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"Time is your friend; impulse is your enemy."
John Bogle

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

Raju Gunnings, FMVA
Senior Research Analyst
✉ Gunningsr@jncb.com

Thea Christian, CBCA, FMVA, CMSA
Senior Research Analyst
✉ Howardta@jncb.com

Sarayis Campbell, FMVA
Research Analyst
✉ Campbells@jncb.com

Shereese Bailey, CMSA, FMVA
Research Analyst
✉ Baileysd@jncb.com

Jamie Muir, FMVA
Research Analyst
✉ Muirja@jncb.com

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

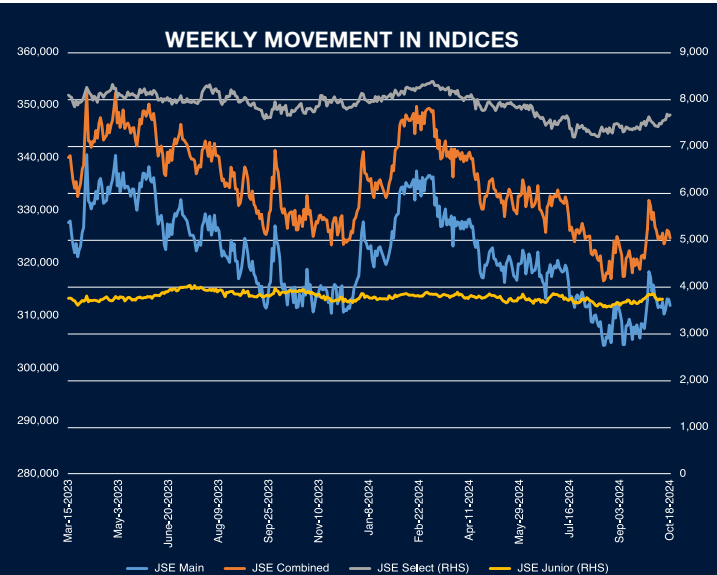
Early Earnings Releases Suggest Beryl Dealt a Blow to Quarterly Earnings

The September 2024 earnings season is underway and so far, earnings are mixed with Hurricane Beryl's impact and the prospects of a more favourable interest rate environment being major themes. The releases within the Energy, Industry & Materials (EIM), Financial Services (FS), and Entertainment sectors stock saw mixed earnings outcomes partly due to Beryl. However, several companies saw improved earnings, despite Beryl's negative impact on revenues and costs. FS stocks continue to show signs of life in early releases but are banking on market recovery to fuel a full earnings comeback over the next year. As we take a closer look at these key players and the drivers of their respective operating performance, might this be a September quarter to remember for some companies?

EMI stocks Carib Cement Company Limited (CCC) and Wigton Energy Limited (WIG) both faced revenue headwinds from Beryl but had different quarterly earnings outcomes. CCC's quarterly revenues are down 11.2%, due to reduced sales caused by Hurricane Beryl and intensive weather that delayed cement production after it concluded its routine shutdown and plant maintenance. Amid the Beryl-induced revenue declines, maintenance induced-COGS of \$4.45Bn (+27.9%) and higher SG&A expenses of \$0.42Bn (+14.5%), largely due to higher costs associated with its planned maintenance in August resulted in quarterly earnings slipping by 67.5% to \$0.63Bn. CCC routinely conducts maintenance to enhance its operational efficiency and boost production capacity to meet local market demand. During routine maintenance, the plant is shut down and cement is typically imported to offset demand which leads to a higher cost of goods

sold (COGS). However, there were several media reports of cement shortages during the quarter, which delayed construction activity on the island, suggesting contingency plans were not sufficient to meet demand. That being said, stronger earnings performances in Q1 and Q2 supported a 12.0% increase in Year-to-date (YTD) earnings to \$4.9Bn. Like CCC, WIG's quarterly earnings weakened by 32% amid Beryl-induced energy production downtimes. Beryl caused a 34.0% decrease in energy production in its September quarter, which contributed to a 32.5% decline in quarterly revenues to \$0.37Bn. However, unlike CCC, Wigton's June quarter earnings did not support a year-on-year earnings increase. The absence of a one-off tax income in 2024, following a reduced tax rate from 33.3% to 25% in 2023 meant WIG's net profit fell 67.0% to \$0.14Bn for the September quarter and \$38.6% to \$0.31Bn YTD.

Like EMI stocks, entertainment sector company SVL, also faced Beryl-induced headwinds to revenues and net profits. SVL lost \$1.00Bn in gross ticket sales due to damages to its retail networks in Clarendon, Manchester, St. Elizabeth, and Westmoreland sustained from Hurricane Beryl during the quarter. Nonetheless, SVL managed to keep quarterly revenue flat at \$25.53Bn compared to the same period in 2023. That said, direct costs, which include payouts to horse racing and agents' commissions were down 0.5% to \$10.46Bn, contributing to a 4.9% increase in operating profits to \$0.74Bn. Notwithstanding the 4.9% increase in operating income, a 55.1% increase in finance costs to \$0.20Bn led to a 7.6% decline in earnings for the September quarter. In addition to the Beryl-induced revenue shortfall, the results also reflect



MOVEMENT IN INDICES

JSE Indices	Closing Levels	WoW % Change	YTD % Change
Combined Index	330,905.57	3.11%	-2.43%
Main Market Index	317,594.25	3.13%	-2.49%
Select Index	7,668.51	1.42%	-5.56%
Junior Market Index	3,792.59	2.88%	-1.45%

WINNERS & LOSERS FOR THE WEEK ENDED NOVEMBER 01, 2024

	\$ Change	% Change
JFP	+\$0.24	+27.90%
MDS	+\$0.46	+25.0%
ISP	-\$6.28	-26.32%
MPCCEL	US-\$0.12	-18.45%

MARKET OVERVIEW

Last week, the stock market rebounded strongly, with all major indices advancing after four consecutive weeks of declines. The largest week-over-week (WoW) gains were seen in the JSE Cross-Listed Index (+5.12%) and the JSE USD Equities Index (+4.32%). Massy Holdings Limited (Massy; +5.83%), the largest constituent by market capitalisation, contributed to the increase in the Cross-Listed Index, alongside Guardian Holdings Limited (GHL; +3.56%), which released favourable Q3 earnings performance towards the end of the week. The appreciation in the JSE USD Equities Index was primarily driven by price increases in some of the largest cap USD stocks, including A.S. Bryden & Sons Holdings Limited USD (ASBH; +6.12%), Transjamaican Highway Limited (USD) (TJH; +2.83%), and Proven Group Limited USD (PROVEN; +15.76%). The increase in Proven's price was largely driven by high trading volumes on October 29, likely in anticipation of a potential dividend announcement following the board's upcoming meeting on November 7th to consider a dividend payment.

123 stocks traded during the week with 79 advancing, 33 declining, and 11 trading firm. Market volume amounted to 183.69Mn units valued at J\$1.72Bn, reflecting a 146.1% increase in volume, and a 300.1% increase in value relative to the prior week. Sagico Select Funds Limited – Financial (SELECTF), Transjamaican Highway Limited (TJH) and JFP Limited (JFP) were the volume leaders with 22.62Mn units (12.24%), 14.10Mn units (7.63%), and 14.05Mn units (7.60%), respectively.

Despite the WoW improvement in most indices, the market remains depressed year to date (YTD), with 7 of 9 market indices below where they started the year. The JSE Cross-Listed Index (-14.22%) saw the largest decrease, followed by the JSE Financial Index (-6.61%). The two YTD advancers were the JSE USD Equities Index (+2.24%) and the Manufacturing & Distribution Index (+2.03%). This indicates that recent gains have not yet offset the losses accumulated earlier in the year. However, the market has responded favourably to BOJ rate cuts, with all indices improving since the first cut on August 20, suggesting a positive shift in market sentiments. The Junior Market led gains with a 6.67% increase since the rate cut, followed by the USD Equities and Manufacturing & Distribution Indices which rose 6.64% and 5.01%, respectively.

a 51.8% earnings decline in the second quarter due to a one-off lottery surplus that was recorded in the prior year. As a result, SVL's revenue increased by just 0.8% for the nine months ended September 2024, but net profits declined by 17.9% YTD to \$1.70Bn compared to the previous year.

For the FS companies that have released interim reports thus far this earnings season, all three - Guardian Holding Ltd. (GHL), Mayberry Group (MGL), and QWI Investment (QWI) - saw improved bottom lines, fueled by higher net investment income, and fee and commission income. However, GHL was also materially impacted by Hurricane Beryl. GHL's quarterly earnings more than doubled to \$197.41Bn (+130.0%), owing to higher net income from investing activities (+3.8%) and higher insurance service results (+21.4%), which was partially offset by higher net insurance finance expenses (+57.7%) despite being impacted by Beryl-related claims from its Property and Casualty (P&C) segment during the quarter. This aligns with initial reports among local P&C insurance companies indicating a surge in insurance claims in the aftermath of the hurricane. Grace Kennedy (GK) Insurance, British Caribbean Insurance Company (BCIC), IronRock Insurance Company (ROC) and other major P&C insurance companies reported numerous claims related to wind and flood damage. Still, a robust earnings outturn during Q3 underpinned a 29.1% surge in YTD earnings to \$598.5Mn. QWI and MGL on the other hand were not materially impacted by Beryl. For the nine months ended September 2024, MGL for its part continues to report net loss attributable to shareholders of \$560.9Mn; however, this was down from the \$692.76Mn net loss, representing a 19.0% improvement from the period before. This outcome was supported by strong revenue growth fueled by higher interest income, consulting fee and commission income, net unrealised gain on financial instruments and investments in associates. QWI reported a full-year net profit of \$133.1Mn, which is a turnaround from the loss of \$44.1Mn reported

Current interest outlook supports a more favourable outlook for the stock market as valuations improve and investors' appetite for fixed income investment weakens due to lower rates. Additionally, improving market liquidity and attractive valuations augur well for demand from institutional investors. These factors point to the upside potential for local stocks and overall stock market activity.

one year prior. This improvement was bolstered by gains in investments due to improvements in the global and local markets.

Beryl's impact on earnings and the recovery among financial services stocks are likely to be a recurring theme for the remainder of the earnings season. Among manufacturing companies, GraceKennedy, Jamaica Broilers Group (JBG) Lasco Manufacturing (LasM), and Lasco Distributors (LasD) indicated they experienced minimal damage and resumed operations quickly, which could support a more stable and favourable September quarter. In contrast, other JSE-listed entities like Pan Jamaica Group through its stake in JP Farms, which faced significant agricultural losses of 90-95% could potentially see weaker revenue and earnings growth in the near term before a recovery. For property and casualty insurers, GHL's performance suggests there could be a spike in claims in the upcoming September earnings reports for companies exposed to the sector like GK, ROC, and General Accident (Genac). Other financial FS stocks like banks and investment houses are less likely to suffer materially from Beryl, but still, elevated interest rates could continue to suppress earnings, though earnings are expected to be better than in the June quarter as the Bank of Jamaica (BOJ) continues to lower interest rates, still, the overall impact on companies within the sector will depend on the composition of their investment portfolios and success in executing

strategic plans. Despite the resilience shown by companies in restoring operations, there remains a risk of weaker-than-expected earnings in September, which could prompt market overreactions and potentially present attractive BUY opportunities for long-term investors. Of note, the current interest outlook supports a more favourable outlook for the stock market as valuations improve and investors' appetite for fixed-income investment weakens due to lower rates. Additionally, improving market liquidity and attractive valuations augur well for demand from institutional investors. These factors point to the upside potential for local stocks and overall stock market activity.

Foreign Exchange Market

For the week ending November 01, 2024, the Jamaican dollar experienced fluctuations but ended the week giving up ground against the USD. The weighted average selling rate for US\$1 moved from \$159.01 on October 25, 2024, to J\$159.23, a 0.14% depreciation of the JMD against the USD relative to the prior week. Despite this depreciation, the currency demonstrates a degree of stability, supported by balanced demand and supply.

Selling	Close: 10/25/24	Close: 11/01/24	Change
J\$/US\$1	\$159.01	\$159.23	+\$0.22
J\$/CDN\$1	\$115.18	\$115.91	+\$0.72
J\$/GBP£1	\$205.70	\$205.69	-\$0.01

Global Bond Prices

Last week, the emerging market (EM) faced significant selling pressure as investors continued to position for a potential Republican win in the November 5th US election. Consequently, yields rose for EM bonds, including those from Jamaica (JAMAN), the Dominican Republic, Bermuda, Barbados, Trinidad & Tobago (TRITOB), Panama, and Costa Rica. Although most polls show a deadheat between Democrat Kamala Harris and Republican Donald Trump, rising yields last week reflected growing concerns that the Republican party will take control of both the White House and Congress in the upcoming election, potentially boosting the federal deficit and inflation. Similarly, the U.S. 10-year Treasury yields rose by 0.089% week-over-week, closing at 4.331%, up from the previous week's 4.242%, reflecting investor worries about potential election outcomes.

Additionally, although last week's economic data signalled that the economy is doing better than expected, investor's reaction to the data was dampened given that the unemployment numbers were distorted by severe hurricanes and a major strike at Boeing. Markets anticipate that the data should not influence the Federal Reserve's decision at its upcoming monetary policy meeting scheduled for November 7th. The preliminary reading for third-quarter GDP indicates that the U.S. economy remains robust, with real GDP growing at an annualised rate of 2.8%, exceeding economist expectations of 2.6% but falling short of the Fed's GDPNow estimate of over 3%. Personal income rose by 0.3% in September, consistent with expectations, following a 0.2% increase in August. Consumer spending also showed positive momentum, increasing by 0.5% in September, surpassing forecasts and improving from the previous month's 0.3% growth. Year-over-year, consumer spending has risen by 5.3%. In contrast, the labour market presented a mixed picture, as the U.S. economy added only 12,000 jobs in October, significantly missing consensus expectations of a 100,000 increase and marking the slowest pace of hiring since 2020 and initial jobless claims fell by 12,000 to 216,000, reaching the lowest level since May.

However, the Bureau of Labor Statistics cautioned that the report was influenced by hurricanes and the strike at Boeing. As a result, Fed policymakers are likely to take little signal from this data and stay in line with previous projections. According to the CME Fed watch tool, traders now believe that there is currently a 98.9% probability that the Fed will cut rates by 25bps, up from the 95.1% probability of a 25bps rate cut a week prior (October 25, 2024).

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
ALSEA (7.75%) 2026	Ba3/Stable	105.50	4.96%	BUY
BACR (5.75%) 2026	A/Stable	104.75	3.06%	BUY
BERMUD (3.72%) 2027	A2/Stable	101.50	3.01%	BUY
BERMUD (4.75%) 2027	A2/Stable	103.75	3.79%	BUY
CHTR (4.2%) 2028	Ba2/Stable	100.25	4.12%	BUY
CWCLN (6.88%) 2028	BB-/Stable	103.00	5.71%	BUY
DOMREP (6.88%) 2026	BB/STABLE	102.75	4.78%	BUY
DOMREP (5.50%) 2029	BB/STABLE	104.75	3.69%	BUY
DOMREP (5.95%) 2027	BB/STABLE	104.25	5.36%	BUY
DOMREP (6%) 2028	BB/STABLE	104.50	4.66%	BUY
DOMREP (6%) 2033	BB/STABLE	105.50	2.29%	BUY
DOMREP (8.63%) 2027	BB/STABLE	108.25	5.00%	BUY
GEOPAR (5.5%) 2027	B+/Stable	99.00	5.99%	BUY
GM (5.4%) 2029	Baa2/Stable	99.25	5.23%	BUY
GS (3.85%) 2027	BBB/Stable	104.00	3.43%	BUY
GS (5.8%) 2026	BBB/Stable	102.00	2.91%	BUY
LTMCI (7.88%) 2030 (NEW!)	BB-/Positive	103.50	7.09%	BUY
M (5.88%) 2030	BBB-/Stable	100.50	5.76%	BUY
NFLX (5.88%) 2028	A/Stable	110.25	3.14%	BUY
NFLX (4.38%) 2030	A/Stable	105.50	3.77%	BUY
NRG (3.88%) 2032	BB/Positive	94.75	4.74%	BUY

1 **Issuer-** LATAM Airlines Group S.A., **Industry-** Airline, **Type-**Senior Secured, **Callable-**Yes, **Coupon Rate-** 7.875%, **Coupon Payment-** Semi-annually, **Maturity-** April 15, 2030, **Risk Profile - Moderate**

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
PRIOBZ (6.13%) 2026	BB-/Stable	103.75	3.66%	BUY
PRMRPA (10.75%) 2028	B+/Stable	110.75	7.41%	BUY
PYPL (2.85%) 2029	A-/Stable	96.75	3.58%	BUY
SFC (5.3%) 2028	BB-/Positive	101.50	4.83%	BUY
TPHLTT (9%) 2029	Ba3/Stable	108.25	6.93%	BUY
TRAJAM (5.75%) 2036	BB/Positive	95.00	6.35%	BUY
TRITOB (4.5%) 2026	BBB-/Stable	101.75	3.45%	BUY
BEEFBZ (4.88%) 2030	BB/Stable	85.65	7.22%	BUY
KINGAIR (6.88%) 2036 (NEW!)²	BB/Stable	104.00	6.27%	BUY
BANORT (5.75%) 2031	Baa2/Positive	97.25	1.61%	SELL
CSOLNO (6%) 2027	B+/Stable	14.00	278.81%	SELL
NFE (6.5%) 2026	B+/Stable	94.25	9.95%	SELL
NFE (6.75%) 2025	B+/Stable	94.25	9.91%	SELL

GOJ Globals

Ticker	Maturity	Bid	Offer Yield*
JAMAN	2028	103.50	5.22%
	2039	118.10	6.01%
	2045	117.85	6.32%

*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

2 Issuer- Kingston Airport Revenue Finance Limited, **Industry-** Airline, **Type-** Senior Secured Corporate Bond, **Callable-** Yes, **Coupon Rate-** 6.75%, **Coupon Payment-** Semi-annually, **Maturity-** December 15, 2036, **Risk Profile - Moderate**

Name	Maturity	Coupon	Price	Yield
BDHR	2027	6.50%	100.35	8.02%
SJPC	2032	8.15%	103.75	8.18%
PBS	2025	8.85%	100.85	6.03%

Money Market

Last week, liquidity in the JMD money market declined, as measured by the aggregated current balances held by Deposit-Taking Institutions (DTIs). As at November 01, 2024, the total aggregate current balance was J\$36.57Bn, down 16.8% compared to the previous week.

Demand for money market instruments moderated as yields declined, following two consecutive weeks of slight increases. The average yield from the most recent BOJ 30-day competitive price auction declined to 6.80% versus 6.84% the previous week. Despite the lower yield, the auction was oversubscribed. Total bids received amounted to J\$25.1Bn against an offer size of J\$15.0Bn and resulted in a bid-to-offer ratio of 1.67x relative to 1.16x the previous week. The higher ratio was largely due to a 59.5% WoW reduction in the offer size, which decreased from J\$37.0Bn the prior week. With the BOJ projecting a downward path for inflation, it is likely the Bank will continue to relax monetary policy, focusing on enhancing market liquidity and potentially reducing its policy rate further, especially if the Fed adjusts its benchmark rate at its meeting this week. As a result, certificate of deposit (CD) yields are expected to continue to decline. The next auction is scheduled for November 06, 2024.

Additionally, the GOJ has announced an auction to offer a total of J\$2.2B in T-bills to the market. There are three (3) tenors up for auction, with an offer size of J\$700Mn for the 91-day and 182-day tenors, respectively, and a 273-day offering of JMD\$800Mn. The subscription date for the auction is the 06th of November and will settle on the 08th. Like CDs, T-bill yields have trended down since the BOJ signalled its policy shift by announcing that it would begin easing market liquidity in June 2024. Since then, T-bill rates have moved from 8.23%, 8.43% and 9.12% on the 91-day, 182-day and 273-day tenors to 6.63%, 6.54% and 6.57% for the respective tenors.

Dates to watch this week

■ International ■ Local

November 2024

MON	TUE	WED	THUR	FRI
04	05	06	07	08
		GENAC Annual General Meeting (AGM)	SCI Dividend Payment Date (US\$0.00276 per share)	CAD Unemployment Rate (Oct)
		U.S. Presidential Election	UK BoE Interest Rate Decision (Nov) US Initial Jobless Claims US Fed Interest Rate Decision	

Recommendations

Ticker	Closing Price (November 04, 2024)	P/E	Avg. Sector P/E	Current Recommendation
GK	\$74.25	9.2x	14.3x	BUY
INDIES	\$3.00	19.0x	20.7x	BUY
KW	\$28.26	12.6x	10.7x	BUY
OMNI	\$3.37	9.8x	10.7x	BUY
TJH	\$1.05	17.1x	20.6x	BUY
SALF JA	\$3.32	14.4x	13.4x	SELL

Regional News

Brazil's Strong Labour Market Fuels Inflation Fears Ahead of Expected Rate Hike

Brazil's labour market is posting blockbuster numbers ahead of a central bank rate decision next week amid bets that the country's rate-setting committee will need to speed up monetary tightening due to inflationary risks. Brazil's jobless rate fell to 6.4% in the three months through September, statistics agency IBGE said on Thursday, October 31, below market expectations and marking the second-lowest unemployment level on record. The jobless rate was down from 6.9% in the April through June period and from 7.7% a year earlier, according to IBGE (the Brazilian Institute of Geography and Statistics). Economists polled by Reuters had projected an unemployment rate of 6.5%. That comes after data released on Wednesday showed that Latin America's largest economy created a net 247,818 formal jobs in September, the most since February and above analysts' estimates of a net 227,600.

However, the fact that Brazil's jobless rate has been hovering around historically low levels, and that job creation keeps surprising to the upside, is fueling market fears that the tight labour market could trigger inflationary pressures. "This improvement takes place in a delicate macroeconomic environment, where inflation and the cost of credit may require a more intense response from the central bank in adjustments to the interest rate," Jefferson Laatus, chief strategist at Laatus Group, said. "Especially if the increase in the number of workers puts pressure on consumption and makes controlling inflation difficult."

Last month, the central bank hiked its interest rate for the first time in more than two years, delivering a 25 basis-point increase of 10.75%. Market participants have fully priced in an acceleration in monetary tightening, with a 96% chance of a 50 basis-point increase at the central bank's rate-setting committee's meeting on November 6. The remaining 4% probability is of an even larger increase of 75 basis points.

Source ~ Reuters

Benign Inflation Outlook for Barbados in 2025

Price growth in Barbados is expected to average 2.1% in 2024 and 1.9% in 2025, down from 5.0% in 2023 projects Fitch Solutions. Barbados is heavily reliant on imports for both fuel and food and is therefore highly exposed to fluctuations in global commodity prices. As

a result, the ongoing normalisation in global fuel and food prices following Russia's invasion of Ukraine in 2022, alongside the dissipation of secondary effects, informs this benign outlook for inflation in the coming quarters. Fitch's Oil & Gas team projects that Brent crude oil prices will average USD78 barrel of crude oil (bbl) in 2025, down 3.7% from its 2024 forecast and 21.2% below the 2022 average of USD99.0/bbl.

Meanwhile, its Agribusiness team expects that the emerging La Niña cycle will have a mixed impact on global agricultural food prices, pointing to a broadly neutral effect on domestic food inflation. Additionally, robust foreign reserve levels will support the Central Bank of Barbados' (CBB's) mandate to protect the currency peg, which will, in turn, neutralise exchange rate-driven imported price pressures. That said, risks to these inflation projections are to the upside. While global energy and food prices will remain broadly stable in 2025, escalating geopolitical tensions in the Middle East pose persistent upside risks to oil prices.

Source ~ Fitch Solutions

International News

China's Manufacturing Activity Expands for the First Time in Six Months

China's manufacturing activity expanded for the first time in six months and services picked up in October, indicating that Beijing's latest stimulus measures are helping the battered economy turn a corner. The National Bureau of Statistics purchasing managers' index (PMI) on Thursday rose to 50.1 from 49.8 in September, just above the 50-mark separating growth from contraction and beating a median forecast of 49.9 in a Reuters poll. In a further encouraging sign, the non-manufacturing PMI, which includes construction and services, rose to 50.2 this month, after it dropped to 50.0 in September. Policymakers are banking that a last-ditch stimulus effort announced in late September will pull economic growth back towards this year's roughly 5% target and kick lending and investment back into gear, as a sharp property market downturn and frail consumer confidence continue to deter investors.

The mood in the manufacturing sector has been depressed for months by tumbling producer prices and dwindling orders, with industry plagued by the same lack of confidence that has held back investors and domestic consumers. There are early signs, however, that Beijing has switched into a higher stimulus gear to prop up the world's second-largest economy and

that confidence is slowly building. “50.1 is the smallest possible expansion for the PMI but nonetheless bucks expectations for continued contraction, and is a positive sign that the small bounce back of industrial production that we saw in September should continue,” said Lynn Song, chief economist for Greater China at ING. “Moving forward, we’ll need to see if the stimulus rollout can lead to a recovery of domestic demand to offset potentially softer external demand,” Song added.

Source ~ Reuters

when many Fed officials feel their inflation battle is close to complete and economic risks shifting towards the job market.

Source ~ Reuters

Recent Data Has Kept Fed Rate View, Soft Landing Intact

A data-heavy week has kept the U.S. Federal Reserve’s core view intact of an economy where price pressures continue to ease and the job market continues to bend but not break amid ongoing economic growth. Employment data for October was among the weakest of recent reports, with prior months revised lower and only 12,000 jobs added. The numbers were likely distorted by strikes, bad weather, and a notably low response rate to Bureau of Labor Statistics surveys. But on its own the October report pulled the three-month average of job gains to a pandemic-era low that is near the pace Federal Reserve officials feel is needed to keep up with population growth. Still, the unemployment rate held steady at 4.1%, and average hourly earnings grew at a 4% annual rate, both signs of what Fed officials hope is a job market that has gotten back to a normal sort of equilibrium that can be sustained. “In spite of the weak headline number, today’s report shouldn’t raise alarm bells for job seekers, workers, or policymakers yet...For now, a soft landing is still on the table,” wrote Cory Stahle, an economist with the Indeed Hiring Lab, in an analysis of the October employment numbers.

The Fed meets on Nov. 6-7, a session delayed a day for Tuesday’s presidential election. U.S. central bankers are expected to reduce the benchmark policy rate by a quarter of a percentage point to a range of from 4.5% to 4.75%. Other data since the Fed’s September meeting has largely been in line with what policymakers said they were expecting. Inflation data issued on Thursday showed the Personal Consumption Expenditures price index rose at a 2.1% annual rate in September, near the 2% target set by the Fed for that index. A related measure excluding volatile food and energy prices and considered a better gauge of underlying inflation has been stuck for three months at a higher 2.7% level. But even with quarter-point rate reductions expected in November and at the Fed’s December meeting, monetary policy will still be considered tight at a time

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