada's jobless rate edged up to a more than two-year high in May and wage growth accelerated, data showed on Friday, giving two diverging signals on how the Bank of Canada will digest the reading for its next

rate decision in July. The unemployment rate was up to 6.2% from 6.1% in April, matching forecasts. The jobless rate, on an upward trend over the past year, has risen 1.1 percentage points since April 2023, Statistics Canada said. However, the average hourly wage growth for permanent employees accelerated to an annual rate of 5.2% from 4.8% in April, Statscan data showed. That growth rate was the highest since January's 5.3% rate. Rising unemployment is a sign in part of the economy buckling under the pressure of high interest rates. However, quicker wage growth, especially when growing faster than inflation, complicates the fight to rein in consumer price increases. Annual inflation in April stood at 2.7%. "Little bit of an ugly job report," said Jules Boudreau, senior economist, Mackenzie Investments. "The biggest worry is that the wages have gone up and that's a problem for the Bank of Canada," he said, adding that in the past the bank was hesitant to cut rates because wages were rising too quickly. Money markets, which had been betting for an over-50% chance of a rate cut in July, trimmed bets to 44% after the jobs data. The BoC had warned on Wednesday that if wage growth remains high it could slow progress on taming inflation and economists cautioned the bank should move slow with rate cuts. The BoC cut its key policy rate to 4.75% and indicated that further easing would be gradual and dependent on data. The bank will have another month's job data before its next rate decision announcement on July 24.

Source ~ Reuters

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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