

# ▶ Market Guide

## THIS ISSUE

### Dividend Payouts 'Coming in Clutch' as Stock Valuations Disappointed post-Covid

Foreign Exchange Market Summary

Money Market Update

Stock Recommendations

"Waiting helps you as an investor and a lot of people just can't stand to wait. If you didn't get the deferred gratification gene, you've got to work very hard to overcome that." - Charlie Munger

**Annya Walker, CFA**  
VP Strategy Research  
Innovation & Projects  
📞 (876) 935-2716  
✉️ [Walkerad@jncb.com](mailto:Walkerad@jncb.com)

**Raju Gunnings, FMVA**  
Senior Research Analyst  
✉️ [Gunningsr@jncb.com](mailto:Gunningsr@jncb.com)

**Thea Christian, CBCA, FMVA, CMSA**  
Senior Research Analyst  
✉️ [Howardta@jncb.com](mailto:Howardta@jncb.com)

**Sarayis Campbell, FMVA**  
Research Analyst  
✉️ [Campbellsm@jncb.com](mailto:Campbellsm@jncb.com)

**Shereese Bailey, CMSA, FMVA**  
Research Analyst  
✉️ [Baileysd@jncb.com](mailto:Baileysd@jncb.com)

**Jamie Muir, FMVA**  
Research Analyst  
✉️ [Muirja@jncb.com](mailto:Muirja@jncb.com)

**Sean-Isaac Watson, CMSA**  
Research Analyst  
✉️ [Watsonsi@jncb.com](mailto:Watsonsi@jncb.com)

## Dividend Payouts ‘Coming in Clutch as Stock Valuations Disappointed post-Covid

Investing legend Benjamin Graham once said, “The true investor will do better if he forgets about the stock market and pays attention to his dividend returns ....”. Well, the last five years on Jamaica’s stock market have put that assertion to the test. A perfect storm of macroeconomic turmoil – fuelled by COVID, a bout of rising inflation, and an aggressive 13-month rate hiking cycle by the Bank of Jamaica (BOJ), left stock market valuations in the doldrums. Amid the depressed post-COVID valuations, recovering dividend payouts “came in clutch”, providing investors with much-needed income to help mitigate the blow of runaway inflation after the pandemic. In today’s article, we’ll examine how dividend payouts, particularly from the EIM and M&D sectors, helped offset the decline in market capitalisation over the past five years, and outline where opportunities might be for investors looking to position for long-term returns from both dividends and capital gains.

Since the onset of the pandemic, the performance of capital gains and dividend distributions from Jamaica Stock Exchange (JSE)-listed stocks has been markedly different. Over the 5 years since the onset of the pandemic, the total value of stocks on the market, as measured by market capitalisation has been down 23.2%. This decline was primarily influenced by weakened market sentiment toward Financial Sector (FS) Stocks, as regulatory interventions and policy actions from the BOJ placed limits on their ability to make dividend payouts during the

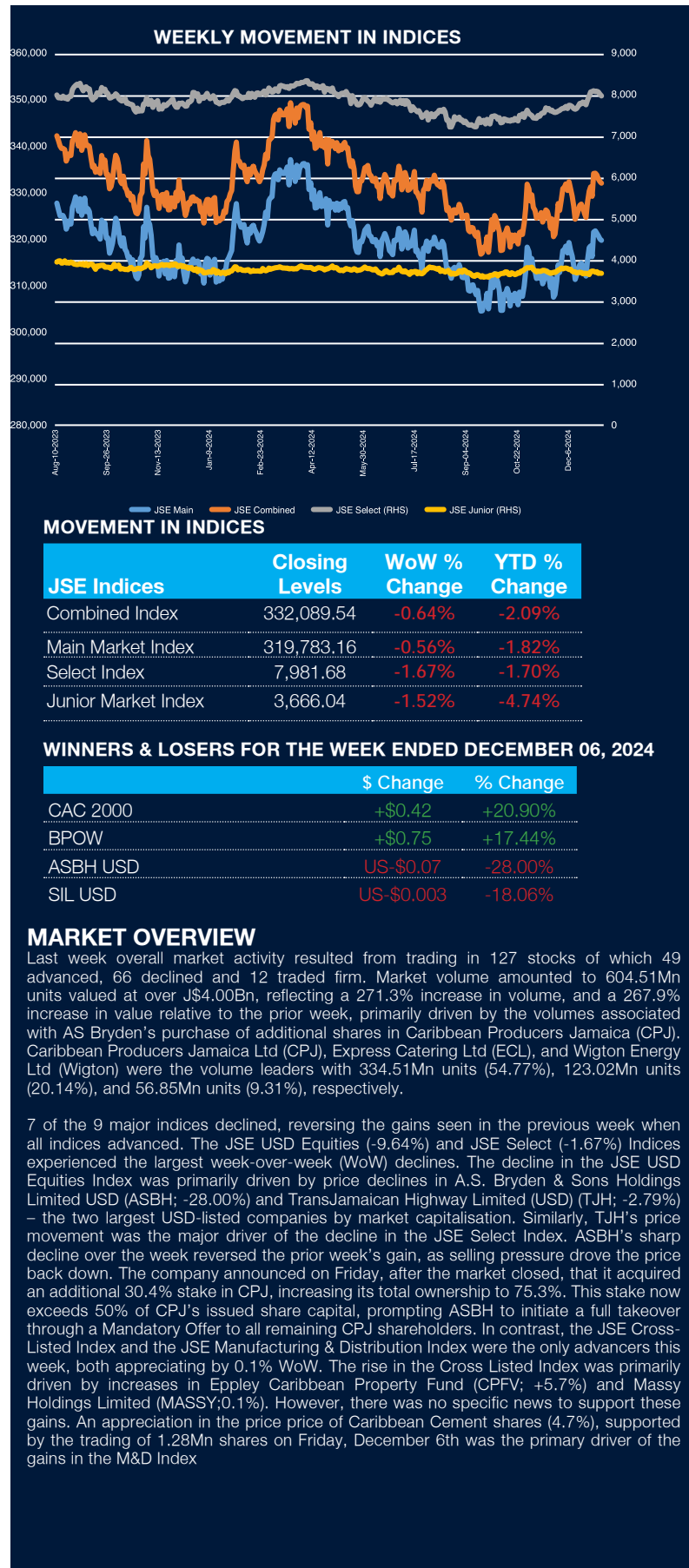
pandemic to preserve capital and to see an earlier rebound in profitability. These interventions and policy actions included a temporary dividend suspension<sup>1</sup> during the pandemic and aggressive rate hikes to curb inflation post-pandemic. The rising interest rates caused narrowing spreads, reduced trading activity, and unrealised investment losses.

While stock market valuations dropped the ball, dividend payouts “came in clutch”, providing investors with well-needed cashflows that helped soften the blow of runaway inflation. Most notably, for the post-pandemic period between FY2020<sup>2</sup> and FY2024 – a period of elevated inflation for Jamaica – annual dividend payouts recovered to pre-pandemic levels, while valuations stayed depressed. Annual dividend payouts grew from \$34.07Bn in FY2020 to \$41.96Bn, reflecting a compound annual growth rate (CAGR) of 5.4%. While the inflation rate (+7.1%) over the same period was higher than the 5.4% dividend CAGR, it still helped investors, particularly those dependent on dividend payouts as a source of income to retain some purchasing power and keep up – albeit only partly – with rising living costs. Importantly, over a longer time frame, the inflation-beating benefits of dividends were more evident. Over the last 15 years, Annual dividend payouts grew by an average rate of 12.4%, outpacing the 6.3% inflation rate over the same period (See Chart 1).

As was the case with market capitalisation, dividend contributions from FS stocks underperformed, but other sectors chipped in. Rising

1 During Covid, the BOJ requested that financial institutions suspend dividend to conserve capital and support economic stability. This dividend suspension has since been lifted.

2 FY refers to the fiscal year ending September 2024. Therefore, annual Dividend payouts are measured under this convention and not by each company’s individual financial year.



dividend payouts from EIM and M&D stocks were sufficient to bridge the gap left by financial companies. On a cumulative basis, the total dollar value of dividend payouts to investors over the last 5 years reached \$173.83Bn, which is 5.7% higher than the \$164.5Bn in the 5 years prior. FS stocks, which are still responsible for nearly half of the dividend distributions disappointed, declining by (\$15.92Bn; -17.0%) over the period. However, EIM and M&D stocks picked up the slack. Each sector provided a sufficient boost to cash payouts to offset the slowing FS contributions. EIM sector stocks were particularly impressive, with dividend payouts to investors increasing five-fold. The sector outdid itself, distributing \$21.36Bn, relative to the \$4.03Bn in the 5 Years before the pandemic with the largest contributions coming from TJH (\$11.61Bn) and CCC (\$4.57Bn). TJH's dividend performance reflects the company's strong earnings growth thanks to a post-pandemic revenue rebound and significant cost reductions following the acquisition of its subsidiary JIO in December 2022<sup>3</sup>. CCC also enjoyed rising profitability, owing to higher operating margins and reduced finance costs as the company paid down its debts. Meanwhile, dividend growth from M&D stocks was also impressive. The sector increased its cumulative distributions to shareholders over the five-year period by 43.4% to \$43.54Bn. The robust dividend payouts were supported by cigarette distributor Carreras Limited (CAR) – a reliable dividend payer over the years – and growing distribution from Food M&D companies. Meanwhile, 5Y cumulative dividends from the Food M&D stocks doubled to \$21.53Bn, fuelled by rising earnings amid strong local and global demand, improved efficiency, and a period of favourable economic conditions, including GDP growth, rising wages, and low unemployment.

With dividend payers “coming in

**Importantly, over a longer time frame, the inflation-beating benefits of dividends were more evident. Over the last 15 years, total dividend payouts grew by an average rate of 12.4% annually, outpacing the 6.3% inflation rate over the same period.**

clutch”, investors had a positive response to some of the most reliable<sup>4</sup> dividend payers. 8 of the top 10 (80%) most reliable dividend payers in the post-COVID era saw their stock prices grow over the period. This was above the broader market's performance, where only half of all listed entities appreciated over the same period. On the other hand, when assessing stocks solely by dividend yields, only 6 of the 10 highest dividend-yielding stocks appreciated over the period. All four decliners had weaker cumulative operating cashflows post-Covid relative to the same pre-Covid interval, suggesting investors' preference for high-yielding stocks that also generate sufficient cashflows to support sustainable payouts in the long term.

With the BOJ's rate-cutting cycle well underway, the stage is set for continued dividend growth in the medium term and an eventual recovery in stock market valuations, particularly among FS, EIM and M&D stocks. As the stimulative effects of rate cuts permeate the broader economy, FS stocks, whose dividend payouts are down 35.5% from their peak of \$27.74Bn in FY2019, and their market cap down 48.4%, are expected to benefit from widening net interest margins, rising bond prices, and improved demand for credit. However, the pace of

recovery will vary depending on factors such as access to liquidity, the ability to reduce costs in line with falling interest rates and the impact on capital as the sector moves towards Basel III adoption. The M&D sector is also well-positioned for growth, as lower inflation and interest rates make expansion plans more affordable and improve consumer wealth and spending power. Likewise, the EIM sector should benefit from increased traffic, stronger construction demand, and a boost in global trade activity, all of which are supported by lower borrowing costs. Nonetheless, global and local macroeconomic risks could dampen the positive outlook for dividends and stock market valuations. The proposed tariffs from the incoming Trump administration could escalate trade wars between the US and its trade partners, posing headwinds to growth and reigniting inflation, which could slow the pace of interest rate reductions. Furthermore, a sustained contraction in the economy could slow wage growth, weaken consumer demand and impede companies' earnings, dividend and valuation growth.

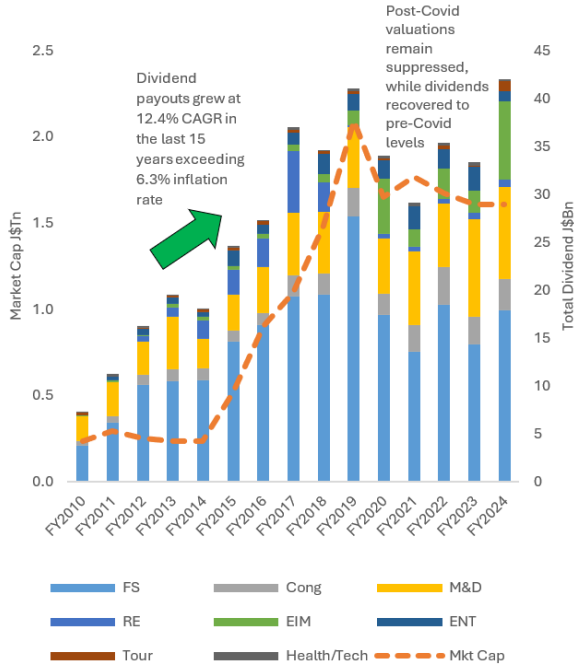
That being said, while a perfect storm of COVID, runaway inflation and aggressive BOJ rate hikes over the last five years hindered capital gains for Jamaican stocks, recovering dividend payouts in the post-COVID era helped investors cope with rising living costs. Dividends from EIM and M&D sectors compensated for the sharp decline of FS stocks and investors rewarded some of the most reliable dividend-paying stocks over the period. Looking ahead, as the Bank of Jamaica's rate-cutting cycle takes effect, the stage is set for greater returns for investors from continued dividend growth and a gradual recovery in stock valuations, particularly in the FS, EIM and M&D sectors especially if major risks don't materialise. With this in mind, there will be opportunities for the patient/long-term investor to generate positive returns from dividend

<sup>3</sup> The acquisition of Jamaica Infrastructure Operators (JIO) allowed TJH to modify fees which ultimately led to the elimination of direct and variable costs totalling \$19.69Mn in FY2022.

<sup>4</sup> Reliable dividend payers refer to companies that paid dividends for each of the last 5 years, have a payout ratio above 20% and are generating enough cashflows to support continued dividend distribution.

payouts as well as capital gains, as the stock market gradually recovers from the 5-year slump induced by Covid, inflation and aggressive rate hikes.

**Chart 1: Annual Dividends By Sector and Market Cap**



## Foreign Exchange Market

The Jamaican dollar appreciated against the US dollar last week (0.46%), with the USD selling rate moving from J\$157.26 on the 29th of November to J\$156.53 on the 6th of December. The JMD/USD exchange rate is expected to remain within this range during the Christmas season as USD supply remains robust due to increased tourism activity.

Selling	Close: 12/29/24	Close: 12/06/24	Change
J\$/US\$1	\$157.26	\$156.53	-\$0.73
J\$/CDN\$1	\$113.39	\$111.74	-\$1.65
J\$/GBP£1	\$201.92	\$200.26	-\$1.66

## Global Bond Prices

Last week, all eyes were on the United States' (U.S.) labour market data, in an attempt to decipher what the Federal Reserve's (Fed) next move is likely to be in its upcoming meeting on December 18th. Labour market data released over the week was mixed. On Tuesday, the JOLTS (Job Openings and Labor Turnover Survey) report revealed that job openings increased to 7.7Mn in October, surpassing both expectations and the previous month's figure of 7.4Mn. Further insights into the labour market were provided by the ADP employment report for November, which indicated that private-sector employers added 146,000 jobs, slightly below the expected

158,000 and down from the revised October figure of 184,000. Furthermore, the November nonfarm payrolls report revealed a rebound in job growth, with the U.S. economy adding 227,000 jobs, exceeding the 200,000-consensus estimate. Revisions to the prior two months' data also resulted in higher-than-expected job gains. However, the U.S. weekly jobless claims also rose by 9,000 to 224,000 for the week ending November 30, surpassing the anticipated 215,000 claims. Overall, the strength of the U.S. labour market continues to fuel economic expansion and despite the mixed results, the Federal Reserve remains on track to cut interest rates by another quarter percentage point provided there are no upside surprises to inflation. Investors are now looking ahead to upcoming consumer and producer price data, key indicators before the Federal Reserve's final interest rate decision for the year on December 18. A 0.3% monthly increase in the Consumer Price Index (CPI) is expected, which would push the year-over-year headline CPI to 2.7% from 2.6%, while core CPI is forecast to remain stable at 3.3%.

Notwithstanding the mixed labour market data and anticipated uptick in YoY headline inflation, markets still believe there is a high probability that the Fed will cut rates in December. According to the CME FedWatch Tool, markets are now pricing in an 86.0% probability that the Fed will cut rates to 4.25%-4.50% on December 18, 2024, up from the 66.0% probability of a 25bps rate cut a week prior (November 29, 2024). The market's expectation of a December rate cut is also evidenced by the decline in Treasury yields last week. The 10-year treasury closed lower last week moving from 4.205% to 4.155%, as investors reacted to labour market conditions. Similarly, yields on Caribbean sovereign notes also declined, including notes from Jamaica, Bermuda, Barbados, Bahamas, and the Dominican Republic, particularly on the longer end of the curve. The lower yields and price upticks suggest increased investor appetite for these Bonds and their willingness to lock in still-elevated yields, given the expectation for interest rates to decline further.

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
ALSEA (7.75%) 2026	Ba3/Stable	105.00	5.09%	BUY
BACR (5.75%) 2026	A/Stable	104.50	3.07%	BUY
BERMUD (3.72%) 2027	A2/Stable	101.00	3.22%	BUY
BERMUD (4.75%) 2027	A2/Stable	102.25	4.16%	BUY
CHTR (4.2%) 2028	Ba2/Stable	100.75	3.95%	BUY
CWCLN (6.88%) 2028	BB-/Stable	103.00	5.68%	BUY
DOMREP (5.50%) 2029	BB/STABLE	101.75	5.03%	BUY
DOMREP (5.95%) 2027	BB/STABLE	104.00	3.96%	BUY
DOMREP (6%) 2028	BB/STABLE	104.25	4.70%	BUY
DOMREP (6%) 2033	BB/STABLE	102.75	5.58%	BUY

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
DOMREP (8.63%) 2027	BB/STABLE	107.50	5.19%	BUY
GEOPAR (5.5%) 2027	B+/Stable	100.00	5.50%	BUY
GM (5.4%) 2029	Baa2/Stable	98.75	5.28%	BUY
GS (3.85%) 2027	BBB/Stable	101.75	2.99%	BUY
GS (5.8%) 2026	BBB/Stable	104.25	3.14%	BUY
LTMCI (7.88%) 2030 (NEW!) <sup>5</sup>	BB-/Positive	106.00	6.52%	BUY
M (5.88%) 2030	BBB-/Stable	100.50	5.76%	BUY
NFLX (5.88%) 2028	A/Stable	108.00	3.67%	BUY
NFLX (4.38%) 2030	A/Stable	104.50	3.96%	BUY
NRG (3.88%) 2032	BB/Positive	93.50	4.96%	BUY
PRIOBZ (6.13%) 2026	BB-/Stable	104.25	3.18%	BUY
PRMRPA (10.75%) 2028	B+/Stable	111.00	7.27%	BUY
PYPL (2.85%) 2029	A-/Stable	96.00	3.77%	BUY
SFC (5.3%) 2028	BB-/Positive	102.00	4.66%	BUY
TPHLLT (9%) 2029	Ba3/Stable	109.00	6.72%	BUY
TRAJAM (5.75%) 2036	BB/Positive	97.75	6.02%	BUY
TRITOB (4.5%) 2026	BBB-/Stable	101.75	3.39%	BUY
BEEFBZ (4.88%) 2030	BB/Stable	85.65	7.22%	BUY
KINGAIR (6.88%) 2036 (NEW!) <sup>6</sup>	BB/Stable	106.50	5.98%	BUY
BANORT (5.75%) 2031	Baa2/Positive	98.25	1.48%	SELL
CSOLNO (6%) 2027	B+/Stable	14.00	307.28%	SELL
NFE (6.5%) 2026	B+/Stable	96.75	8.51%	SELL

<sup>5</sup> 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**

<sup>6</sup> 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**

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
NFE (6.75%) 2025	B+/Stable	97.00	8.32%	SELL

## GOJ Globals

Ticker	Maturity	Bid	Offer Yield*
JAMAN	2028	103.75	5.05%
	2039	118.50	5.96%
	2045	118.50	6.26%

\*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%	103.75	8.18%

## Money Market

Amid lower point-to-point inflation and the BOJ's third policy rate cut since August 2024, demand for money market instruments remained high, as evidenced by the oversubscription in the BOJ's latest 30-day Certificates of Deposit (CD) Auction. Total bids amounted to J\$49.4Bn relative to the \$39.0Bn issue size, implying a bid-to-offer ratio of 1.27x (1.83x the previous week). Despite the oversubscription, the average yield from the BOJ 30-day competitive price auction inched up 3bps week over week to 6.73% on December 04, 2024. That said, with the BOJ continuing to focus on enhancing market liquidity and the increased likelihood for further policy rate cuts in December, both locally and in the United States (U.S.), yields on CDs are expected to continue an overall downward trend. The next auction date for the Bank of Jamaica 30-day CD is December 11th.

There were also auctions of GOJ 91-day and 182-day treasury bills last week; both had an offer size of J\$700Mn. The auctions were oversubscribed with bids received totaling J\$2.8Bn and J\$3Bn, for the 91-day and 182-day tenors respectively. The average yield for the 91-day tenor was 6.28% and 6.17% for the 182-day tenor, with the average yield falling by 113 bps (7.41%) and 115 bps (7.32%) respectively, relative to the November auctions.

# Dates to watch this week

■ International ■ Local

## December 2024

MON	TUE	WED	THUR	FRI
<b>09</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>
FOSRICH Dividend Payment Date (J\$0.015 /share)		PBS Annual General Meeting	QWI Dividend Payment Date (J\$0.025 /share)	NCBFG Dividend Payment Date (J\$0.50 /share)
		US CPI (MoM, YoY) (Nov) CAD BoC Interest Rate Decision	US PPI (MoM, YoY) (Nov)	UK GDP (MoM, YoY) (Oct) UK Trade Balance (Oct)

## Recommendations

Ticker	Closing Price (December 06, 2024)	P/E	Avg. Sector P/E	Current Recommendation
GK	\$77.02	9.1x	16.8x	<b>BUY</b>
INDIES	\$3.18	20.2x	21.1x	<b>BUY</b>
LASD	\$4.24	10.9x	13.3x	<b>BUY</b>
OMNI	\$1.04	15.5x	21.8x	<b>BUY</b>
SALF	\$3.74	20.8x	13.3x	<b>SELL</b>

## Regional News

### Guyana Hints at Trade Barriers Against T&T and Other CARICOM Countries

Guyana has hinted at the possibility of imposing restrictions on Trinidad and Tobago, along with other Caribbean Community (Caricom) countries, if they continue to impose barriers that hinder the export of Guyanese products within the 15-member regional integration grouping. “It’s time for reciprocity in many areas. If you don’t take our stuff, we’re not going to allow free access to your products,” Vice-President Bharrat Jagdeo told the Guyana Manufacturing and Services Association (GMSA) Presentation Awards Dinner on Thursday night. His statement was made in response to a concern raised by Lesley Ramlall, a local manufacturer behind the Only Coconuts brand. Jagdeo, in acknowledging the concern, noted it is a long-standing issue and that such issues must be raised in the public domain to place pressure on countries acting against the cooperative spirit of Caricom.

Earlier this week, the GMSA expressed concern regarding the ongoing industrial action at the Port of Spain port in Trinidad and Tobago, saying it has severely disrupted regional trade and impacted businesses in Guyana. In a statement, the GMSA said that the industrial action over payment of salary increases has been persisting for over two months, causing significant delays in the clearance of containers carrying raw materials and time-sensitive goods. “As a result, manufacturers and businesses in Guyana are incurring substantial financial losses, particularly during this critical Christmas season when import volumes are significantly higher. These delays have also contributed to price increases for consumer goods, including basic necessities, as businesses are forced to navigate higher costs associated with supply chain disruptions,” the GMSA said.

Source ~ Trinidad Express

### Antigua and Barbuda Government Launches \$1Bn Tourism Investment Plan for 2025

The government of Antigua and Barbuda has unveiled an ambitious \$1Bn investment plan for the tourism sector, set to transform the nation’s economic landscape over the next three years. Announced during the 2025 Budget Statement, Prime Minister Gaston Browne detailed the upcoming projects, which include luxury resorts, expanded infrastructure, and initiatives to empower local entrepreneurs. The plan

includes the construction of iconic properties such as the One & Only at Half-Moon Bay, the Rosewood Barbuda, and the Marriott at Yeptons. These projects, set to begin in 2025, will create thousands of jobs and opportunities for local businesses. Browne highlighted initiatives at Pensioners Beach, Morris Bay, Willoughby Bay, and Shell Beach, where Antiguans and Barbudans can invest in Airbnb properties and residential developments. He also announced plans to establish a golf course on Barbuda’s northwestern coast, with lots made available for Barbudans to construct properties and participate in the lucrative tourism sector.

Barbuda is central to the tourism investment strategy, with \$300Mn allocated to the Peace, Love and Happiness (PLH) project in 2025. Browne noted that Barbuda has become a “beacon of progress,” with over \$1.5Bn already invested in the PLH Development and \$57Mn in the Paradise Found Resort. These projects are expected to generate significant employment and economic activity, positioning Barbuda as a key driver of national prosperity. Infrastructure development will also play a critical role in supporting tourism growth. The recently inaugurated Barbuda International Airport, named the Burton-Nibbs International Airport, is set to undergo further expansion in 2025. The airport’s extended runway will enhance connectivity and solidify Barbuda’s status as a luxury destination.

Source ~ Antigua Newsroom

## International News

### OPEC+ Delays Oil Output Hike Until April, Extends Cuts Into 2026

OPEC+ on Thursday pushed back the start of oil output rises by three months until April 2025 and extended the full unwinding of cuts by a year until the end of 2026 due to weak demand and booming production outside the group. OPEC+ groups the Organization of the Petroleum Exporting Countries and allies such as Russia. Despite the group’s supply cuts, global oil benchmark Brent crude has mostly stayed in a \$70 to \$80 per barrel range this year. “They have been talking about this (output hike) since June but they are still delaying,” said Bjarne Schieldrop, chief commodities analyst at SEB. “This means there is no upside to the oil price in the next couple of years.” Schieldrop said the oil market will now shift focus to the actions of U.S. President-elect Donald Trump, who could impose new sanctions on Iran, tariffs on China

and has pledged an end to the war in Ukraine.

OPEC+ members are holding back 5.86 million barrels per day of output, or about 5.7% of global demand, in a series of steps agreed since 2022 to support the market. The steps include cuts of 2 million bpd by the whole group, 1.65 million bpd of first stage of voluntary cuts by eight members and another 2.2 million of second stage of voluntary cuts by the same eight members. The gradual unwinding of 2.2 million of cuts will start from April 2025 with monthly increases of 138,000 bpd, according to Reuters calculations, and lasting 18 months until September 2026. OPEC+ also agreed to allow the United Arab Emirates to raise output by 300,000 bpd gradually from April until the end of September 2026, instead of the earlier plan to start it in January 2025.

Source ~ Reuters

### **China's Inflation Weakens as New Risks Cloud Horizon**

China's consumer inflation hit a five-month low in November as fresh food prices pulled back while factory deflation persisted, suggesting Beijing's recent efforts to shore up faltering economic demand are having only limited impact. The world's second-largest economy is bracing for likely fresh tariffs from a second Donald Trump White House and still dealing with other headwinds, suggesting more policy stimulus will be needed to shore up fragile growth. The consumer price index rose 0.2% last month year-on-year, data from the National Bureau of Statistics showed on Monday, below the 0.3% increase in October and a 0.5% rise forecast in a Reuters poll of economists. CPI fell 0.6% month-on-month, compared with a 0.3% fall in October and a forecast 0.4% decline. NBS statistician Dong Lijuan said the faster monthly fall in CPI was mainly due to a weather-related 2.7% decline in food prices.

Core inflation, excluding volatile food and fuel prices, edged up to 0.3% last month from 0.2% in October. In the factory sector, the producer price index fell 2.5% year-on-year in November, a slower decline than the 2.9% in October and the forecast 2.8% fall, but extending declines for 26 months. "Core inflation edged up and PPI deflation eased, suggesting that stimulus measures are supporting underlying prices pressures to some degree. Even then, we expect overcapacity will keep inflation low into 2025 and beyond," said Gabriel Ng, assistant economist at Capital Economics. Chinese government advisers are calling for an economic growth target of around 5.0% for 2025, pushing for stronger fiscal stimulus to

mitigate the impact of expected U.S. tariff hikes on the country's exports, Reuters reported. However, economists are still broadly gloomy about China's economic prospects, which face fresh trade tariffs from a new Trump presidency next year and a still shaky property sector. Fitch Ratings lowered its economic forecasts for China for 2025 to 4.3% from 4.5% and for 2026 to 4.0% from 4.3% on Monday, citing risks of even higher U.S. tariffs on Chinese goods.

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.

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.